



# FY 2026 Budget Book | City of Tucson

City of Tucson



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# ADOPTED BUDGET



FISCAL YEAR 2026

# City of Tucson

## City Managers Office and Directors



### OFFICIALS

City Manager, Timothy M. Thomure, P.E.  
Assistant City Manager/CFO, Anna Rosenberry, CPA  
Assistant City Manager, Liz Morales  
Assistant City Manager, Kristina Swallow  
City Attorney, Roi Lusk  
City Clerk, Suzanne Mesich

### COMMUNITY ENRICHMENT AND DEVELOPMENT

Housing and Community Development, Ann Chanecka  
Parks and Recreation, Lara Hamwey  
Planning and Development Services, Koren Manning  
Transportation and Mobility, Sam Credio  
Tucson Water, John Kmiec

### PUBLIC SAFETY AND JUSTICE

City Court, Joshua Halversen  
Public Defender, Mary Trejo  
Tucson Fire, Chief Sharon McDonough  
Tucson Police, Chief Chad Kasmar  
Public Safety Communication Center, Mike Garcia

### SUPPORT SERVICES

Business Services Department, Angele Ozoemelum  
Information Technology, Chris Mazzarella  
General Services Department, Carlos De La Torre  
General Services Department, Ross Adelman (Interim)  
Human Resources Department, Teri Traaen

### SPECIAL THANKS to the Budget and Financial Planning Team

Deputy Director, Vivian Newsheller  
Budget Manager, Roberta Sullivan  
Lead Budget Analyst, Celia Yang  
Lead Budget Analyst, John Luciani  
Budget Analyst, Jose Aldover





# CITY OF TUCSON OFFICIALS

Adopted Budget for Fiscal Year 2026



Honorable  
Regina Romero  
Mayor



Lane Santa Cruz  
Vice Mayor, Ward 1



Paul Cunningham  
Ward 2



Kevin Dahl  
Ward 3



Nikki Lee  
Ward 4



Rocque Perez  
Ward 5



Karin Uhlich  
Ward 6

## City Administration

*Timothy M. Thomure, P.E.*  
City Manager

*Anna Rosenberry, CPA*  
Assistant City Manager, CFO

*Liz Morales*  
Assistant City Manager

*Kristina Swallow*  
Assistant City Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Tucson  
Arizona**

For the Fiscal Year Beginning

**July 01, 2022**

*Christopher P. Morill*

Executive Director



# Introduction



# Transforming Organizational Culture

## The Culture Map

DEFINES THE VISION, MISSION, AND ULTIMATELY THE PRIORITIES FOR THE CITY OF TUCSON

THE CULTURE MAP CREATES THE FOUNDATION FOR STRATEGIC PLANNING AND ACTION AND GUIDES THE POSITIVE TRANSFORMATION OF ORGANIZATIONAL CULTURE BY OUTLINING THE COMMITMENT THAT THE LEADERSHIP MAKES TO THE EMPLOYEES AT ALL LEVELS, IN ALL DEPARTMENTS AND IN ALL LOCATIONS THROUGHOUT THE ORGANIZATION

## OUR VISION

Tucson- The Destination for Sustainable Living, Growth and Opportunities

## OUR MISSION

Deliver Exceptional Service to the People of Tucson

## OUR VALUES

Collaboration + Integrity + Excellence + Respect

## OUR PHILOSOPHY

Prepare Tucson for the future Safety, Well-Being, Transparency and Civility first.

Take pride in maximizing value to our community. Protect and serve our community with compassion and passion. Be flexible and create an inspiring place to work - hiring, developing and promoting the best. Build public confidence in government leadership through great stewardship. Build a strong community while respecting our history, culture, and environment. Lead Tucson's Economic Development as a partner in wealth creation and prosperity. Create fiscal, social and environmental sustainability.

### Our Work Environment

Accountability + Laboratory for Innovation + Continuous Improvement + Open, Honest and Production Communication

### Our Major Guiding Principle

One City... One Team  
(Tucson Empowers and Motivates)



### Our Priorities

Excellence Customer Service + Stable Finance Environment

# Strategic Goals and Initiatives



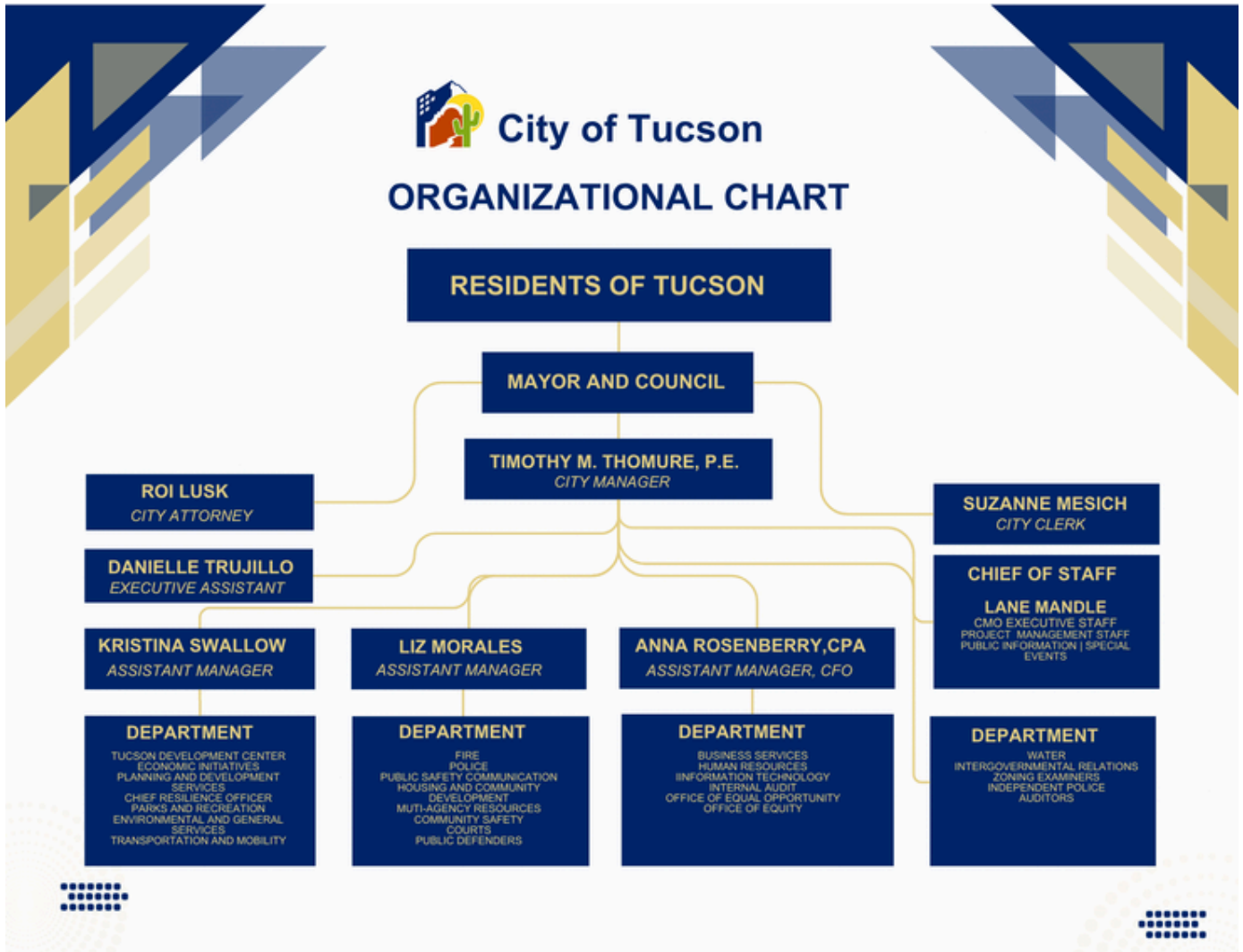
**Plan Tucson** is the City's comprehensive roadmap for shaping the community's future. It guides decisions and investments related to land use, transportation, connectivity, open space, housing, water, and more. The plan outlines clear goals, policy recommendations, and performance measures to inform the City's strategic direction.

Initially approved by voters in 2013, Plan Tucson is currently being updated to ensure it remains responsive to community needs and evolving challenges. It plays a critical role in shaping Tucson's growth and development, serving as a foundational document for both citywide initiatives, such as the General Plan, and more localized efforts, such as Area and Neighborhood Plans.

The plan's development involved extensive community engagement—including workshops, surveys, and stakeholder meetings—combined with in-depth analysis of demographics, infrastructure, and land use. This collaborative process shaped a shared vision for Tucson's future, by forming policies focused on key areas such as housing, transportation, sustainability, and equity. Public input refined the plan through multiple drafts, culminating in its approval by the Mayor and City Council.

Plan Tucson includes implementation tools and performance measures to track progress, support accountability, and adapt strategies as the city evolves.

View details of Plan Tucson: <https://www.plantucson.org>



## **City of Tucson Comprehensive Financial Policies** **Fiscal Year 2026**

These policies establish the framework for sound financial management and long-term fiscal sustainability. They support accountability, transparency, and consistency in budgeting, revenue, debt, reserves, investments, and internal controls. They shall guide staff, elected officials, and stakeholders in decision-making and will be reviewed periodically.

The following link provides access to the entire policy document.

[Exhibit\\_a\\_to\\_resolution\\_23954-1.pdf](#)

### **Budgetary Policies**

The City of Tucson is committed to maintaining a balanced budget, ensuring that expenditures do not exceed projected revenues, including available carryover balances from prior years. This policy applies to each individual fund, requiring that all funds remain structurally balanced. Additionally, one-time revenue sources will be allocated solely for one-time expenditures to prevent future financial imbalances arising from using temporary funding for ongoing costs.

In alignment with these principles, the City of Tucson has adopted a structurally balanced budget that incorporates long-term financial planning. The City remains dedicated to maintaining balanced operating budgets and proactively reducing liabilities.

<https://www.tucsonaz.gov/Departments/Business-Services-Department/Budget/Tentative-Budget-Adoption>

### **Revenue Diversification Policy**

The City of Tucson is committed to maintaining a broad and diversified revenue base to protect against economic volatility and ensure long-term financial stability. Revenue projections will be developed using conservative and realistic assumptions, grounded in historical trends, current economic conditions, and independent analyses, with all growth assumptions clearly justified and documented. To safeguard the City's structural balance, grant funds and other non-recurring revenues will be allocated only to one-time capital projects or special programs, and not for ongoing operational costs. This approach supports fiscal responsibility, reduces reliance on any single funding source, and ensures that temporary revenues are not used to create unsustainable financial commitments.

## **Fund Balance Policy**

The City amended its fund balance policy on June 17, 2025, to change its combined stabilization and unassigned reserve level requirement from a *percentage of revenues* to a *flat dollar amount*. This change allows future revenue growth to be used for community priorities while maintaining a strong reserve of \$142 million, equal to about two months of operating revenues.

Maintaining adequate reserves is essential for financial stability, creditworthiness, and risk mitigation. The City's General Fund unrestricted balance consists of:

- **Committed Fund Balance:** Mayor and Council action is required to "Commit" and "Uncommit" funds for a specific purpose. The City will maintain a stabilization fund or "Rainy Day Fund" as a Committed fund balance in the General Fund of \$87.9 million. The stabilization fund may only be used if specific action is taken by the Mayor and Council after the Unassigned/Contingency fund balance, detailed below, is depleted. In the event the stabilization fund must be used to provide temporary funding, the City must restore it to \$87.9 million over a period not to exceed five fiscal years following the fiscal year in which the event occurred. If the depletion of the stabilization fund was a result of an ongoing economic downturn the City's goal is to restore the fund balance within five years of revenue stabilization.
- **Assigned Fund Balance:** The Chief Financial Officer or Business Services Director will approve any designation to Assigned Fund Balance as deemed appropriate for potential future needs. Typically, the year-end Assigned Fund Balance represents amounts budgeted for use in the following fiscal year or for known expenditures in the near future. If the City Manager is recommending assigning a portion of the fund balance, Mayor and Council will be informed within 30 days prior to the finalization of the annual comprehensive financial report.
- **Unassigned Fund Balance:** An amount equal to \$54.1 million will be held as "Unassigned/Contingency", with the intention to provide additional stability to the General Fund recognizing the cyclical nature of the economy and the volatility of the City's major revenue sources. Funds in excess of the contingency will be retained in the Unassigned General Fund Balance and may be considered to supplement "pay as you go" capital outlay expenditures or may be used to prepay existing City debt. These funds may not be used to establish or support costs that are recurring in nature.

## **Capital Management Policy**

The City of Tucson shall adopt a multi-year Capital Improvement Program (CIP) aligned with strategic and infrastructure priorities, ensuring projects are funded through reliable sources and life-cycle cost analysis, while issuing debt only for capital projects with maturities not exceeding asset lives, prohibiting debt for operating expenses, maintaining prudent debt burden limits, and actively managing bond ratings to preserve financial flexibility and credit strength.

## **Investment Policy**

The City of Tucson's investment strategy prioritizes the principles of safety, liquidity, and return, in that order, ensuring that public funds are managed prudently to support operational needs while earning a competitive yield within acceptable risk parameters. Investments will comply with all applicable state statutes and internal City policies, including restrictions on eligible instruments such as U.S. Treasuries, government securities, certificates of deposit, and repurchase agreements. Portfolio limits will be established to reduce concentration risk and promote diversification. To safeguard public assets, all securities will be held by a third-party custodian under a formal agreement, with the City maintaining full control over transactions and requiring timely, transparent reporting. The City will provide periodic investment reports detailing portfolio holdings, maturity schedules, yields, and compliance with policy guidelines. Investment performance will be measured against appropriate market benchmarks to ensure accountability and adherence to best practices.

## **Expenditure & Purchasing Controls**

The City of Tucson is committed to maintaining strong expenditure controls that ensure accountability, efficiency, and alignment with strategic priorities.

### Expenditure Approvals & Authorization Levels

Departments shall establish and document clear authorization levels for expenditures, purchase orders, contracts, and change orders. These approval structures must ensure proper segregation of duties to safeguard against errors, misuse, or fraud.

### Procurement & Contracting Standards

All procurement processes will be conducted in a transparent, fair, and competitive manner, consistent with applicable laws and City policies. The City places special emphasis on promoting participation from local, small, minority-owned, and women-owned businesses to encourage economic inclusion and equity in contracting opportunities.

### Encumbrance Policy

The City shall employ encumbrance accounting to reserve budgetary funds for approved purchase orders and contracts. This practice prevents overspending, provides greater budgetary control, and ensures commitments are properly tracked against available appropriations.

### Expenditure Monitoring & Variance Reporting

The Finance Department shall monitor expenditures across all departments throughout the fiscal year. Departments are required to review their budgets regularly and provide explanations for significant variances. Corrective actions must be proposed and implemented to maintain fiscal discipline and ensure compliance with the City's financial policies.

## **General Accounting Policies**

The City of Tucson is committed to the highest standards of financial reporting and accountability. All financial statements will be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and comply with applicable pronouncements of the Governmental Accounting Standards Board (GASB) to ensure accuracy and consistency. An independent external auditor will be engaged annually to perform a comprehensive audit of the City's financial statements, evaluate internal controls, and review compliance with laws and regulations. Any audit findings will be addressed promptly to strengthen fiscal integrity.

Robust internal controls will be maintained over all financial operations, including accounts payable and receivable, payroll, procurement, asset management, and compliance functions. Periodic internal audits will be conducted to assess the effectiveness of these controls and mitigate risks. To promote transparency and public trust, the City will publish its Annual Comprehensive Financial Report (ACFR), budget documents, and key performance metrics, ensuring they are easily accessible to residents, stakeholders, and investors.

## **Operating Management Policies**

The City of Tucson recognizes that inter-fund transfers are sometimes necessary to allocate costs, support shared services, or ensure compliance with legal or policy requirements. All transfers between funds shall be clearly documented, justified by established policies or specific programmatic needs, and structured in a way that avoids creating an undue reliance on General Fund subsidies for enterprise or self-supporting activities. Transparency in documenting the purpose, amount, and duration of transfers will be maintained to strengthen accountability.

The City shall also ensure that Internal Service Fund charges—such as those for information technology, fleet maintenance, facilities, and centralized administration—are equitably allocated across departments. Charges will be based on a measurable factor.

## **Comparison of Budgetary & Accounting Policies**

The City of Tucson's Comprehensive Financial Policies shall be reviewed annually by the Business Services Department – Budget and Finance Division, in coordination with the City Manager, Mayor and Council. Recommended revisions will reflect evolving economic conditions, legislative changes, and operational needs, ensuring the policies remain current, effective, and aligned with best practices.

An exception and waiver process has been established to preserve flexibility while safeguarding accountability. Any exception to these policies must be fully documented in writing, include a clear justification, and receive approval at the appropriate level of authority (e.g., City Manager or Mayor and Council). All exceptions must be reported with complete transparency.

To promote consistency in application, policy communication and training will be provided to all relevant staff and department heads. New hires in financial, budgeting, or managerial roles will receive orientation on these policies as part of their onboarding process.

Finally, while the City's budget structure is designed to align with its financial reporting practices, differences may arise due to the accounting basis used in the Annual Comprehensive Financial Report (ACFR). These variances will continue to be disclosed and explained to ensure clarity and understanding for policymakers, staff, and the public.

# Community Profile

## Tucson: A Desert City of Sunshine, Culture, and Discovery

Tucson is the economic and cultural heart of a metropolitan area with more than one million residents. As Arizona's second-largest city and one of the longest continuously inhabited communities in the United States, Tucson boasts a history that spans over 4,000 years. With more than 350 days of sunshine and an average annual temperature of 70 degrees, the city is surrounded by majestic mountain ranges and offers year-round hiking, biking, golf, and other outdoor activities. Tucson's economy benefits from its strong aerospace and defense presence, robust logistics assets, and the intellectual capital of the University of Arizona, one of the nation's leading research institutions.

Tucson is recognized nationally as a hub for aerospace and defense, photonics and optics, renewable energy, and natural resources. Research, development, and advanced manufacturing in these sectors form major pillars of the local economy. Raytheon Missiles & Defense, with more than 12,000 employees, is Tucson's largest private-sector employer, and employment in the Aerospace and Defense cluster is nearly eight times the national average. Tucson's photonics and optics cluster also plays a critical role, with employment more than three times the national average. The city continues to emerge as a leader in renewable energy and natural resources technology, supported by assets such as the University of Arizona Tech Park and the Arizona Research Institute for Solar Energy.

Tucson's strategic location near the Mexican border, along with its proximity to Phoenix and California, makes it a natural logistics hub. The city's robust infrastructure—Tucson International Airport, the Union Pacific Railroad main line, Interstate 10, and Interstate 19—supports the movement of goods, services, and people throughout the region. For more information on Tucson's competitive advantages, visit [ConnectTucson.com](http://ConnectTucson.com).

Tucson's bold and distinctive culture inspires creativity, discovery, and economic vitality. A UNESCO City of Gastronomy, Tucson celebrates its agricultural heritage and culinary traditions with locally sourced foods and world-class dining. The city also offers a wide range of attractions and signature events, including Saguaro National Park, the Arizona-Sonora Desert Museum, the Tucson Museum of Art, Coronado National Forest, Mission San Xavier del Bac, and the Pima Air and Space Museum.

Major annual events such as the Tucson Gem & Mineral Show, the All Souls Procession, and the 4th Avenue Street Fair highlight the city's unique cultural landscape. Downtown Tucson continues to thrive, supported by the SunLink modern streetcar, which connects major employment, cultural, and entertainment districts with vibrant opportunities for dining, nightlife, shopping, and lodging.

Over the past decade, Tucson residents have supported transformative investments in infrastructure that fuel economic growth and enhance quality of life. Voter-approved initiatives have modernized roadways, bridges, transit, and public spaces. In May 2022, voters approved Proposition 411, extending an existing temporary half-cent sales tax for an additional 10 years. This measure is expected to generate \$740 million dedicated to neighborhood street improvements, traffic signal upgrades, and street safety projects.

These efforts build on the success of previous investments in streets, public safety, and parks, reflecting the community's commitment to a safer, more connected, and more resilient Tucson. Progress on these initiatives can be tracked through the Tucson Delivers interactive dashboard at [tucsondelivers.tucsonaz.gov](http://tucsondelivers.tucsonaz.gov)



# Tucson 2026 Major Events & Calendar Highlights

Event	Approximate Date(s)	Description / Significance
<b>Tucson Jazz Festival</b>	January 16 - 24, 2026	Nine days of jazz performances, art, food, cultural programming across downtown theaters and venues.
<b>Tucson Gem &amp; Mineral &amp; Fossil Showcase</b>	Late January - mid-February	Major gem/mineral trade show and public exhibits, attracting domestic and international visitors.
<b>Tucson Rodeo / La Fiesta de los Vaqueros</b>	February 21 - March 1, 2026	Annual rodeo events, parade (Feb 26), cultural activities and community celebrations.
<b>Fourth Avenue Spring Street Fair</b>	March 20 - 22, 2026	Street fair with artists, music, food, community participation, free to attend. (Recurring)
<b>Pima County Fair</b>	Mid-April 2026	County fair with exhibitions, concerts, rides, a major regional gathering.
<b>Summer Concerts &amp; Festivals</b>	Summer 2026 (ongoing)	Multiple concerts and festivals at venues like Rialto, arenas, outdoor parks.
<b>Seasonal &amp; Community Events</b>	Throughout 2026	Parks & Recreation events (free community events), festivals, neighborhood celebrations.
<b>Cultural &amp; Museum Events</b>	Ongoing	Rotating exhibits, talks, performances at museums, theaters, galleries across Tucson.

- **Visitor Attraction & Hotel Demand:** Major events like the Gem Show, Jazz Festival, and Rodeo Drive spike in lodging occupancy, restaurant and retail spending, and out-of-town visitation.
- **Revenue Generation:** Event registration fees, sponsorships, concessions, parking, and city service charges contribute directly to event-related revenues or cost recoveries.
- **Branding & Marketing Value:** High-profile events reinforce Tucson's identity as a cultural, desert-infused, vibrant city—bolstering tourism, recruitment, and business attraction.
- **Cost & Resource Planning:** Many events require City services—public safety, traffic control, sanitation, facility support—which should be budgeted in departmental operational plans.
- **Equity & Access:** Parks & Recreation's free community events promote inclusivity, bringing cultural and recreational access to all neighborhoods.

# City Government



The City of Tucson operates under a council–manager form of government, with policy direction provided by a Mayor and six-member City Council, and day-to-day administration overseen by a City Manager. The Mayor and Council hold legislative authority and set broad strategic priorities, while the City Manager implements them through management of departments, staff, and operations.

The current Mayor is Regina Romero, who works alongside Council members representing Wards 1 through 6. The City’s leadership is supported by a professional management team, including the City Manager, whose role is central to ensuring that city services, capital projects, and operational plans align with Council goals and financial policies.

Tucson is Arizona’s second-largest city, with a population of approximately 550,306 as of the 2025 Census. The broader Tucson metropolitan area encompasses over one million residents, making it a major hub in southern Arizona.

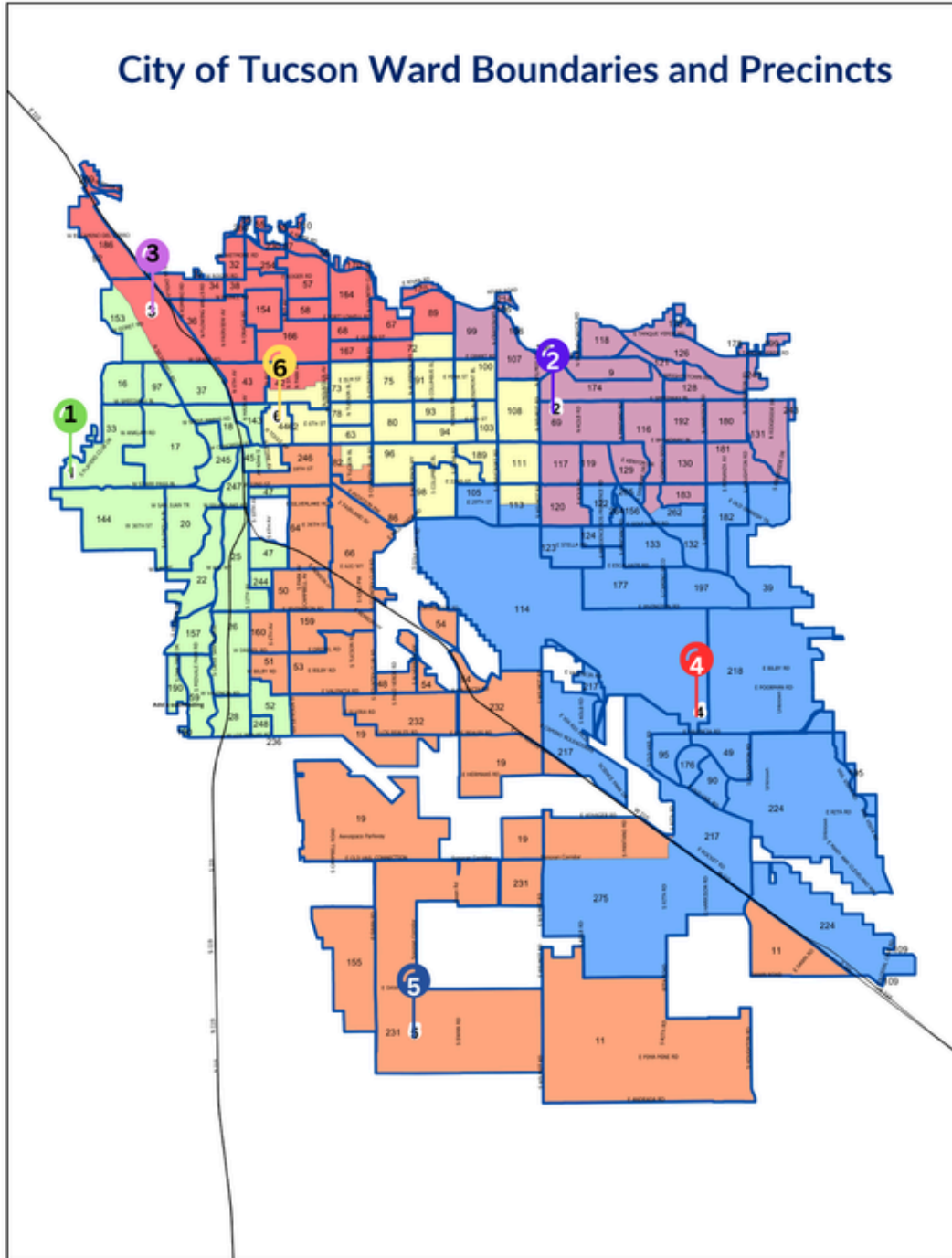
The city government manages a wide range of responsibilities spanning public safety, community development, infrastructure, parks, transportation, utilities, cultural affairs, and more. Departments such as Planning & Development Services, Housing & Community Development, Parks & Recreation, Public Safety Communications, Water, and Fire play key roles in delivering services and implementing capital investment.

Tucson’s governance structure is designed for accountability and transparency. The City’s official website provides access to Mayor and Council meetings, agendas, departmental contacts, and constituent resources. In addition, the City adheres to published financial policies, long-range planning, and performance reporting, maintaining strong fiscal discipline and public confidence.

As Tucson continues to grow and evolve, this structure enables the City to respond to emerging challenges—such as water sustainability, infrastructure needs, and housing growth—while upholding its mission to deliver essential services, promote equity, and advance the quality of life for all residents.

*Note: As of <https://worldpopulationreview.com/us-cities/arizona/tucson>*

# Demographics



Updated: 04/25/25

# Population



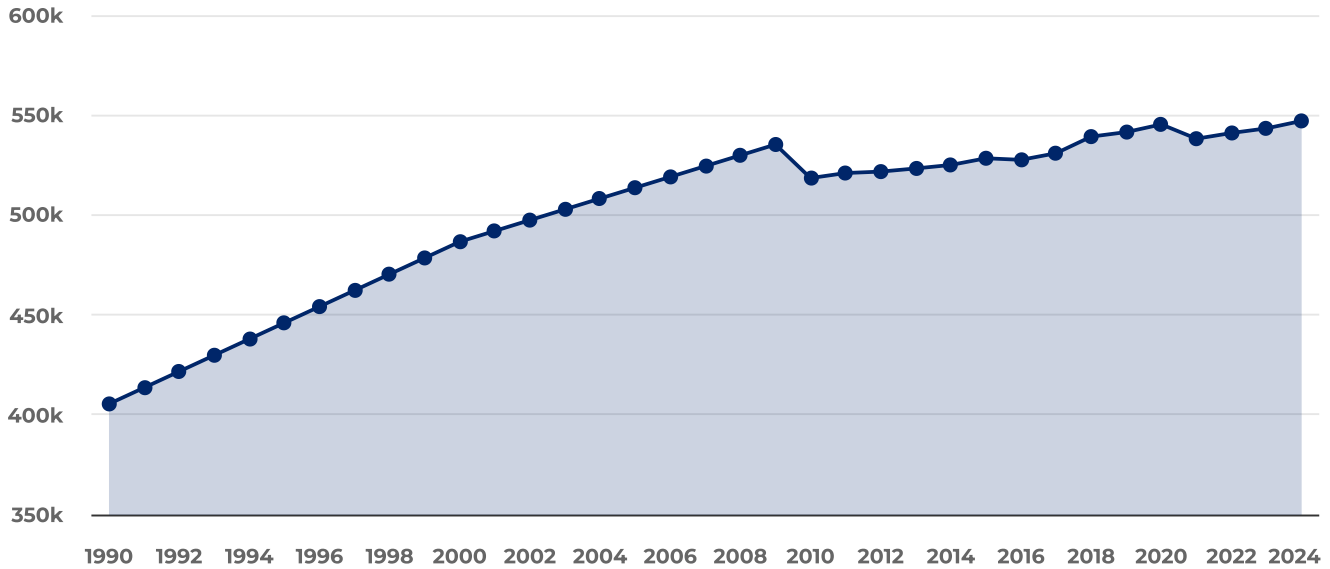
TOTAL POPULATION

**547,073**

**0.69%**  
vs. 2023

GROWTH RANK

**51** out of **92** Municipalities in Arizona



*\* Data Source: U.S. Census Bureau American Community Survey 5-year Data and the 2020, 2010, 2000, and 1990 Decennial Censuses*



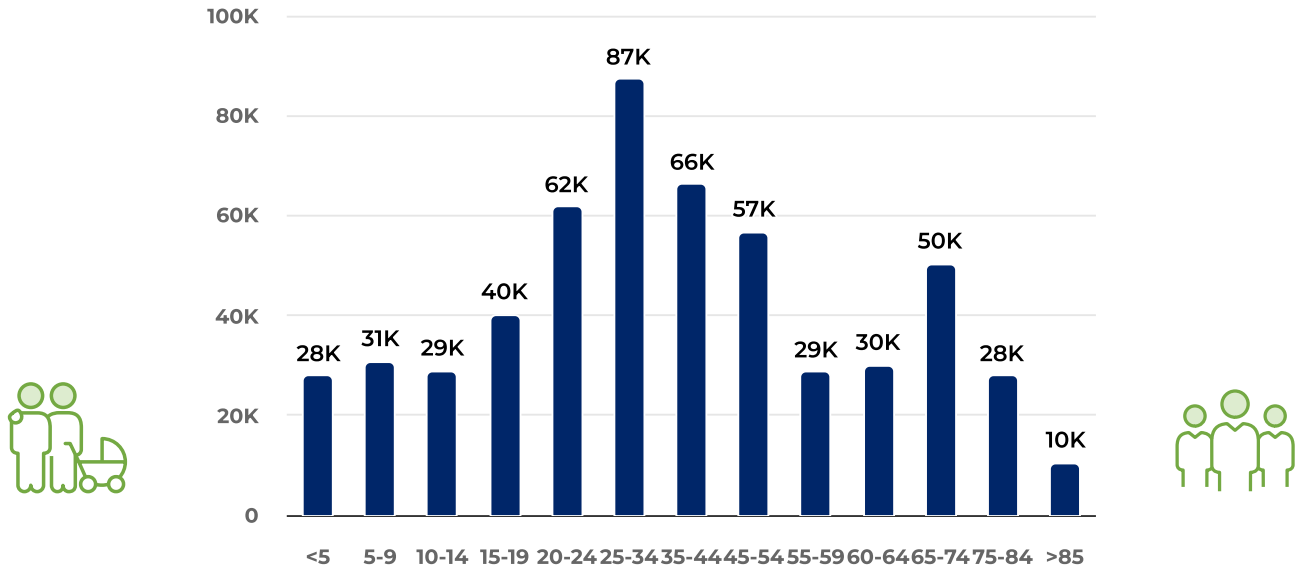
DAYTIME POPULATION

**607,660**

Daytime population represents the effect of persons coming into or leaving a community for work, entertainment, shopping, etc. during the typical workday. An increased daytime population puts greater demand on host community services which directly impacts operational costs.

*\* Data Source: American Community Survey 5-year estimates*

### POPULATION BY AGE GROUP



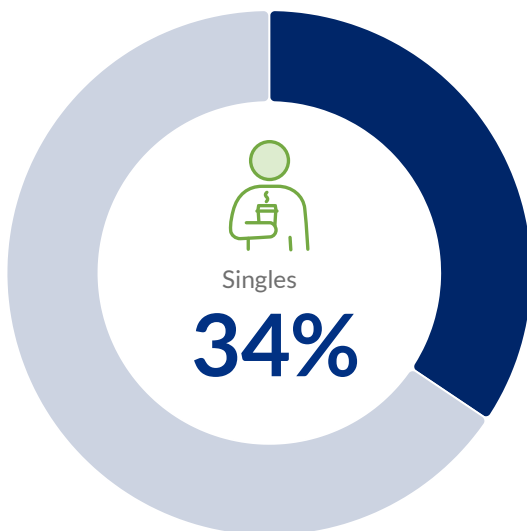
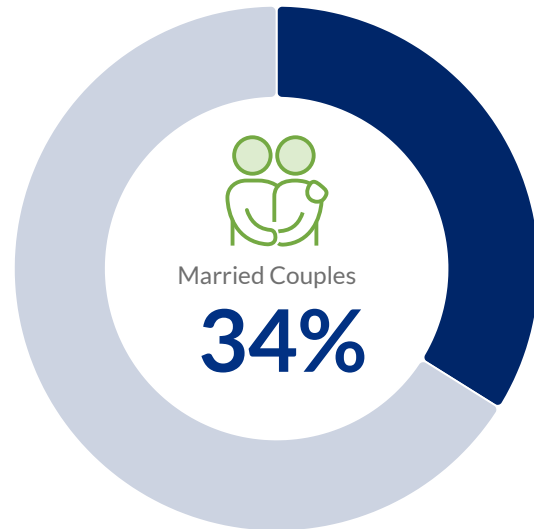
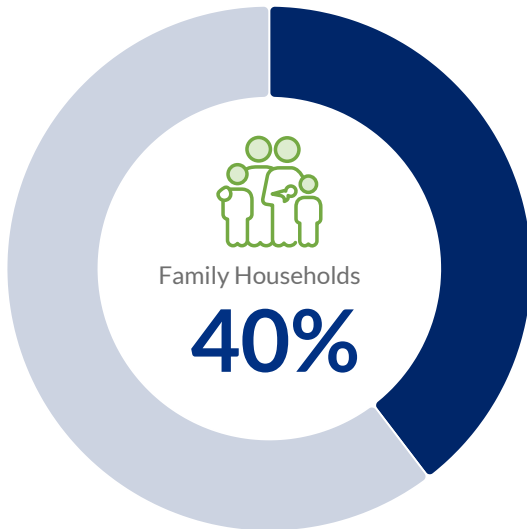
*Aging affects the needs and lifestyle choices of residents. Municipalities must adjust and plan services accordingly.*

*\* Data Source: American Community Survey 5-year estimates*

# Household

TOTAL HOUSEHOLDS  
**228,020**

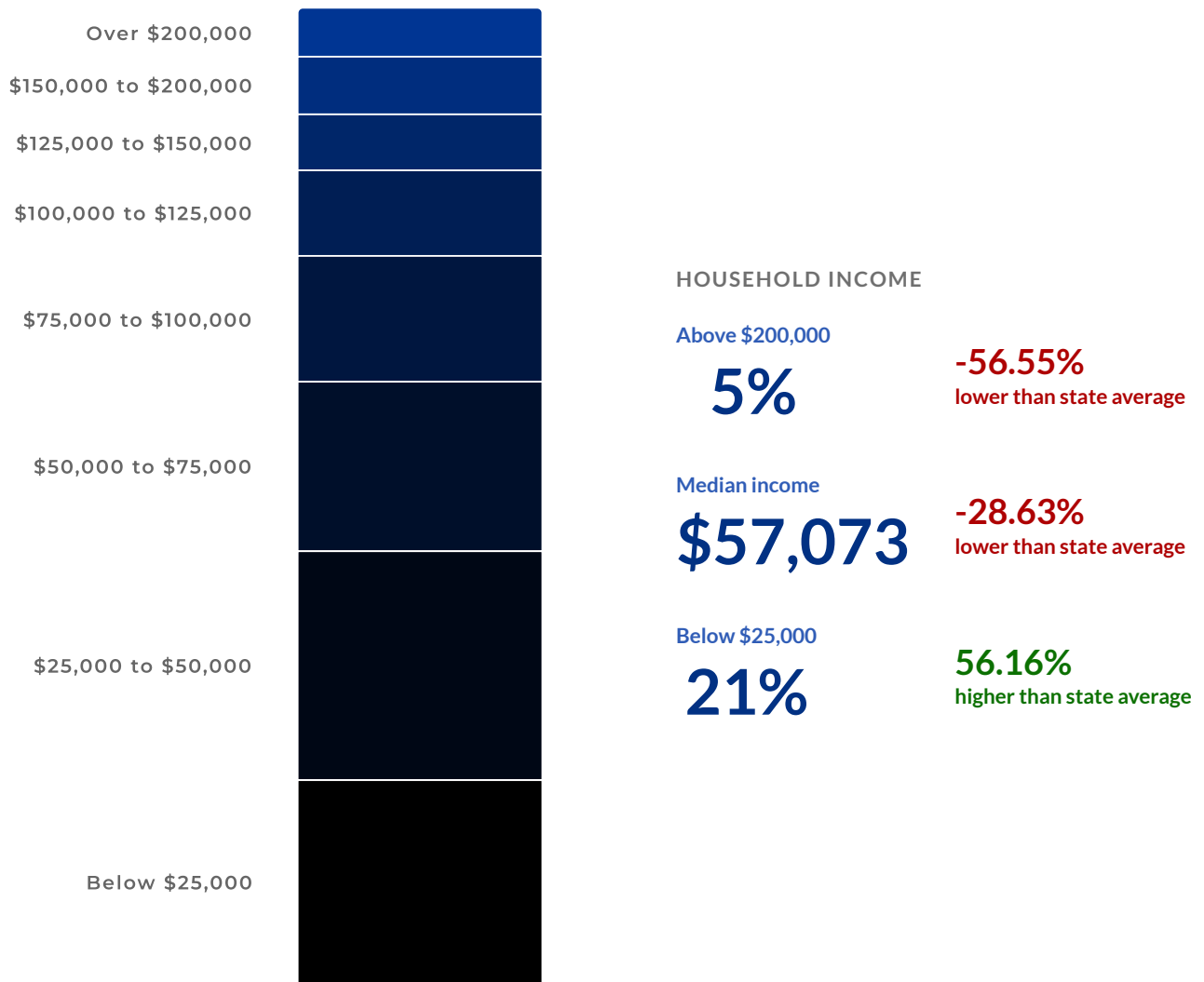
Municipalities must consider the dynamics of household types to plan for and provide services effectively. Household type also has a general correlation to income levels which affect the municipal tax base.



\* Data Source: American Community Survey 5-year estimates

## Economic

Household income is a key data point in evaluating a community's wealth and spending power. Pay levels and earnings typically vary by geographic regions and should be looked at in context of the overall cost of living.



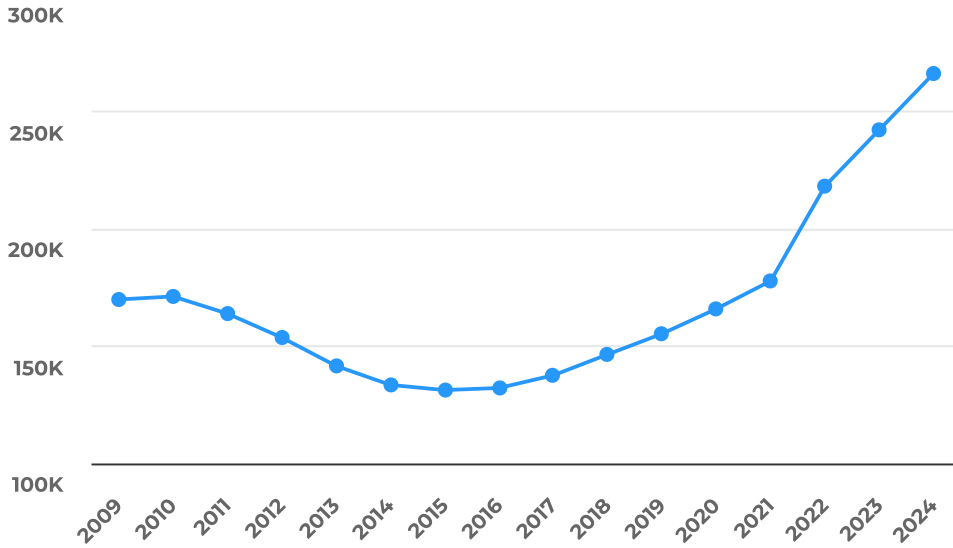
\* Data Source: American Community Survey 5-year estimates

# Housing



2024 MEDIAN HOME VALUE

**\$266,200**

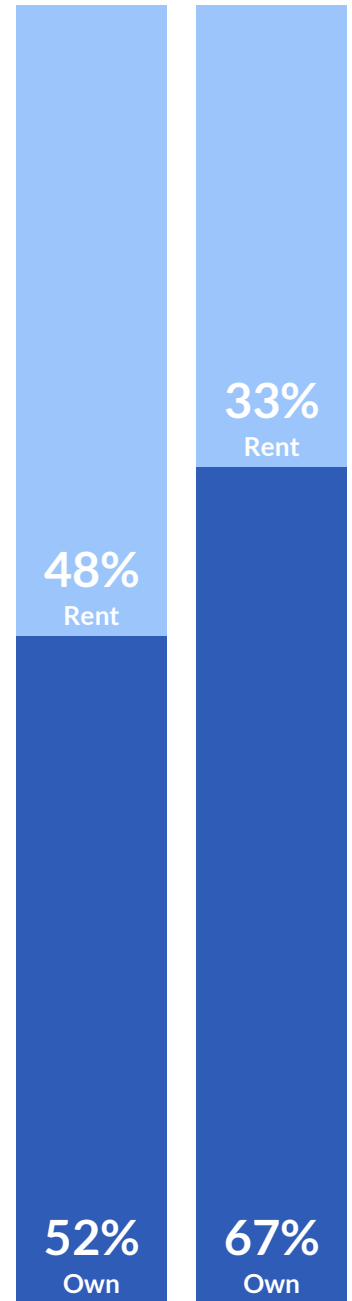


\* Data Source: 2024 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.

## HOME OWNERS VS RENTERS

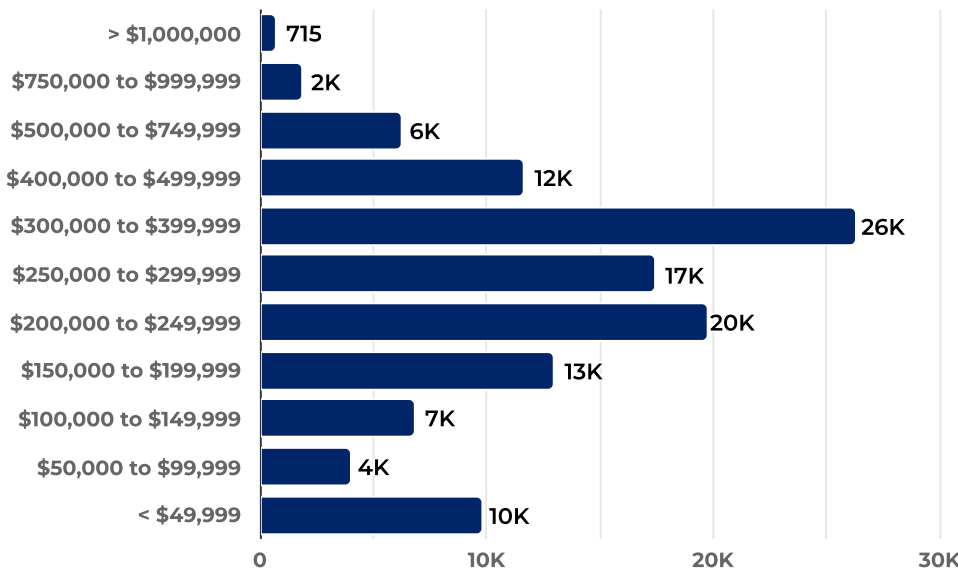
Tucson

State Avg.



\* Data Source: 2024 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.

## HOME VALUE DISTRIBUTION



\* Data Source: 2024 US Census Bureau, American Community Survey. Home value data includes all types of owner-occupied housing.

# How to Use This Budget Document

This document outlines the City of Tucson's Fiscal Year Adopted Budget. Copies of the budget are available for viewing at the Joel D. Valdez Main Library, the City Clerk's Office, and the Business Services Department Budget division. In addition, the budget may be viewed in digital format on the City of Tucson website, <https://www.tucsonaz.gov/Departments/Business-Services-Department>. Further information may be obtained by emailing the Budget office at [budget@tucsonaz.gov](mailto:budget@tucsonaz.gov).

The following sections contain essential information for reviewing and understanding of the Fiscal Year 2026 Budget.

- Budget Building Process
- Budget Calendar Fiscal Year 2026
- Fund Structure
- Department Fund Relationship
- Legal Requirements

The Adopted Budget is organized as follows:

**Executive Summary** – This section includes the City Manager's letter transmitting the budget to the Mayor and Council, as well as an overview of the budget. In the transmittal letter, the City Manager highlights the City's strategic approach to maintaining its financial strength.

**Fund Summaries** – This section of the document offers descriptions of the City's funds and a detailed discussion of the various revenue sources. It includes a historical summary of certain revenues for each fund.

**Department Summary** – This section provides an overview of each department's budget. Within each department is a summary of its services, significant changes, key performance measures, descriptions of the department's operating programs, and the financial and personnel resources that support each program.

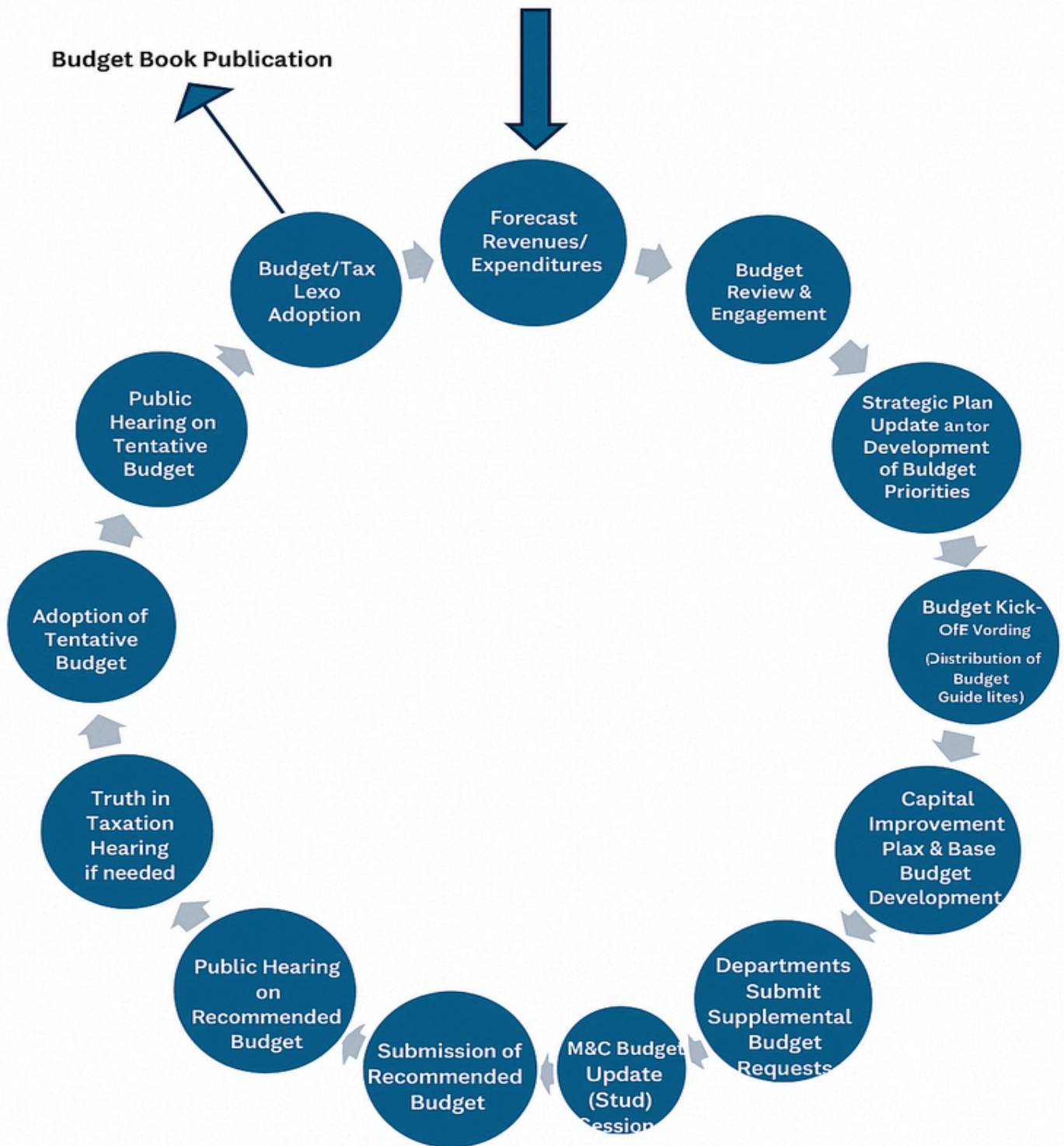
**Capital Improvement Plan** – This section provides a summary of the approved Five-Year Capital Improvement Program.

**Appendix** – This section provides a glossary of terms and a list of acronyms/initialisms used throughout the budget to ensure clarity and consistency and support compliance with legal and policy requirements.



# City of Tucson Budget Cycle

## Development of Budget Calendar

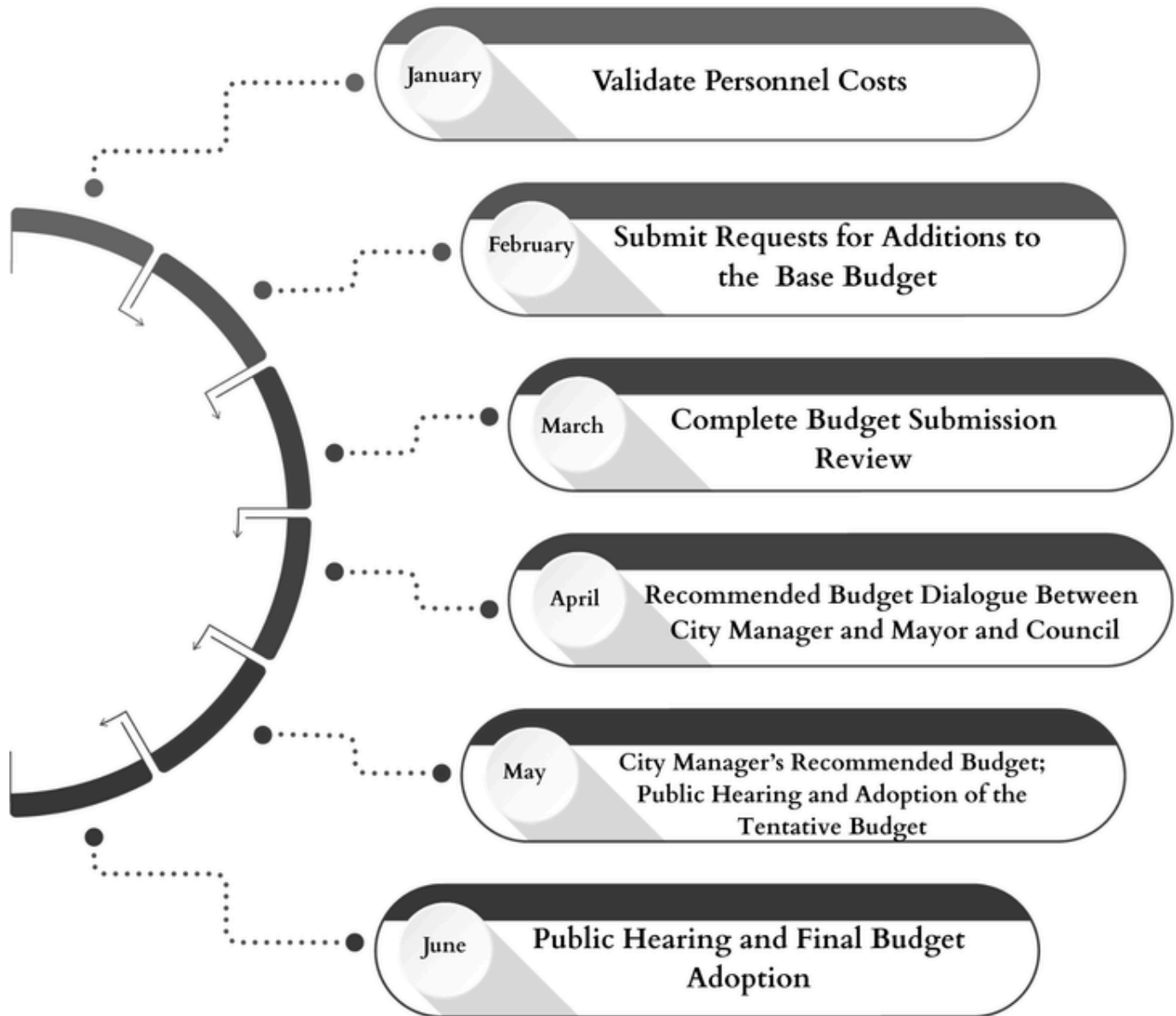






# Budget Calendar Fiscal Year 2026

The budget calendar illustrates the budget process at a high level along with the Mayor and Council's schedule before budget adoption.



# 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

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. In general, the Mayor and Council cannot authorize expenditures of local revenues in excess of the expenditure limitation determined annually by the State of Arizona's Economic Estimates Commission (EEC). This limitation is based on the City's actual expenditures incurred during Fiscal Year 1980, adjusted to reflect subsequent inflation and population growth. Not subject to this limit are items such as bond proceeds, related debt service, interest earnings, certain highway user revenue funds, federal funds, monies received pursuant to intergovernmental agreements, and state grants which are to be used for specific purposes. Each year the EEC recalculates expenditure limitations for population growth and inflation, using the federal Gross Domestic Product (GDP) index to account for inflationary increases.

The City's limitation amount for Fiscal Year 2025/2026 includes three voter-approved increases to the expenditure base. In November 1981, the voters passed an \$800,000 increase and in November 1987, the voters approved a \$46.9 million permanent increase to the base limitation and then, in the November 2013 election, the voters approved an additional \$50.0 million permanent increase to the base limitation.

### 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 be used only to retire the principal and interest or redemption charges on general obligation bonded indebtedness.

Proposition 117, passed by Arizona voters in 2012, changed the method for determining values used in calculating assessed values for tax rates and levies. Beginning with the tax year 2015, a single assessed value, called the Limited Property Value (LPV), has been used for both the primary and secondary tax levies. The growth in the LPV is limited to no more than 5% per year, excluding new construction.

**Primary Property Tax Levy:** There is a strict limitation on how much the City can levy as a primary property tax. 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 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.

The Arizona State law allows cities and towns to include tort claim reimbursements in the primary tax levy. The property tax revenue represents a reimbursement to the City's Self-Insurance Fund for the actual cost of liability claim judgments paid during the prior fiscal year. The City of Tucson includes this reimbursement in its primary property tax levy.

**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 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.

### **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 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. 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 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 the truth in taxation notices and hearings requires that on or before February 10, 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 a 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 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 Administrative Officials
2. Community Enrichment and Development
3. Public Safety and Justice Services
4. Public Utilities
5. Support Services
6. General Government
7. Fiduciary Funds

The departments within a given program category are held accountable for their budget. Each department and the Business Services Department continuously monitor expenditures. Expenditures will be controlled by an annual budget at the purpose level. The City Council shall establish appropriations through the budget process. The Council or City Manager may transfer these appropriations as necessary through the budget amendment process. 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

Department directors are required to control expenditures to prevent exceeding their departmental expenditure budget. If budget changes are needed within a department budget, city departments prepare budget change requests identifying the areas to be increased and decreased. The Business Services Department 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.

### **LEGAL REQUIREMENTS IMPOSED BY THE TUCSON CITY CHARTER**

The 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 City 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 on the first day of July and ends the last day of June of each year. (Tucson City Charter, Chapter XIII, Section 1)

#### **Submission of the Recommended Budget**

The Tucson 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 XIII, Section 4)

#### **Budget Publication and Hearings**

The budget has to be prepared in sufficient detail 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 a budget. (Tucson City Charter, Chapter XIII, Section 5)

**Adoption of the Budget and Tax Levy**

Under Chapter XIII, Section 13 of the Tucson 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.

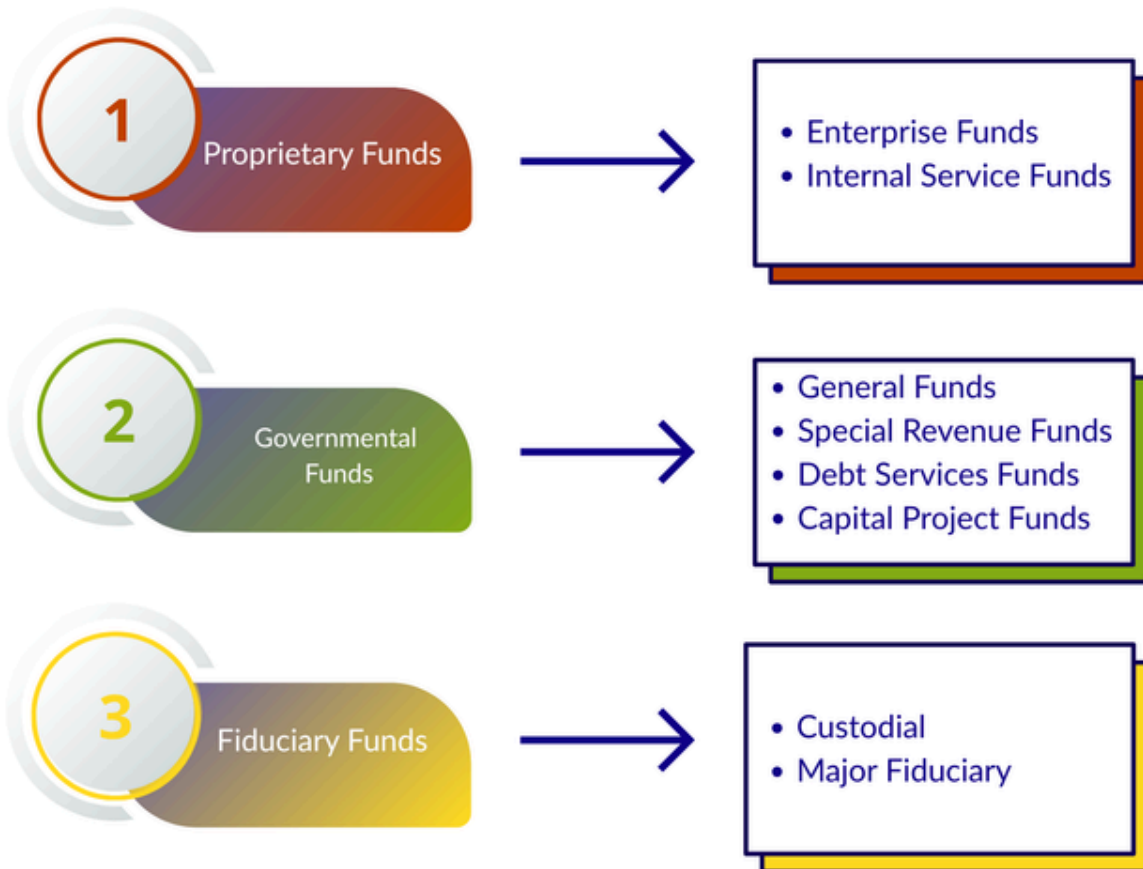
If a budget is adopted after the beginning of the fiscal year, Chapter XIII, Section 13 may bar the expenditure of any money until a budget is in place. The implications of Chapter XIII, Section 13 are twofold. First, any non-bond-related expenditure authority terminates on June 30. Second, since the 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 concluded, the Mayor and Council adopt the budget as finally determined upon. All taxes are to be levied or voted upon in specific sums and cannot exceed the sum specified in the published estimate. (Tucson City Charter, Chapter XIII, Section 6, and Ordinance Number 1142, effective 6-23-48)

**City Ordinance Setting the Property Tax Rate**

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

# Fund Structures



Departments	Major General	Major Special Revenue Fund	Debt -Service Fund Class	Major Enterprise	Non Major -Special Revenue	Non Major Enterprise	Non Major Capital Projects	Other Custodial Funds	Other Fiduciary Funds	Other Internal Services
<b>Business Services Department</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>City Attorney</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>City Clerk</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>City Court</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>City Manager</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>City Public Defender</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Convention Center</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Department of Transportation and Mobi</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Enviromental Services</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Fire Department</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>General Government</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>General Government - Department</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>General Services</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Golf Utillity</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Housing and Community Development</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Human Resources Department</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Information Technology</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Mayor and Council</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Parks and Recreation</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Planning and Development Services Cen</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Police Department</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Public Safety Communications Center</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Water Utility</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Pension (TSRS)</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>



# Executive Summary

# City Manager's Budget Message

## Fiscal Year 2026



This document presents the City of Tucson's Fiscal Year 2026 (Fiscal Year 2026) Adopted Budget. Totalling more than \$2.4 billion, this budget determines how City services will be provided to the Tucson community during the coming year. Under the leadership of the Mayor and Council, we continuously strive to implement a sustainable and balanced financial plan. The Fiscal Year 2026 Adopted Budget embodies that fiscal responsibility.

Development of the Fiscal Year 2026 budget presented several challenges and opportunities. The primary uncertainty leading up to final budget adoption was whether the city would receive new sales tax revenues under **Proposition 414: Safe & Vibrant City**, which went to the voters for consideration in March 2025. This proposed 10-year, half-cent sales tax would have provided approximately \$80M per year in new funding for community safety, public safety, housing, and related investments accomplished through the city's General Fund. Voters overwhelmingly rejected this new tax, which heavily shaped the final Fiscal Year 2026 budget.

As a result of Prop 414's rejection, I recommended a series of actions to bring forward the Fiscal Year 2026 budget as structurally balanced, yet with increased investments in a few key areas. To achieve the balance, we targeted a total General Fund budget that was essentially flat to Fiscal Year 2025, with approximately \$18M of proposed budget cuts to directly offset these increased investments. The new investment areas included some of the elements of Prop 414, including 14 additional firefighters, increased funding for community safety efforts such as Violence Prevention and Intervention and Thrive Zone Investments, increased investments in our core city infrastructure through improved asset management actions, accommodating new Information Technology investments, and establishing a General Capital Fund to begin accruing financial resources for the city's capital needs of the future.

Notably, my proposed Fiscal Year 2026 budget included significant additional investment in employee compensation including annual pay progression for most employees, the initial round of "in-range pay placement" adjustments for incumbent employees that were not placed within their applicable salary range commensurate with their prior city experience (direct and indirect), and a series of market adjustments that are scheduled to be implemented in October 2025. This compensation plan also forecasts the anticipated employee compensation plan for Fiscal Year 2027 and Fiscal Year 2028, to include continued annual pay progression, a second phase of in-range pay placement, known additional market adjustments for commissioned, non-command police and fire personnel, and additional capacity for other market adjustments to be determined. In short, the Fiscal Year 2026 budget included significant new money for employee investment – and laid out a three-year plan to correct pay issues and improve our market competitiveness. [Note: We are proposing some additional market salary adjustments for Mayor and Council consideration before they go into effect in October, to further advance our efforts to address employee needs.]

Actions to offset these increases centered on efficiency measures, adjusting the city's financial reserve policies, eliminating some under-performing programs, reductions in the use of outside professional services, and the elimination of long-term vacancies (36 positions eliminated) to more than offset the personnel additions (25 added). The City Manager's Office led by example by reducing our allocated head count by eight positions, or 11% of the Fiscal Year 2025 budgeted amount.

Ultimately, the Mayor and Council adopted the City Manager's proposed budget for Fiscal Year 2026, with minor modifications. The most significant adjustment was an action by Mayor and Council to identify resources to partially fund Pima County's "PEEPS" program for early childhood education for one final year, while the County took the necessary actions to identify and implement a long-term, stable funding source for this valuable program.

I look forward to us working together to achieve the positive outcomes for Tucson that the Fiscal Year 2026 Adopted Budget provides. We have a lot of work ahead, and we do have significant resources available to improve quality of life for all Tucsonans. Let's use those resources wisely and support one another as we keep serving our community.



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*Timothy M. Thomure, P.E.*

**City Manager**

**City of Tucson**

# Budget Highlights

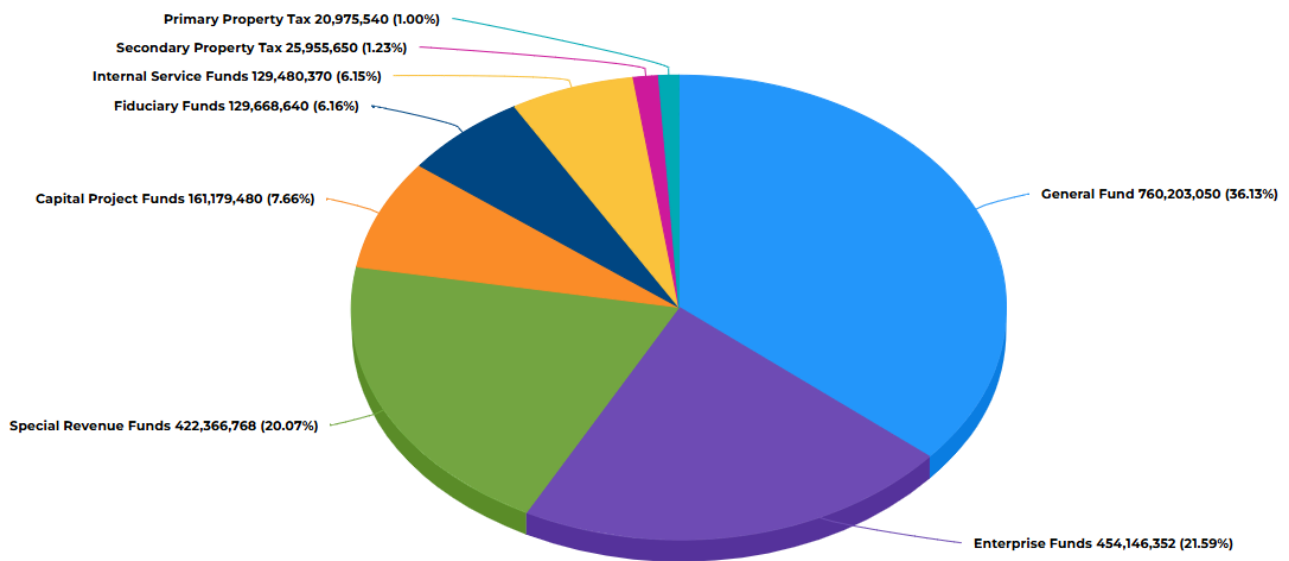
## City Overview

The Tucson City Charter requires that the City Manager submit a recommended budget for the following fiscal year on or before the first Monday in May, or on such dates in each year as shall be fixed by the Mayor and Council. The Mayor and Council review the City Manager’s recommended budget and, as required by the State of Arizona, adopt a balanced budget on or before the third Monday in August. For Fiscal Year 2026, the recommended budget was submitted on April 22, 2025, and was adopted by the Mayor and Council on June 6, 2025.

## City Revenues

The City of Tucson’s Budget is composed of several funds which are set up to accomplish different functions. This allows segregation and tracking of costs of the city operations and programs.

**Fiscal Year 2026 Citywide Revenue**



*This chart illustrates the dollar amount and percentage of the City's revenue sources.*

## City Expenditures

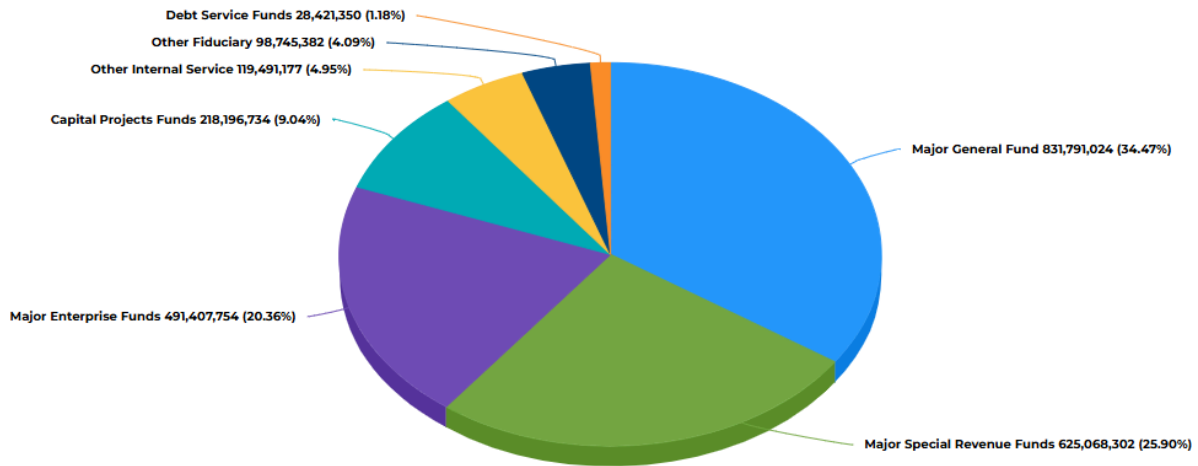
The City of Tucson's expenditure budget for Fiscal Year 2026 amounts to \$2.41 billion, representing an increase of \$19 million over the Fiscal Year 2025 Adopted Budget of \$2.39 billion.

The increase to the budget will fund market-based and fair compensation for employees, public safety operations and equipment, information technology sustainment of capabilities, violence prevention and intervention, general capital and infrastructure improvements.

Employee Investments – the Fiscal Year 2026 budget allocates \$23.6 million citywide for compensation adjustments, of which \$16.3 million will be funded by the General Fund and \$7.3 million from non-General Fund funds. One of the City's most valuable assets is its employees, who are key to carrying the City into the future. This investment will provide employees with market-based, fair compensation and the environment necessary for success in delivering excellent and sustained service to the community.

This budget includes additional funding for public safety, a general capital fund, violence prevention and intervention, and technology, totaling \$15 million.

### Fiscal Year 2026 Expenditures \$2.41 Billion



*Note: The following chart shows adopted expenditure levels for each of the City of Tucson's major operating funds.*

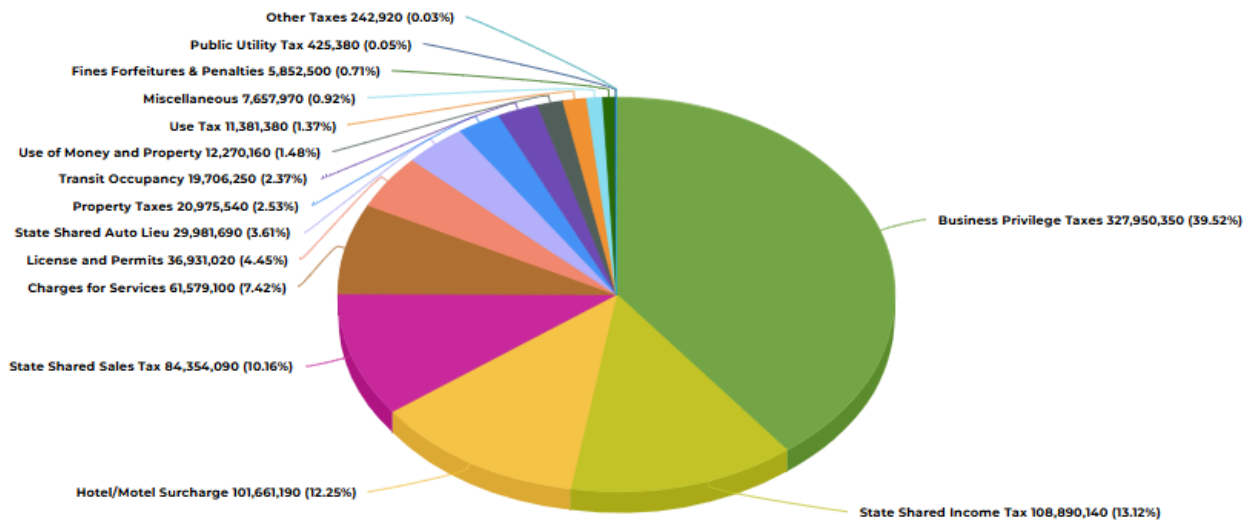
# General Fund Revenues

The City's goal is to maintain its General Fund revenue base from taxes, intergovernmental shared revenues, and other revenue sources such as licenses and permits, fines and forfeitures, and user fees. This year's budget includes a total of \$779.4 million in General Fund revenue, which is a \$18.1 million increase or 2.4% more than the Fiscal Year 2025 Adopted Budget of \$761.3 million. The General Fund is also supported by business privilege tax revenue. The business privilege tax revenue of \$326.3 million or 41.9% of the total represents the largest single source of General Fund revenue. State-shared taxes (income, sales, and auto lieu) account for a total of \$223.2 million or 28.6% of the total revenues. Other local taxes, including utility, use, transient occupancy, and liquor taxes account for a total of \$68.5 million or 8.8% of the total revenues. These revenue sources have a high tendency to decline during an uncertain economic environment. The city will be monitoring their performance during the fiscal year and will adjust in accordance with performance.

The City is experiencing a slight decline in its business privilege tax revenues in comparison to previous year's collections. In January 2025, City sales taxes through the end of December were up 7.38% over Fiscal Year 2024 mid-year levels. At that point, City sales taxes exceeded our budget estimates of 3% growth over Fiscal Year 2025, and as such, projections through the end of Fiscal Year were estimated at 3.5%. As of March 2025, City sales tax collections were at \$234.8 million compared to \$232.1 million over the same period in Fiscal Year 2024, a growth of only 1.1%. This sharp decline from a level of 7.38% to only 1.1% growth in a matter of months has been unprecedented in recent years. The Fiscal Year 2026 Adopted Budget of \$326.3 million is \$8.1 million more than Fiscal Year 2025 projected revenues of \$318.2 million, which is an approximate 2.5% increase, and is lower than the City's previous year projections.

City-state shared revenue estimates used in this year's budget are based on information from the Arizona League of Cities. The 2023 population estimates from the U.S. Census Bureau were used to formulate the city's distribution. Fiscal Year 2026 will be the second consecutive year of decline in State Shared Income Tax revenues, the result of the adoption and implementation of a flat income tax. Further, after sharing positive projections of Fiscal Year 2026 State Sales Tax collections after the holiday season, the Arizona League of Cities and Towns revised its sales tax projections downward by 2.6%, dropping their estimates by \$1.4 million. The budget includes a total of \$223.2 million, which is a \$6.3 million decrease from the Fiscal Year 2025 projection.

## Fiscal Year 2026 General Fund Revenues



Notes: Charts may not add to 100% due to rounding.

# General Fund Expenditures

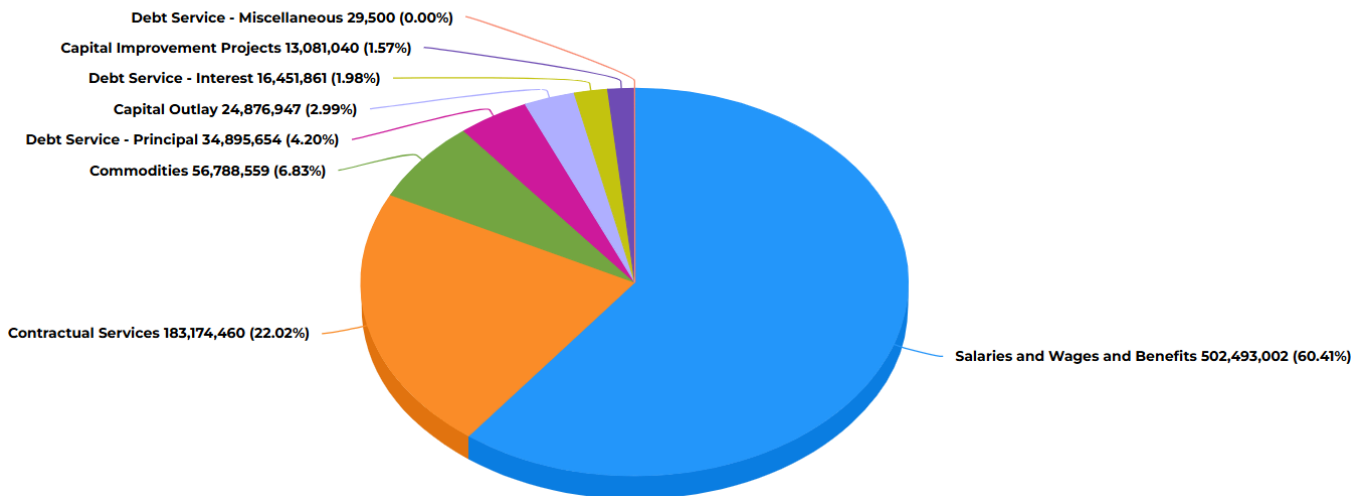
The City of Tucson’s General Fund expenditures for Fiscal Year 2026 are budgeted at \$831.7 million, representing an 11% increase compared to the Fiscal Year 2025 adopted budget of \$749.3 million. This upward shift continues the multi-year trend of expenditure growth that began in Fiscal Year 2024, when actual expenditures totaled \$767.8 million, or 2.47% above the prior year’s adopted budget.

The City’s salaries, wages, and benefits remain the single largest spending component of the General Fund. In Fiscal Year 2026, these expenditures are budgeted at \$502.5 million, a 2.9% increase over the Fiscal Year 2025 projection. This growth reflects the City’s continued commitment to invest in its employees by providing fair and competitive compensation. This year’s budget includes \$16.3 million for compensation increases for four key components: in-range pay placement, pay progression, and market-based adjustments.

Operating expenses, costs for post-employment, services, commodities, and capital equipment make up an additional \$127.9 million or 15.4% of the total General Fund expenditures. Debt service obligations are \$51.4 million or 6.1%. In addition to the \$831.7 million in General Fund spending, the City allocated \$74.9 million, or 9.1% of total General Fund expenditures, to support other fund operations through cash transfers, including to Sun Tran, Sun Van, SunLink, Tucson Convention Center, and Development Fee Funds.

The City General Fund budget also includes one-time funding used to honor the City’s commitment to addressing critical needs in public safety, collector street improvements, community partner grants, unhoused and unsheltered programs, and core service infrastructure improvements. The Fiscal Year Adopted Budget includes \$149.9 million to fund these efforts. In addition to the total budget, \$22.4 million was added for the Parks and Connections – Proposition 407 to fund unanticipated increased costs for projects approved when the initiative was passed by voters in 2018.

## Fiscal Year 2026 General Fund Expenditures \$831.7 Million



The General Fund is organized into six functions: the largest being Public Safety and Judicial Services; this function includes Police, Fire, Public Safety Communications Center, City Court, and the Public Defender’s Office; Community Enrichment and Development includes the quality of life type services provided by the City’s Parks and Recreation Department, Planning and Development Services, Transportation, and Housing and Community Development; Elected and Official function includes Mayor and Council, City Manager, City Attorney, and City Clerk; Support Services function includes; Business Services, General Services, Human Resources, and Information Technology; Public Utilities consists of code enforcement; General Government includes outside agencies, debt service, and general expense; and Investments to Other funds are primarily transfers for development fee waivers on behalf of low income housing and the Transit System and Tucson Convention Center, that cover the difference between the costs of operations and the revenue generated .

<b>Total General Fund Expenditures (\$ Million)</b>				
<b>Function</b>	<b>Adopted FY 2025 Budget</b>	<b>Adopted FY 2026 Budget</b>	<b>Dollar Amount Chang</b>	<b>Percentage Change</b>
<b>Community Enrichment and Development</b>	<b>\$ 72,820,787</b>	<b>\$113,588,486</b>	<b>\$40,767,699.38</b>	<b>56%</b>
<b>Elected and Official</b>	<b>\$ 38,884,083</b>	<b>\$ 51,924,355</b>	<b>\$13,040,272.42</b>	<b>34%</b>
<b>General Government - Function</b>	<b>\$102,438,153</b>	<b>\$110,915,525</b>	<b>\$8,477,372.00</b>	<b>8%</b>
<b>Public Safety and Justice Services</b>	<b>\$400,300,383</b>	<b>\$417,873,655</b>	<b>\$17,573,271.96</b>	<b>4%</b>
<b>Public Utility</b>	<b>\$ 919,029</b>	<b>\$ 818,515</b>	<b>(\$100,514.53)</b>	<b>-11%</b>
<b>Support Services</b>	<b>\$133,968,235</b>	<b>\$136,670,487</b>	<b>\$2,702,252.35</b>	<b>2%</b>
<b>Total</b>	<b>\$749,330,670</b>	<b>\$831,791,024</b>	<b>\$82,460,353.57</b>	<b>11%</b>

The total increase from the Fiscal Year 2025 Adopted Budget of \$749.3 million to the Fiscal Year 2026 Adopted Budget of \$831.7 million is \$82.4 million. This increase spans across all functions and is primarily driven by employee compensation adjustments of \$16.3 million and the inclusion of \$63.1 million from framework one-time funding in this year’s budget.

# General Fund - Fund Balance

The status of the General Fund Unrestricted Fund Balance is critical to the financial health of the City. It has implications for the City's access to the financial markets and the cost of borrowing in order to finance needed infrastructure and facility projects. Our efforts to improve our financial condition continue to be noticed by the credit rating agencies Fitch, Standard and Poor's (S&P), and Moody's. All three agencies continue to rate the City highly and maintain a stable outlook.

Certain revenues are subject to constraints either externally imposed by creditors, grantors, contributors, laws, or regulations of other governments, or are imposed by law through constitutional provisions (i.e., state assessment fee, vehicle impoundment fee, forfeitures). If the City is unable to spend the restricted revenues by fiscal year-end, then the remaining unexpended funds increase the General Fund's restricted fund balance. A department may plan to spend the restricted funds in the following fiscal year.

In Fiscal Year 2011, the Mayor and Council established a Stabilization Fund within the Committed Fund Balance category, with a minimum policy goal of 10% of the prior year's General Fund revenues and a goal of 7% for the Unassigned Fund Balance. In Fiscal Year 2025, the Mayor and Council amended this policy reserve from a "percent of revenues" amount to a "flat dollar amount." This changes the reserve level to a flat fixed amount of \$142 million setting the committed "stabilization" amount to \$87.9 million, and the unassigned to \$54.1million.

For Fiscal Year 2025, projected ongoing revenues are expected to exceed projected ongoing expenditures by approximately \$0.1 million. This surplus reflects the City's efforts to maintain a balanced budget despite several challenges, including revenue reductions, declining vacancy savings, and the inclusion of compensation adjustments in the adopted budget. Separately, the City identified investment plan expenditures of \$51.2 million and one-time expenditures of \$12.2 million, which will be funded through a withdrawal from the assigned fund balance. These investment plan expenditures support key priorities such as essential Public Safety needs, the Collector Street Program, the General Fund match for Mass Transit capital projects, the Choice Neighborhoods Grant match, and other critical initiatives aligned with the Mayor and Council's strategic plan. One-time expenditures include upgrades, implementation, or training, Human Resources, and case management system; City Hall elevator improvements; election support costs; Tucson House rehabilitation; and other miscellaneous items. They also anticipate drawing another.

The City anticipates drawing another \$85 million from the assigned fund balance to supplement the Prop 407 - Parks and Connections initiative with \$22.4 million and a carry-forward amount of \$63.1 million from the \$79.7 million swap of General Fund expenditures with eligible ARPA expenditures in Fiscal Year 2024.

The use of committed fund balances and restricted fund balances is anticipated to remain flat while unassigned fund balances will decrease due to estimated declining revenue collections.

The projected available General Fund ending balance for Fiscal Year 2026 is lower than originally anticipated during budget development. Based on current projections, the financial plan forecast for the Fiscal Year 2027 budget remains in a deficit position. This deficit must be addressed before the Fiscal Year 2027 budget is adopted; therefore, the City must continue to exercise fiscal caution and carefully evaluate any new or ongoing operating expenditure commitments.

## Tucson Water Utility Fund

The Tucson Water Utility's operating revenues for Fiscal Year 2026 are projected at \$348.1 million, representing a 7.4% increase over the adopted Fiscal Year 2025 budget of \$324.1 million. The Tucson Water budget is based on a financial plan adopted by the Mayor and Council in the Winter, which includes the third year of the four-year approved 5.5% rate increases, which are expected to generate an additional \$12 million per year. In addition, the department plans to use bond proceeds to fund capital projects.

On June 17, 2025, the Mayor and Council will review the potential implementation of revenue-neutral differential rates based on the actual cost-of-service for customers in unincorporated areas.

For Fiscal Year 2026, budgeted expenditures total \$387.6 million, an increase of \$25.4 million or 7% compared to the Fiscal Year 2025 adopted budget of \$362.2 million. This planned growth reflects Tucson Water's ongoing commitment to maintaining high service standards, investing in infrastructure renewal, and meeting increasing operational and regulatory demands.

## Environmental Services Fund

For Fiscal Year 2026, revenues for the Environmental Services Fund are budgeted at \$75.9 million, representing a \$4.1 million increase over the adopted Fiscal Year 2025 of \$71.8 million.

The Environmental Services Department (ESD) budgeted expenditures total \$73.9 million for Fiscal Year 2026, reflecting a \$2 million or 2.8% increase over the Fiscal Year 2025 adopted budget of \$71.9 million. This modest increase supports increases to fund the acquisition of critical heavy equipment to support both landfill and collections operations. The utility is expected to use available cash to fund some capital improvement projects such as the completion of the plastic waste diversion facility and critical campus upgrades at the Los Reales Sustainability Campus. This funding will also support several projects bringing the City closer to its climate action goals, such as planned enhancements to food waste diversion and composting and landfill gas system upgrades. The projected ESD available cash balance as of June 30, 2025, is \$44.2 million, which is sufficient to fund these needs.

## Highway User Revenue Fund (HURF)

The budget revenues for Fiscal Year 2026 is set at \$66 million, reflecting an increase of \$1.1 million from Fiscal Year 2025 Adopted Budget of \$64.9 million. The increase is based on a 2% revenue growth assumption, following fluctuating growth rates since Fiscal Year 2023.

The budgeted expenditures for Fiscal Year 2026 are set to \$69.5 million, reflecting a \$4.6 million increase over the Fiscal Year 2025 Adopted Budget of \$64.9 million. Most of the increase will cover personnel increases and copper wire theft. This budget includes a five-year, \$11 million annual commitment to the Collector Street Improvement program under Proposition 411 – Road Repair and Safety.

## Park Tucson

For Fiscal Year 2026, total projected revenues are \$6 million, reflecting a 7.1% increase compared to the Fiscal Year 2025 adopted budget of \$5.6 million. For this fiscal year, fee increases of 8% and 17% for two different On Street permits will take effect and the department will see the annual impact. Budgeted expenditures for fiscal Year 2026 are \$1 million higher than the previous year, primarily due to an increase in the security vendor contract. The department's priority continues to be the safety and security of City parking lots and garages.

# Capital Improvement Program

The Capital Improvement Program (CIP) is a comprehensive five-year planning tool that identifies, prioritizes, and coordinates the location, timing, and financing of the City's capital needs. The CIP supports the City's mission to maintain, expand, and improve public infrastructure and facilities in a manner that promotes efficiency, sustainability, and community growth. The Adopted Five-Year Capital Improvement Program (CIP), covering Fiscal Years 2026 through 2030, totals \$1.9 billion. The Fiscal Year 2026 CIP plan is estimated at \$639.4 million, which is \$142 million more than in Fiscal Year 2025. The Capital Improvement Plan section of this book highlights proposed capital projects for implementation in Fiscal Year 2025 and provides a five-year outlook.

## Salary and Benefits Costs

Employee retention continues to be a growing concern for the City. In response, the Fiscal Year 2026 Adopted Budget includes \$23.6 million (\$16.3 million General Fund and \$7.3 million non-General Fund) for additional investment in employee compensation. The following are four key components that will be implemented this fiscal year to provide employees with market-based, fair compensation, and an environment to be successful, therefore creating excellent and sustainable service to the community.

- **In-range pay placement adjustments:** In-range pay placement refers to where an individual employee's pay is placed within their position's salary range. Placement should largely be based on the individual's job-related experience and education, as long as they demonstrate adequate performance (see fourth bullet, below). Pay placement for workers in the same job classification has been an emerging issue of concern for many supervisors and employees over the past two years. A key part of the employee investment plan is to make adjustments to in-range pay placements for employees who have met or exceeded performance standards but are currently placed lower in their position's salary range than they should be based on their job-related experience.
- **Pay Progression (across-the-board) increases** provide the opportunity for virtually all employees to receive an annual salary adjustment. This recognizes employees' continued growth, experience, and contributions over the past year.
- **Market adjustments to job classifications** address salaries to remain competitive within our state and region. Because wages among different job sectors change at different market rates, adjustments will vary, with some positions receiving increases at times when others have no change. This strategy aims to bring positions that are further from market rates closer to competitive levels while maintaining competitiveness across the workforce.
- **Employee Performance Evaluations** across the organization will be a required component of the compensation plan.

Health insurance costs are projected to rise by 8.5% across all plan types. The City currently covers a larger share of employee medical premiums than most similarly sized Arizona municipalities or those in our region—paying 88% of premiums for Network plans and 91% for HSA and HRA plans. This substantial employer contribution places added strain on the City's budget, making it more challenging to also support market-competitive wages and pension obligations, all of which draw from the same funding pool. Based on actual employee enrollment and recent claims data, the projected \$4.8 million increase in health insurance costs will be shared roughly equally between the City and its employees.

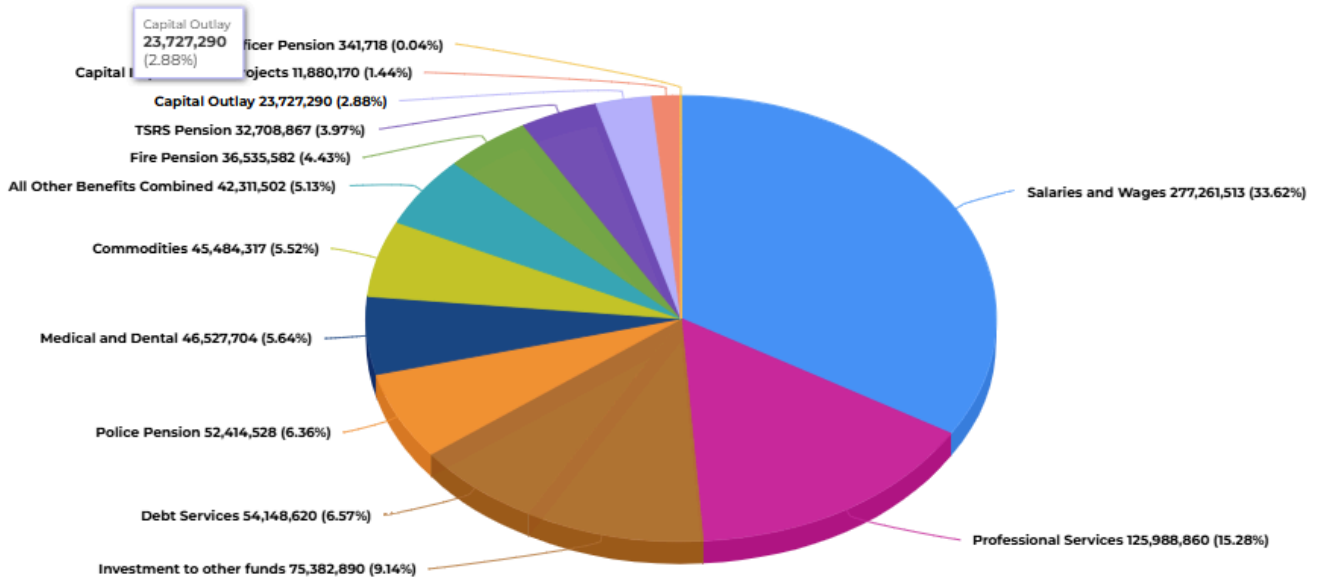
An independent actuarial study determines pension costs. The Tucson Supplemental Retirement System (TSRS) employer contribution rate remains unchanged at 27.5% for Fiscal Year 2026. Employee contribution rates were also held flat from prior year rates. In Fiscal Year 2025, General Fund pension expenses totaled \$29.9 million—\$2.7 million lower than the \$32.6 million included in the Fiscal Year 2025 adopted budget. The TSRS Board of Trustees received the June 30, 2024 Actuarial Valuation Report on Oct. 24, 2024. The Plan experienced an increase in the funded ratio (a decrease in the unfunded liability) to 76.3%, which is up from 75.0% in the prior year. Based on the Actuarial Valuation Report and assumptions, and the continued use of the adopted funding policy, the plan is anticipated to achieve full funding in Fiscal Year 2034.

The City contributes to the Public Safety Personnel Retirement System (PSPRS) on behalf of eligible Fire and Police employees. In recent years, factors such as employee wage increases, changes to PSPRS actuarial assumptions, and lower-than-expected investment

returns have contributed to rising pension liabilities and higher required City contributions. These annual increases have been substantial.

As part of the City's strategy to manage public safety pension obligations, \$21.8 million of required PSPRS contributions are planned annually from the Section 115 Trust Fund. This Trust, funded with proceeds from the City's pension obligation bonds, is invested to support the City's ongoing pension costs. The Section 115 Trust was created to provide the City with greater local investment control and flexibility in managing its annual pension contributions and long-term liabilities.

As of the latest valuation dated June 30, 2024, the City's total unfunded actuarial accrued liability is \$627.3 million, with a combined funded ratio of 68.4% for both the Fire and Police plans, remaining consistent with the prior year's funding status.



*Note: All Other Benefits Combined include Workers' Compensation , uniform allowance, second language pay, downtown employee allowance, state unemployment, meal allowance, paramedic certification, fire prevention pay, and compressed natural gas certification. Student Loan Repayments and Education Reimbursement for Employees.*

# Five-Year Forecast

The table below illustrates the Five-Year Forecast for the General Fund. During the budget development process, the Five-Year Forecast is regularly updated and shared with the Mayor and Council as discussions progress.

Working Document 4-22-25	FY25 Adopted Budget	FY25 Q3 Projections	FY26 Adopted Budget	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
<b>Revenues</b>							
Property Taxes	18,279,420	18,279,420	19,242,250	19,627,095	20,019,637	20,420,030	20,828,430
Business Privilege Tax	318,893,990	318,236,970	326,342,070	337,764,042	349,585,784	361,821,286	374,485,031
Other Taxes	73,265,620	67,812,180	68,490,300	70,887,462	73,368,524	75,936,422	78,594,197
State Shared Sales Tax	83,393,575	84,124,370	84,354,090	86,884,713	89,491,254	92,175,992	94,941,271
State Shared Income Tax	117,382,779	116,413,020	108,890,140	112,275,581	118,001,741	124,373,835	129,348,788
State Shared Auto Lieu	28,681,137	28,554,200	29,981,690	30,731,232	31,499,513	32,287,001	33,094,176
License and Permits	33,315,530	35,758,930	36,678,690	37,045,477	37,415,932	37,790,091	38,167,992
Fines, Forfeitures & Penalties	5,141,520	4,982,670	5,032,500	5,082,825	5,133,653	5,184,989	5,236,839
Charges for Services	61,828,780	58,508,280	60,690,000	62,207,250	63,762,431	65,356,492	66,990,404
Use of Money & Property	4,799,261	12,270,160	12,270,160	10,000,000	10,000,000	10,000,000	10,000,000
All Other Revenues Combined	13,387,069	13,873,970	17,664,260	17,929,224	18,198,162	18,471,135	18,748,202
Other Revenue Opportunities			6,600,000	6,699,000	6,799,485	6,901,477	7,004,999
<b>Unrestricted General Fund Operations:</b>							
<b>Total Revenues</b>	<b>\$ 758,368,681</b>	<b>\$ 758,814,170</b>	<b>\$ 776,236,150</b>	<b>\$ 797,133,901</b>	<b>\$ 823,276,116</b>	<b>\$ 850,718,750</b>	<b>\$ 877,440,330</b>
<b>Expenditures</b>							
Salaries & Wages	275,425,336	270,297,840	289,361,082	274,215,617	274,215,617	274,215,617	274,215,617
- One-time Distributions plus FICA		3,524,200					
<b>Employee Investment :</b>				33,149,254	45,049,254	45,049,254	45,049,254
<b>Pension</b>							
Fire PSPRS	36,535,582	36,533,082	33,465,090	33,465,090	33,465,090	33,465,090	33,465,090
Police PSPRS	52,293,365	52,332,393	50,197,630	50,197,630	50,197,630	50,197,630	50,197,630
TSRS	32,556,479	31,423,150	34,282,090	37,196,068	40,357,733	43,788,141	47,510,133
Elected and Official	341,718	353,060	461,770	475,623	489,892	504,589	519,726
Medical and Dental	46,415,816	43,840,168	50,186,326	54,452,164	59,080,598	64,102,448	69,551,157
All Other Benefits	43,350,565	40,637,460	42,175,994	43,441,274	44,744,512	46,086,847	47,469,453
<b>Subtotal Personnel Costs</b>	<b>486,918,861</b>	<b>478,941,354</b>	<b>500,129,982</b>	<b>526,592,719</b>	<b>547,600,326</b>	<b>557,409,616</b>	<b>567,978,059</b>
Services	106,433,199	105,940,689	107,429,980	110,652,879	113,972,466	117,391,640	120,913,389
Supplies / Commodities	31,755,357	33,568,347	36,826,570	37,563,101	38,314,363	39,080,651	39,862,264
Capital Outlay and Projects	3,611,130	2,411,470	5,859,670	9,859,670	13,859,670	17,859,670	21,859,670
Debt Service (COPs, Leases, & Other Arrangements)	53,738,080	54,457,680	50,973,490	48,899,390	46,811,990	43,248,500	41,371,240
<b>Subtotal Expenditures</b>	<b>682,456,627</b>	<b>675,319,540</b>	<b>701,219,692</b>	<b>733,567,760</b>	<b>760,558,815</b>	<b>774,990,077</b>	<b>791,984,622</b>
Transfer to Other Funds	75,382,890	69,468,200	74,913,580	76,411,852	77,940,089	79,498,890	81,088,868
<b>Total Expenditures</b>	<b>757,839,517</b>	<b>744,787,740</b>	<b>776,133,272</b>	<b>809,979,612</b>	<b>838,498,904</b>	<b>854,488,967</b>	<b>873,073,490</b>
<b>Projected Operating Surplus(Deficit)</b>	<b>\$ 529,164</b>	<b>\$ 14,026,430</b>	<b>\$ 102,878</b>	<b>\$ (12,845,710)</b>	<b>\$ (15,222,788)</b>	<b>\$ (3,770,217)</b>	<b>\$ 4,366,840</b>

Working Document 4-22-25	FY25 Adopted Budget	FY25 Q3 Projections	FY26 Adopted Budget	FY27 Forecast	FY28 Forecast	FY29 Forecast	FY30 Forecast
<b>Investment Plan</b>							
Climate Action	430,000	430,000	-	-	-	-	-
Heritage, History, Art, and Culture	460,000	395,110	-	-	-	-	-
Collector Street Program	5,000,000	-	4,000,000	4,000,000	7,418,970	-	-
Information Technology R&R	500,000	500,000	-	-	-	-	-
Non-Public Safety Vehicle Replacement	1,200,000	1,200,000	-	-	-	-	-
Parks and Recreation R&R	2,000,000	1,500,000	-	-	-	-	-
Public Safety (Equipment, Vehicles, Apparatus, and Police Additional Vehicle Replacements	29,959,630	21,539,900	31,982,720	12,280,660	-	-	-
Transit Capital	4,075,000	3,540,000	4,000,000	3,644,800	-	-	-
Choice Grant Match	1,000,000	161,250	1,836,660	1,000,000	1,000,000	1,000,000	950,000
<b>Investment Plan Total</b>	<b>44,624,630</b>	<b>29,266,260</b>	<b>51,219,380</b>	<b>20,925,460</b>	<b>8,418,970</b>	<b>1,000,000</b>	<b>950,000</b>
<b>Carry Forward and One-Time Items</b>							
Carry Forward and One-Time Items	14,614,280	8,886,830	3,979,240	-	-	-	-
New Proposed One-times	-	-	4,056,480	573,838	400,000	-	-
Business Incentives	2,648,220	484,830	2,202,510	6,369,794	1,278,000	1,000,000	740,000
Mayor and Council allocations	-	1,881,390	1,935,970	-	-	-	-
Transfer Out for Prop 407 Support	-	-	22,431,610	-	-	-	-
Affordable Housing (unplanned)	-	-	-	-	-	-	-
<b>Total Carry Forward and One-Time Items</b>	<b>17,262,500</b>	<b>11,253,050</b>	<b>34,605,810</b>	<b>6,943,632</b>	<b>1,678,000</b>	<b>1,000,000</b>	<b>740,000</b>
<b>Total Planning and One-Time Items</b>	<b>61,887,130</b>	<b>40,519,310</b>	<b>85,825,190</b>	<b>27,869,092</b>	<b>10,096,970</b>	<b>2,000,000</b>	<b>1,690,000</b>
<b>Expenditure Grand Total</b>	<b>819,726,647</b>	<b>785,307,050</b>	<b>861,958,462</b>	<b>837,848,704</b>	<b>848,595,874</b>	<b>856,488,967</b>	<b>874,763,490</b>
<b>Fund Balance</b>							
Available Fund Balance*	\$ 142,484,757	122,332,223	78,839,343	15,548,641	(25,166,162)	(50,485,920)	(56,256,137)
Projected Operating Surplus(Deficit)	529,164	14,026,430	102,878	(12,845,710)	(15,222,788)	(3,770,217)	4,366,840
Less Total Planning and One-Time Items	(61,887,130)	(40,519,310)	(85,825,190)	(27,869,092)	(10,096,970)	(2,000,000)	(1,690,000)
Reserve for Affordable Housing	-	(17,000,000)	-	-	-	-	-
Release of Assigned Cash for Prop 407 Support	-	-	22,431,610	-	-	-	-
Incremental Fund Balance Policy Level Adj.	5,547,309	-	-	-	-	-	-
<b>Proj. Yearend Available Fund Balance</b>	<b>\$ 86,674,100</b>	<b>\$ 78,839,343</b>	<b>\$ 15,548,641</b>	<b>\$ (25,166,162)</b>	<b>\$ (50,485,920)</b>	<b>\$ (56,256,137)</b>	<b>\$ (53,579,297)</b>
*Available Fund Balance does not include Framework Funding							



# Fund Summaries

## General Fund Overview

The General Fund is the City of Tucson's primary operating fund, covering most governmental activities unless specific requirements call for a separate fund. Such exceptions typically arise from generally accepted accounting principles (GAAP), statutory or legal mandates, or specialized financial management needs.

Major revenue sources within the General Fund include:

- City Business Privilege (Sales) Tax
- State-Shared Revenues
- Public Utility Tax
- Primary Property Tax
- Charges for Services
- Licenses and Permits
- Fines and Forfeitures
- In Lieu of Taxes
- Other Financing Sources

Together, these revenues provide the financial foundation that supports essential public services and helps ensure the City's overall fiscal stability.

## General Fund Summary

In Fiscal Year 2026, the City of Tucson's General Fund expenditures are budgeted at \$831.8 million, representing an 11% increase compared to the prior year's budget of \$749.3 million. Most of this growth reflects an increasing trend of the City's core service operating expenditures in public safety, community housing and development, parks and recreation, and streets maintenance.

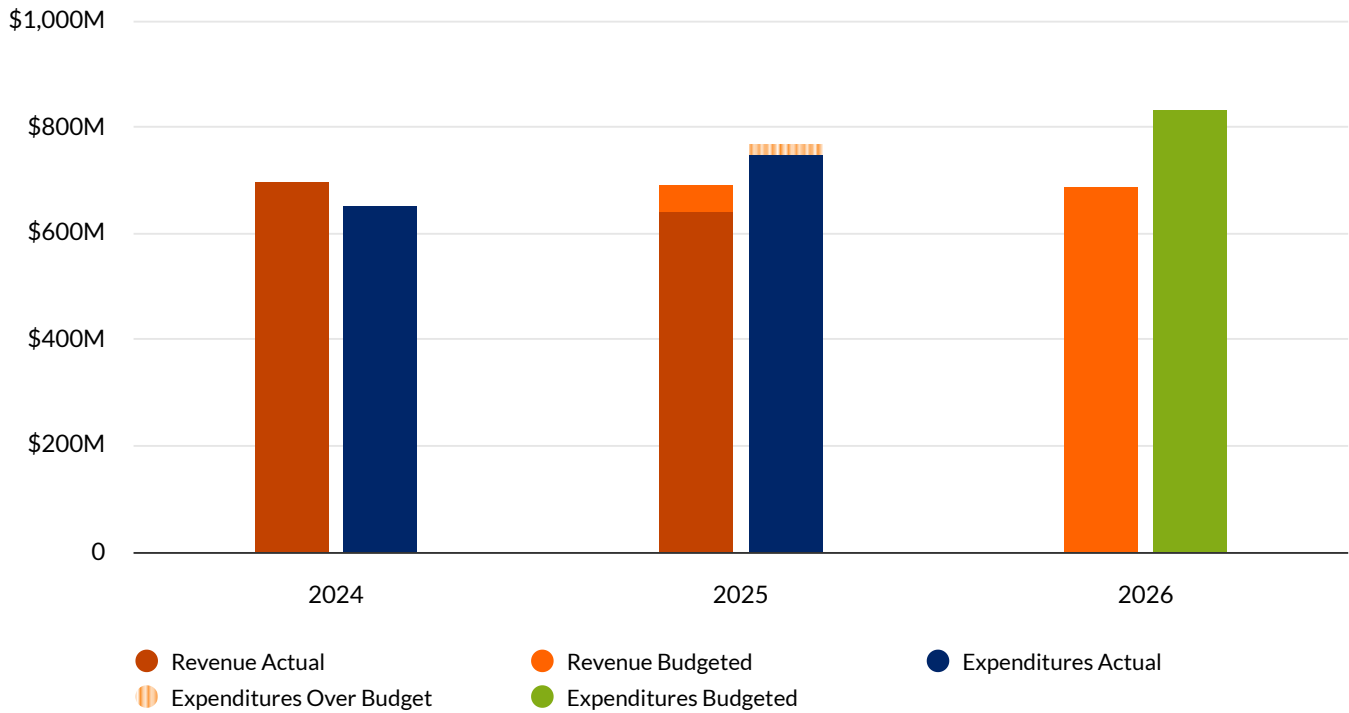
In the chart below, the Fiscal Year 2025 unaudited actual expenditures reflect as over budget due to a large non-cash transaction recorded on the City's books. The entry is from the new lease accounting transaction required from a new accounting standard, which recognizes a long-term leased asset and a corresponding long-term lease liability on the City's balance sheet. In Fiscal Year 2025, the city entered into a seven-year lease agreement for Motorola radios. The radios will be used for essential communication, coordination, and location tracking during emergencies by the City's public safety departments. The City agreed to pay \$22.4 million over a span of seven years, of which will be amortized annually. This year's budget includes funding of \$4.1 million to pay the second consecutive payment.

The City's Fiscal Year 2026 General Fund revenue budget is \$779.4 million, reflecting an increase of 2.4% compared to the prior year budget of \$761.6 million, which is lower than the city has seen in recent past years. It's important to mention that these totals do not include interfund transfers to and from other funds as depicted in the chart below. The amounts in the Chart below include interfund transfers, showing the revenue budget at \$684.2 million, reflecting a 0.55% decrease from the 2025 budgeted revenue of \$688 million. The most notable interfund transfers are made to partially fund the operations of the City's transit system and convention center.

Fiscal Year 2025 unaudited actual revenues of \$640.4 million did not reach budgeted revenues as illustrated in the chart below. This was due to declines in business privilege taxes and other local taxes such as use taxes, hospitality revenues, and public utility taxes.

Taken together, the Fiscal Year 2026 budget operating expenditure levels are projected to grow substantially, revenues are expected to decline from previous years, underscoring a growing fiscal imbalance that warrants close monitoring. To ensure long-term financial sustainability, the City will need to continue pursuing strategies that balance expenditure growth with stable and diversified revenue sources, while maintaining alignment with community priorities and service delivery expectations.

### Revenues vs Expenditures Summary



Note: Amounts shown in the graphs are rounded up.

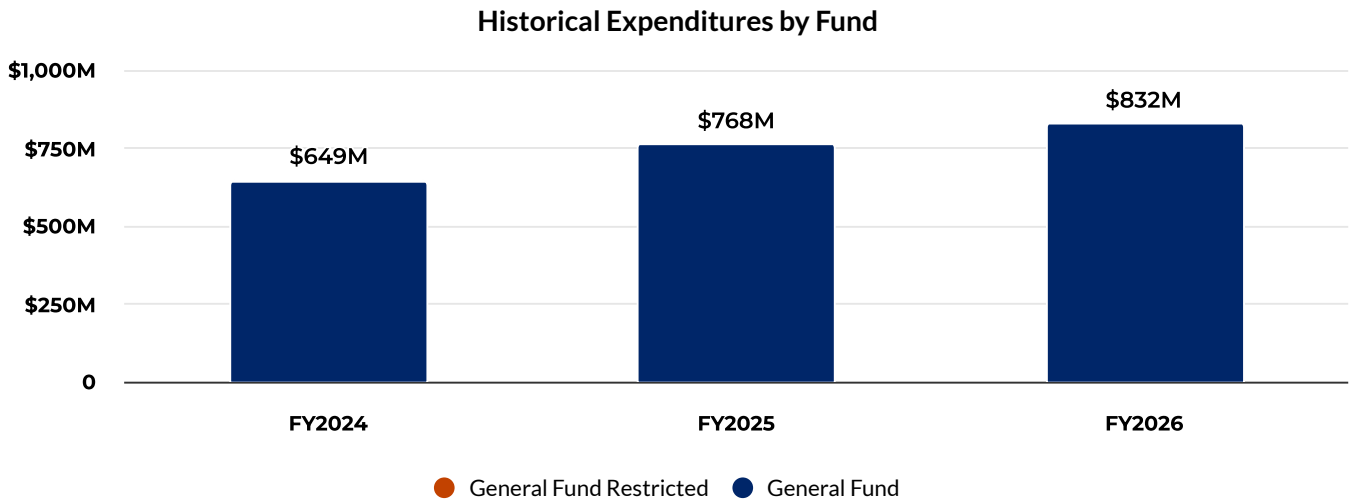
## General Fund Expenditures by Fund

In Fiscal Year 2026, total expenditures for the City of Tucson's General Fund and related categories are budgeted at \$831.8 million, a 13.2% increase over the Fiscal Year 2025 unaudited actual expenditures of \$767.8 million. The unrestricted General Fund continues to serve as the primary driver of these expenditures, accounting for \$827.6 million or 99.5% of the total. This reflects an increase of \$66.5 million (8.73%) compared to Fiscal Year 2025, when General Fund expenditures totaled \$761.2 million, representing 99.13% of the category total.

In contrast, the General Fund Restricted category experienced a significant decline. Expenditures in this category decreased by \$2.5 million (37.56%), falling to \$4.2 million in Fiscal Year 2026. Its share of the overall expenditures dropped to 0.5%, compared to 0.87% in the prior year when it stood at \$6.7 million.

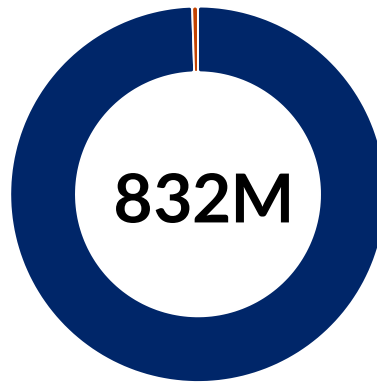
Overall, the growth in total expenditures for Fiscal Year 2026 was largely attributable to the expansion of the General Fund, while the General Fund Restricted category registered a notable reduction in both absolute value and proportional share of the total budget.

Note: Amounts shown in the graphs are rounded up.



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Fund



● General Fund	<b>\$827,630,798</b>	99.50%
● General Fund Restricted	<b>\$4,160,226</b>	0.50%

*Note: Amounts shown in the graphs are rounded up.*

## General Fund Expenditures by Type

This chart illustrates how the City of Tucson has allocated General Fund expenditures by expense type over the last three fiscal years. In Fiscal Year 2026, General Fund expenditures increased by 8.33% to \$831.8 million, compared to the prior year. Within this total, Salaries, Wages, and Benefits remained the largest expenditure category at \$502.5 million, an increase of \$23.1 million (4.82%). While this category continues to account for the majority of General Fund spending, its share of the total declined from 62.44% to 60.41%, reflecting faster growth in other expenditure areas.

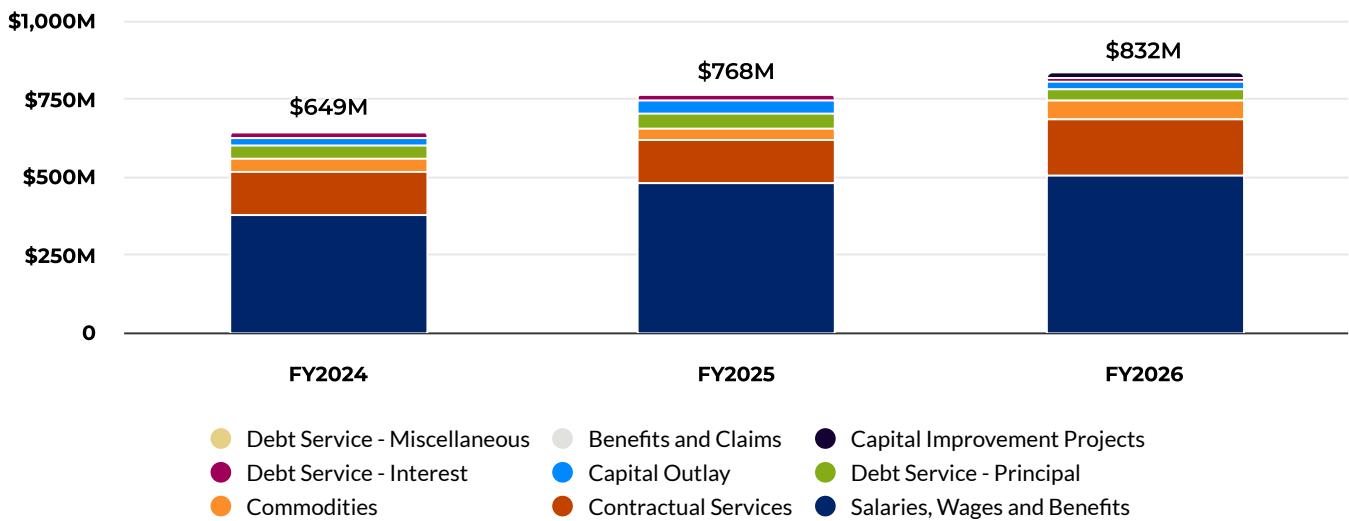
Contractual Services recorded one of the most significant increases, rising by \$47.8 million (35.32%) to \$183.2 million. This expansion elevated its share of the total budget from 17.63% to 22.02%, underscoring its growing role in service delivery and operational support. Similarly, Commodities increased by \$16.2 million (39.75%), reaching \$56.8 million and representing 6.83% of expenditures, up from 5.29% in the prior year.

Investment in Capital Improvement Projects (CIP) more than doubled, increasing by \$6.6 million (103.32%) to \$13.1 million. While still a relatively small category, CIP now accounts for 1.57% of total expenditures, signaling greater emphasis on long-term infrastructure and facility needs. Additionally, Debt Service – Miscellaneous rose substantially, though from a very small base, increasing by \$28,000 (1,866.67%) to \$29,500.

Conversely, several categories experienced notable reductions. Capital Outlay declined by \$19.0 million (43.29%) to \$24.9 million, reducing its share of the budget from 5.71% to 2.99%. Debt Service – Principal decreased by \$9.2 million (20.94%) to \$34.9 million, while Debt Service – Interest fell by \$1.5 million (8.5%) to \$16.5 million, lowering their respective shares to 4.20% and 1.98%. Finally, Benefits and Claims were eliminated entirely, declining by \$5,728 (100%) to zero.

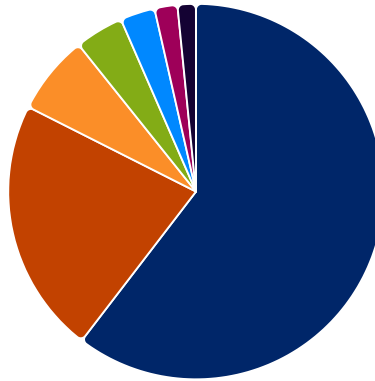
Overall, Fiscal Year 2026 reflects a shift in expenditure composition. While personnel costs remain the dominant driver, the rapid growth in contractual services, commodities, and capital improvement projects highlights evolving priorities in service delivery, operational flexibility, and infrastructure investment.

Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Expense Type



● Salaries, Wages and Benefits	<b>\$502,493,002</b>	60.41%
● Contractual Services	<b>\$183,174,461</b>	22.02%
● Commodities	<b>\$56,788,559</b>	6.83%
● Debt Service - Principal	<b>\$34,895,654</b>	4.20%
● Capital Outlay	<b>\$24,876,947</b>	2.99%
● Debt Service - Interest	<b>\$16,451,861</b>	1.98%
● Capital Improvement Projects	<b>\$13,081,040</b>	1.57%
● Debt Service - Miscellaneous	<b>\$29,500</b>	0.00%

*Note: Charts may not add to 100% due to rounding.*

## General Fund Revenues by Funding Source

In Fiscal Year 2024, General Fund revenues totaled \$776.8 million.

Revenue rose to \$785.7 million in Fiscal Year 2025, then slightly decreased to \$781.5 million in Fiscal Year 2026, including transfers in from other funds.

The City of Tucson's adopted General Fund revenues include both unrestricted and restricted portions. For Fiscal Year 2026, General Fund revenues are \$684.2 million (net of transfers out), a decrease of \$3.8 million or less than 1% from the Fiscal Year 2025 adopted budget of \$688 million. Beginning March 2025, the City began experiencing declines to its tax collections or slower growth than experienced in recent past years. Further, the flat income tax rates on the state-shared income tax distribution from the Arizona Department of Revenue will continue to impact this year's budget and is estimated to rebound in Fiscal Year 2027. Additionally, this year's budget includes new revenue opportunities totaling \$6.6 million that will be up for consideration by Mayor and Council in December 2025.

In addition to the current year's revenue, the City plans to utilize \$85.8 million from its fund balance primarily on the investment plan reserve in Fiscal Year 2026. This represents an increase of \$23.9 million or 38.9% from the Fiscal Year 2025 adopted budget. The City is also planning to spend an additional \$63 million that will come from the fund balance. The entirety of this funding will be invested in programs such as public safety, the unhoused and unsheltered, contributions to community partners, climate action, street maintenance, and parks and recreation programs.

The largest revenue source remains taxes, including sales tax, property tax, and utility taxes, public utility taxes, which support a large portion of the City's core operations and are highly depended on to maintain optimum public service. Fiscal Year 2026 tax revenues are projected to increase moderately by \$21.7 million over Fiscal Year 2025 unaudited actuals, but not at the same pace as in previous years.

Other key funding sources include:

### State Shared Revenues

Cities and towns in Arizona receive a portion of revenues collected by the State of Arizona. The allocations for these revenues are primarily based on U.S. Census population figures. These state-shared revenues represent 28.6% of the General Fund budget. Revenues from these sources may be used for any general government activity. For Fiscal Year 2026, the projected state-shared revenues are \$223.2 million, representing a 3.4% decrease from the \$231.1 million unaudited actuals for Fiscal Year 2025, primarily driven by the State's flat tax rate change to shared income taxes.

### Charges for Services – for city programs and facilities

City departments may charge fees for a certain level of cost recovery. The Planning and Development Services Department charges fees for project planning, review, and zoning. The Fire Department charges fees for services provided for emergency medical transport and fire inspections. The Parks and Recreation Department has fees for recreational programs and classes. The Environmental and General Services Department charges other funds for vehicle servicing, building maintenance, and fuel usage.

The City charges an administrative fee to the Water and Environmental Services Enterprise Funds, as well as the Park Tucson and Highway User Revenue Funds (HURF). This charge covers the cost of General Fund central support services provided for the business-type activities of the City.

**Fines, Forfeitures, and Penalties – such as parking and code violations**

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, along with civil traffic 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 to specific law enforcement expenses. The adopted Fiscal Year 2026 revenues of \$5.9 million are projected to slightly decrease from Fiscal Year 2025 projected revenues of \$6 million.

**Licenses and Permits – for building, businesses, and other regulated activities**

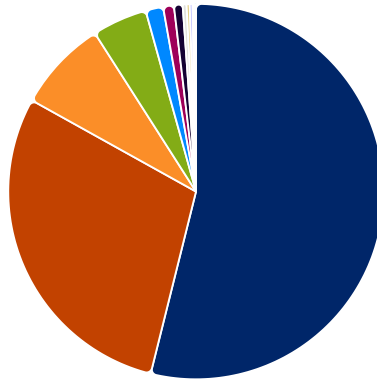
Licenses and permits revenues include franchise fees, licenses for various business activities, and permits for signs, alarms, and trash hauling. For Fiscal Year 2026, the adopted licenses and permits revenues are \$36.9 million, representing an increase of \$3.3 million from the \$33.6 million Fiscal Year 2024 projected revenues. The increase is mostly due to Planning and Development services fees to permit and valuation assessments.

**Intergovernmental Transfers and Grants – from other public agencies**

This also includes Transfers Out, which are deducted from revenues as they are allocated to other funds or obligations. Overall, this diverse revenue portfolio reflects the City's approach to financial resilience, ensuring essential services remain funded while adapting to economic shifts and legislative impacts.

*Notes: Fiscal Year 2024 (-\$80,567,624), Fiscal Year 2025 (-\$78,525,425), and Fiscal Year 2026 (-\$97,345,190) indicate transfer out.*

Fiscal Year 2026 Revenues by Revenue Source



● Taxes	<b>\$421,114,720</b>	61.55%
● Other Agencies- Unrestricted Grants	<b>\$228,225,620</b>	33.36%
● Charges For Services	<b>\$61,579,100</b>	9.00%
● Licenses And Permits	<b>\$36,931,020</b>	5.40%
● Investment Income	<b>\$11,812,820</b>	1.73%
● Miscellaneous Revenue	<b>\$7,159,090</b>	1.05%
● Fines Forfeitures And Penalty	<b>\$5,852,500</b>	0.86%
● Federal Grants And Contributions- Cap	<b>\$2,653,670</b>	0.39%
● Transfers In	<b>\$2,115,787</b>	0.31%
● Non-Grant Contributions- Op	<b>\$1,845,500</b>	0.27%
● Other Agencies- Charge For Services	<b>\$1,203,380</b>	0.18%
● Gain/Proceeds From Sale Of Property	<b>\$497,950</b>	0.07%
● Use Of Money And Property	<b>\$457,340</b>	0.07%
● Other Agencies- Op Grants	<b>\$111,660</b>	0.02%
● Contributions From Outside Sources	<b>\$930</b>	0.00%
● Transfers Out	<b>-\$97,345,190</b>	-14.23%

Notes: Charts may not total 100% due to rounding.

# Property Tax

The City of Tucson levies a primary property tax on real and personal property located within its corporate limits. Revenues generated from the primary property tax are allocated to the General Fund and may be used to support any expenditure legally chargeable to that fund.

In accordance with the Arizona State Constitution, the amount of ad valorem taxes a municipality may levy is limited to no more than 2% greater than the maximum allowable levy of the preceding year. This constitutional limitation allows for adjustments to include taxes on new or annexed properties, which are assessed at the same rate applied to existing taxable property in the prior year. Property annexed by November 1 becomes taxable in the subsequent fiscal year.

<b>Property Tax Rates and Tax Levy's Comparison</b>			
	<b>Fiscal Year 2024</b>	<b>Fiscal Year 2025</b>	<b>Fiscal Year 2026</b>
<b>Primary Property Tax</b>	<b>\$ 0.4207</b>	<b>\$ 0.4134</b>	<b>\$ 0.4274</b>
<b>Primary Property Tax-Involuntary</b>			
<b>Tort</b>	<b>\$ 0.0254</b>	<b>\$ 0.0177</b>	<b>\$ 0.0179</b>
<b>Secondary Property Tax</b>	<b>\$ 0.6040</b>	<b>\$ 0.6034</b>	<b>\$ 0.5510</b>
<b>Total</b>	<b>\$ 1.0501</b>	<b>\$ 1.0345</b>	<b>\$ 0.9963</b>
<b>Combined Property Tax Levy on a Home Value at \$100K</b>	<b>\$ 105.01</b>	<b>\$ 103.45</b>	<b>\$ 99.63</b>
<b>Primary Property Tax Levy</b>	<b>\$ 19,325,110</b>	<b>\$ 19,586,735</b>	<b>\$ 20,975,540</b>
<b>Secondary Property Tax Levy</b>	<b>\$ 26,168,170</b>	<b>\$ 27,412,670</b>	<b>\$ 25,955,650</b>
<b>Total</b>	<b>\$ 45,493,280</b>	<b>\$ 46,999,405</b>	<b>\$ 46,931,190</b>

For the current fiscal year, the Mayor and Council adopted a Primary Property Tax Rate of \$0.4274 per \$100 of assessed valuation, along with an Involuntary Tort Judgment Primary Tax Rate of \$0.0179 per \$100 of assessed valuation.

# Special Revenue Funds

This section highlights the City of Tucson's Special Revenue Funds, which are used to account for revenue sources that are legally restricted or designated for specific purposes. These funds ensure transparency and accountability in how the City allocates resources to targeted programs and community services.

The following funds are included:

## Mass Transit Fund

The Mass Transit Fund serves as the primary operating fund dedicated to supporting fixed-route bus, paratransit, and other public mobility services within the City of Tucson. Its mission is to provide safe, equitable, and efficient transit services that enhance community mobility, reduce roadway congestion, and advance the City's sustainability and accessibility goals.

The Fiscal Year 2026 Mass Transit Fund revenue budget of \$80.4million, which rose by 32.9% from the Fiscal Year 2025 adopted budget generated from increased grant funding sources from the Federal Transit Administration. The City's General Fund is projected to provide \$64.2 million in funding in Fiscal Year 2026 to partially support the system's operations.

For Fiscal Year 2026, Sun Tran and Sun Van continue to operate fare-free, as directed by the Mayor and Council.

## Mass Transit - Sun Link Fund

The Sun Link Fund records the revenues and expenditures related to the Modern Streetcar, a transit rail service that serves the downtown and university areas. In addition to the farebox suspension for the transit system, the Mayor and Council have continued to approve the suspension of farebox passenger revenues for transit rail services for Fiscal Year 2026, following the initial suspension of transit fares in March 2020 in response to the COVID-19 pandemic.

The City's General Fund is projected to provide \$6.3 million in funding in Fiscal Year 2025 to cover operating costs and debt service on the street cars

## Tucson Convention Center Fund

The Tucson Convention Center (TCC) Fund supports the operations of the City's convention and entertainment facilities, which are managed by ASM Global under contract with the City of Tucson. The fund encompasses operations of the Leo Rich Theater, Music Hall, TCC Arena, Exhibit Halls, Eckbo Plaza, and associated parking and convention spaces. These operations include all administration, maintenance, event management, ticketing, parking, security, and general facility upkeep.

Revenues for the TCC Fund are derived from a variety of sources, including catering and concessions, room and space rentals, parking fees, and miscellaneous income from events and facility services. For Fiscal Year 2026, total projected revenues, including General Fund subsidies, are expected to reach \$16.8 million, reflecting an increase of \$2.3 million from the Fiscal Year 2025 budget of \$14.4 million. This growth is largely attributed to higher event bookings, resulting in increased rental, parking, and catering revenues.

The City of Tucson also maintains a ten-year license agreement with the American Hockey League (AHL) franchise for use of the TCC Arena, originally executed on May 17, 2016, and commencing in October 2016. Under this agreement, the AHL franchise provides an annual license fee of \$300,000, which is adjusted annually for inflation.

The TCC Fund continues to be a cornerstone of Tucson's downtown revitalization efforts, supporting tourism, cultural events, and economic activity. Through strategic facility management, reinvestment in infrastructure, and diverse event programming, the TCC remains a premier destination for entertainment, conventions, and community gatherings.

## Highway User Revenue Fund (HURF)

The Highway User Revenue Fund (HURF) is a key funding source dedicated to building, maintaining, and improving the streets and transportation infrastructure of the City of Tucson. HURF revenues mainly come from the state-collected gasoline tax, which is currently set at \$0.18 per gallon and allocated to cities and towns.

The HURF revenues are restricted solely to street and highway purposes. Eligible activities for HURF revenues include rights-of-way acquisitions, street construction, maintenance and improvements, and debt service on lease payments. The budgeted revenue for Fiscal Year 2026 is set at \$66 million, reflecting a \$1.1 million increase from the adopted budget for Fiscal Year 2025.

## Park Tucson Fund

The Park Tucson Fund accounts for the operations of the City's parking system, including parking garages, surface lots, parking meters, neighborhood permit programs, and enforcement of parking violations. Revenues generated through this fund support maintenance, security, daily operations, and ongoing program enhancements that sustain efficient and accessible parking services throughout the City.

The Mayor and Council approved to increase the parking rates and fees closer to existing market rates and assist in covering existing maintenance, service, and security costs, which took effect last fiscal year. The Fiscal Year 2026 budget is \$6 million, slightly increasing from the Fiscal Year 20226 adopted budget of \$5.6 million. The City is actively assessing other revenue opportunities and has been engaging the community for public input.

## Civic Contribution Fund

The Civic Contribution Fund accounts for any monetary contributions from individuals or organizations for a specific purpose. Major revenue sources include sponsorships, donations and contributions for city departments. Funding is used for multi-agency events, citywide community events, parks and recreation special events or programs.

For Fiscal Year 2026, the Civic Contribution Fund projects total estimated revenues of \$3.9 million representing a significant increase from the Fiscal Year 2025 total of \$2.5 million. The largest share of contributions is associated with the Parks and Recreation

Department (\$3.2 million), which continues to receive strong community and organizational support for special events, park improvements, and recreational programming.

## Green Stormwater Infrastructure Fund

The Green Storm Water Infrastructure Fund was established to support the City's efforts to capture and manage stormwater runoff through sustainable design practices. Effective August 4, 2025, a new fee of \$0.15 per cubic foot (about \$1.10 per month for the average residential customer) was added to customer Tucson Water utility bills. This dedicated funding source supports the construction and maintenance of landscaped water-harvesting basins and other green infrastructure projects that divert runoff from public streets and parking lots into vegetated areas, improving neighborhood livability and reducing localized flooding.

For Fiscal Year 2026, the adopted estimated revenue budget is \$3.0 million, reflecting a slight decrease from \$3.4 million in Fiscal Year 2025 projected. The increase of \$0.3 million is anticipated to be generated from the new fee increase adopted on August 4, 2025 by the Mayor and Council.

## Community Development Block Grant Fund

The Community Development Block Grant (CDBG) Fund accounts for federal grant funds awarded to the City of Tucson through the U.S. Department of Housing and Urban Development (HUD). The CDBG program provides annual grants to local governments to develop viable urban communities by offering decent housing, suitable living environments, and expanded economic opportunities for low- and moderate- income residents.

For Fiscal Year 2026, total CDBG revenues are projected at \$7.3 million, reflecting a modest decrease from the FY 2025 budget of \$7.6 million 560,705. This decline is attributed to the federal practice of reporting and allocating funding based on current-year grant awards rather than prior- year estimates.

## Federal Miscellaneous Housing Grant Fund

The Miscellaneous Housing Grant Fund is for grants from HUD. The fund includes several grants for homeless activities, supportive services for public housing residents, and other smaller or non-recurring HUD programs. The fund accounts for the Lead Hazard Control Program that reduces lead-based paint hazards, to help meet the goal of eliminating childhood lead poisoning.

The revenues in the Miscellaneous Housing Grant Fund are budgeted at \$9.3 million for Fiscal Year 2026, representing a slight increase from the Fiscal Year 2025 estimated amount.

## Public Housing Section 8 Fund

The Public Housing Section 8 Funds are for a federally funded program offering affordable and safe housing for low-income families and individuals. Tenants are required to pay rent in the amount of no more than 30% of their income, and federal money pays the balance of the rent to the landlord.

For Fiscal Year 2026, the City budgeted to distribute \$48.4 million of federal housing assistance to participating property owners, reflecting a slight decrease from the Fiscal Year 2025 planned distributions.

## **Tucson Delivers - Safer City And Better Streets Improvement Funds**

The Tucson Delivers – Better Streets Improvement Fund received sales tax proceeds dedicated to repairing, resurfacing, and maintaining the City's streets, as established under Proposition 101. The companion Safer City Initiative portion of Prop 101 supported public safety needs. Although the formal collection period for Proposition 101 sales tax ended at the close of Fiscal Year 2022.

For Fiscal Year 2026, the Proposition 101 funds estimate a total revenue of \$375,080, of interest earnings. With the remaining funds' balance, the City remains committed to fulfilling its obligations to voters and continuing improvements under the Prop 101 framework.

Proposition 411, voted upon in May 2022, extended Proposition 101 half-cent sales tax for 10 additional years, with the funds dedicated to neighborhood street improvements and system-wide safety enhancements. The Proposition 411 Better Streets Improvement Fund will play a key role in implementing many street projects, especially in resurfacing and local street segments. For Fiscal Year 2026, revenues are estimated to be flat from the prior year, at \$78.1 million.

## **Reid Park Zoo Fund**

Tucson voters approved two zoo initiatives on November 7, 2017, to provide critical funding for animal care, operational needs, new animals and naturalistic habitats, and aging infrastructure. The propositions authorized a temporary (10-year) increase in the sales tax and the creation of a dedicated fund for the Zoo. The sales tax went into effect on February 1, 2018, and revenues collected are in the Zoo fund. The City will utilize the Tucson Zoological Society, a non-profit group dedicated to supporting the Zoo, as a management company to run the daily operations of the zoo and oversee zoo improvements.

Revenues in the Reid Park Zoo fund for Fiscal Year 2026 are projected at \$18.6 million, reflecting a decrease of \$0.6 million from the projected \$18 million in Fiscal Year 2025, driven by slower sales tax growth the City began experiencing in March 2025.

## Home Investment Partnerships Program Fund

This is a U.S. Department of Housing and Urban Development entitlement grant program used to strengthen public - private partnerships and expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing for low-income families.

The adopted revenues for Fiscal Year 2025 are \$5.4 million, a \$1.5 million decrease from the Fiscal Year 2024 adopted budget.

For Fiscal Year 2026, total revenues for the HOME Fund are projected at \$3.2 million, reflecting a decrease of \$2.2 million from the Fiscal Year 2025 budget of \$5.4 million. The reduction corresponds to the timing of federal grant allocations and the completion of prior-year program cycles. The Fiscal Year 2026 revenue estimate includes \$2.7 million in federal HOME funds and \$0.6 million in program income, which consists of repayments and proceeds from housing program activities that are reinvested in new affordable housing projects.

## Other Federal and Non-Federal Grants Fund

The Other Federal and Non-Federal Grants Funds are for miscellaneous federal grants not accounted for in the Mass Transit Fund, Enterprise Fund or any of the Housing Funds. The grants are awarded by federal agencies such as the Department of Justice, Department of Energy, Department of the Interior, Department of Homeland Security, National Highway Traffic Safety Administration, the Federal Highway Administration, the Arizona Criminal Justice Commission, the Arizona Counter Narcotics Alliance (CNA), and the Arizona Department of Transportation. City departments apply for federal and state grants, enhancing the department's mission in providing services to the community.

The adopted Fiscal Year 2026 revenue budget is \$71.2 million, a decrease of \$2 million from the Fiscal Year 2025 adopted revenues of \$73.2 million. The decline is mainly from transportation and mobility federal grant funding.

## Section 115 Trust

The City of Tucson Public Safety Pension Trust (section 115 Trust) was established in Fiscal Year 2021. Mayor and Council approved the issuance of \$658 million of certificates of participation to partially fund the City's long-term Public Safety Personnel Retirement System (PSPRS) obligation through the Public Safety Pension Trust. The PSPRS liability arises from the retirement benefits provided to elected officials and sworn public safety personnel, which is about \$1.5 billion. This is the largest liability for the City. The goal of the trust is to bring the City's pension funding level to at least 70% of the City's PSPRS pension obligation. The City plans to use a staircase approach to minimize the City's increases over time. Through the creation of the section 115 Trust, the City can manage and safeguard the proceeds and interest earnings in the investment portfolio established with pension bond proceeds.

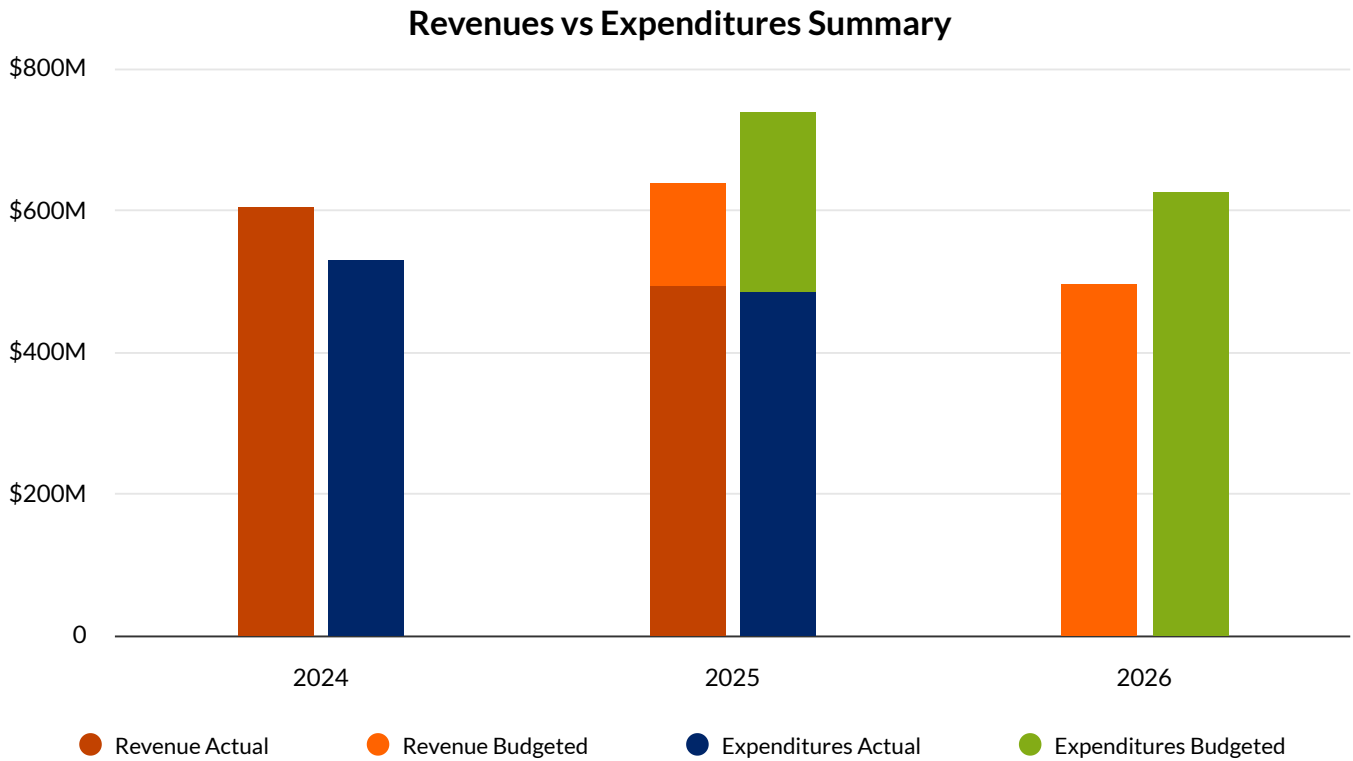
The adopted revenue budget for Fiscal Year 2025 is \$17 million, which is the same as the Fiscal Year 2025 adopted budget.

## Special Revenue Summary

This chart provides a comparison of the special revenue funds the City of Tucson received versus what was spent over the past three years.

In Fiscal Year 2026, budgeted expenditures for the Special Revenue category totaled \$625.1 million, a 15.4% decrease from the prior year's budget of \$738.8 million. Budgeted revenues are projected at \$422.4 million (*per state form*), reflecting a more substantial decline of -25.23% compared to Fiscal Year 2025 adopted revenues of \$564.9 million (*per state form*). The decline in both revenues and expenditures is mainly attributed to spending most of the American Rescue Plan (ARPA) funding (\$121 million) federal funding the City received.

*Note: Amounts shown in the graphs are rounded up.*



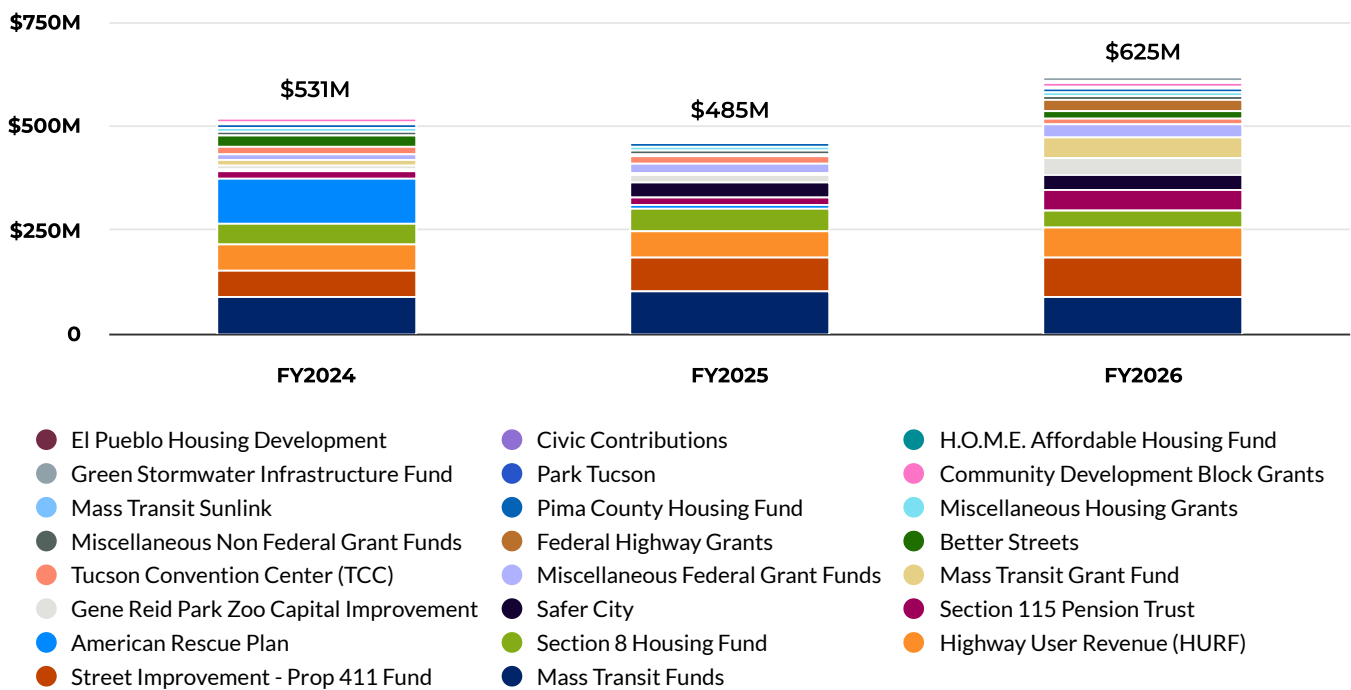
## Special Revenue Fund's Expenditures by Fund

Special Revenue Fund expenditures budget totaled \$625.1 million for Fiscal Year 2026, a decrease of \$113.76 million (15.4%) compared to the prior year. The largest changes in expenditures spending of ARPA Fund funding, reducing total expenditures by \$120.9 million, the removal of expenditures for a pending ballot measure that did not pass (\$40 million), and a decrease in Proposition 101 Better Streets/Safer City spending (\$14.4 million). Fiscal Year 2026 did see increases in Section 115 Pension Trust Fund (\$14 million), Proposition 411 – Better Streets (\$19.3 million), and within the Mass Transit and Sunlink Funds (\$18.6 million).

Overall, Fiscal Year 2026 reflects a substantial increase that will primarily be from voter-approved initiative funding, and grant-supported funds, such as Mass Transit Grants, and Federal Highway Grants, alongside the large reduction to the City's American Rescue Plan Act funding.

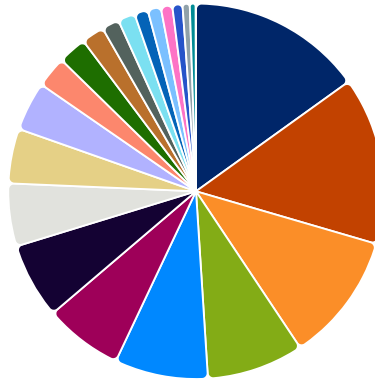
This summary shows how special revenues are carefully managed to maintain balance while supporting critical community needs.

Historical Expenditures by Fund



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Fund



Street Improvement - Prop 411 Fund	<b>\$94,300,000</b>	15.09%
Mass Transit Funds	<b>\$90,200,870</b>	14.43%
Highway User Revenue (HURF)	<b>\$69,527,818</b>	11.12%
Mass Transit Grant Fund	<b>\$52,187,800</b>	8.35%
Section 115 Pension Trust	<b>\$50,205,962</b>	8.03%
Section 8 Housing Fund	<b>\$42,144,912</b>	6.74%
Gene Reid Park Zoo Capital Improvement	<b>\$40,614,960</b>	6.50%
Safer City	<b>\$33,873,865</b>	5.42%
Miscellaneous Federal Grant Funds	<b>\$29,405,455</b>	4.70%
Federal Highway Grants	<b>\$26,459,000</b>	4.23%
Tucson Convention Center (TCC)	<b>\$16,781,261</b>	2.68%
Better Streets	<b>\$15,320,800</b>	2.45%
Miscellaneous Non Federal Grant Funds	<b>\$12,311,115</b>	1.97%
Green Stormwater Infrastructure Fund	<b>\$9,303,414</b>	1.49%
Miscellaneous Housing Grants	<b>\$9,295,894</b>	1.49%
Community Development Block Grants	<b>\$7,257,954</b>	1.16%
Mass Transit Sunlink	<b>\$6,999,900</b>	1.12%
Pima County Housing Fund	<b>\$6,214,186</b>	0.99%
Park Tucson	<b>\$5,481,600</b>	0.88%
Civic Contributions	<b>\$3,827,580</b>	0.61%
H.O.M.E. Affordable Housing Fund	<b>\$3,245,095</b>	0.52%
American Rescue Plan	<b>\$108,861</b>	0.02%

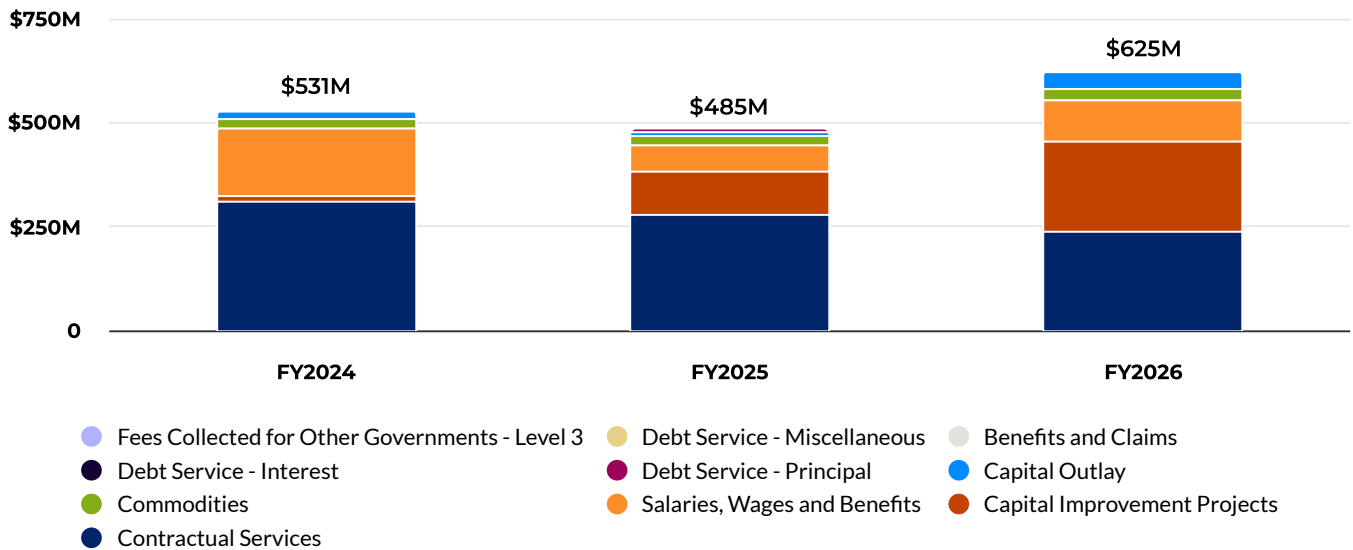
Notes: Charts may not total 100% due to rounding.

## Special Revenue Fund's Expenditures by Type

This chart shows how the City of Tucson spent special revenue funds across different types of expenses over the past three fiscal years.

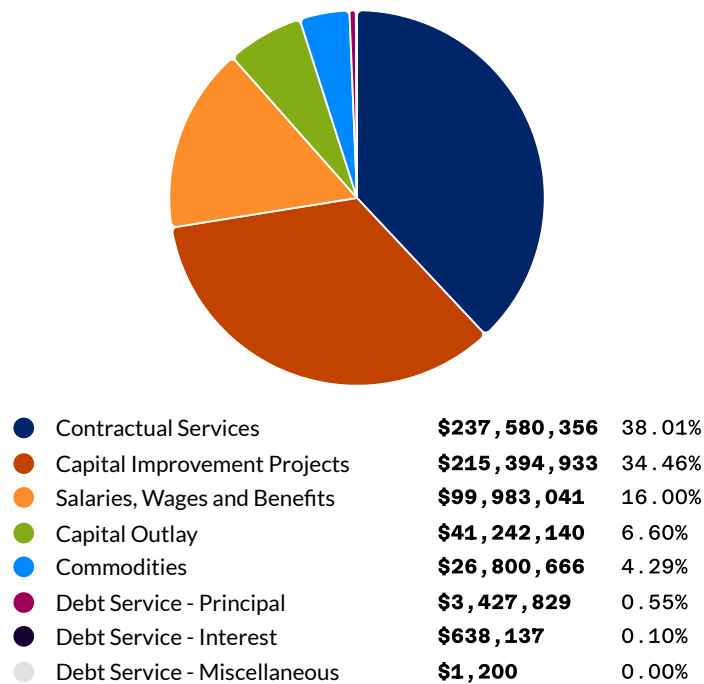
Fiscal Year 2026 Special Revenue expenditures are expected to reach \$625 million, with the largest increase in capital improvement projects that will be funded with sales tax and general obligation bond propositions and grant funding.

Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Expenditures by Type



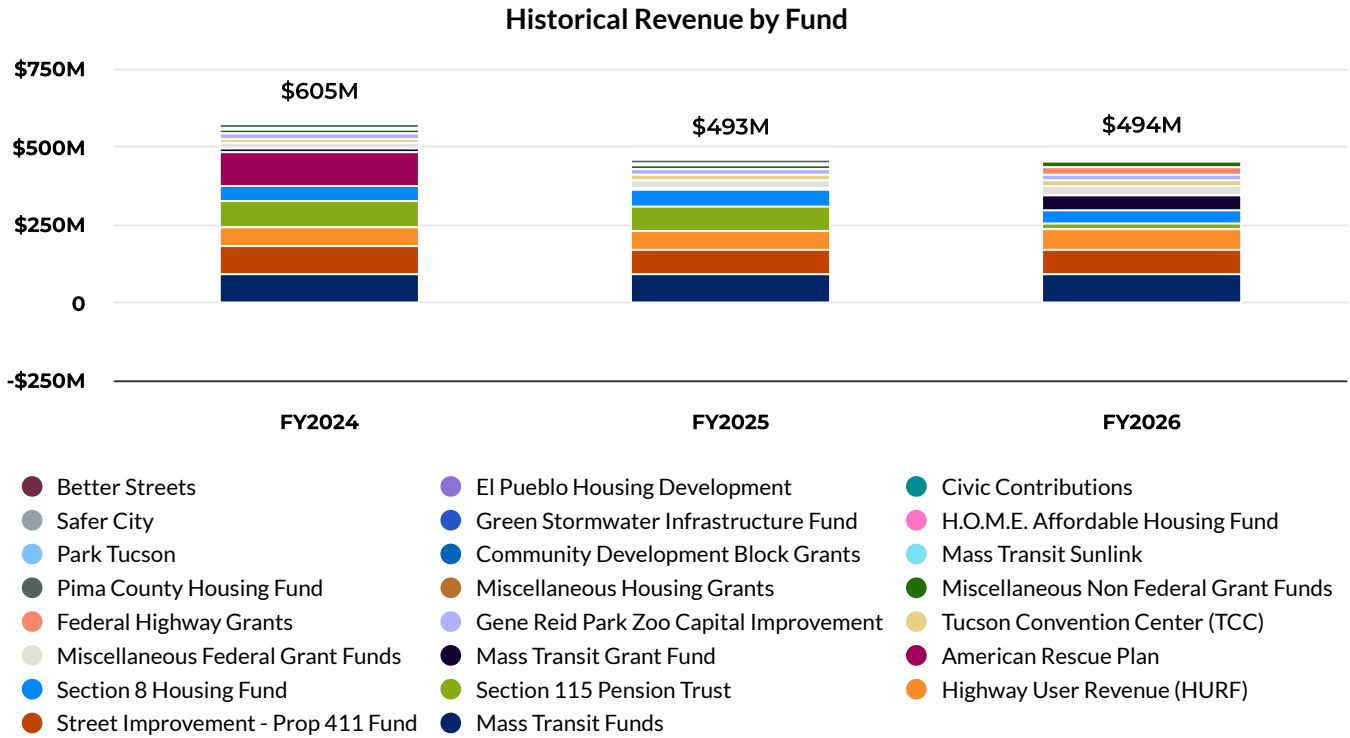
Note: Amounts shown in the graphs are rounded up.



## Special Revenues - Revenues by Fund

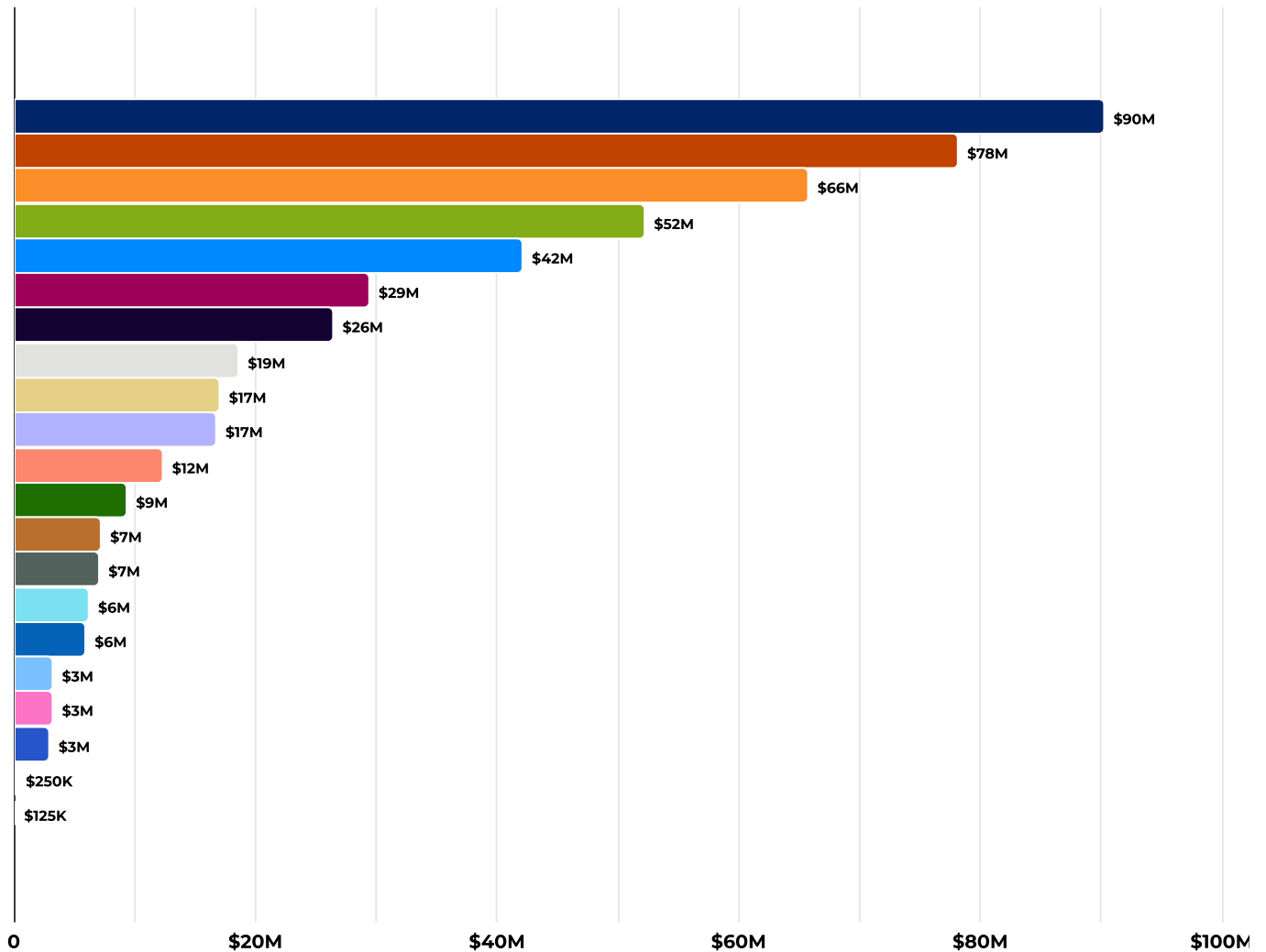
The chart illustrates the various funding sources that make up the City of Tucson's special revenues. These funds support critical initiatives such as public safety, street improvements, public transportation, infrastructure, and housing.

In Fiscal Year 2025, the large decrease is from American Rescue Plan Act funding being used in Fiscal Year 2024. For Fiscal Year 2026, the Adopted Budget is projected to increase slightly to \$497 million.



Note: Amounts shown in the graphs are rounded up.





### Fiscal Year 2026 Revenues by Fund



● Mass Transit Funds	<b>\$90,200,870</b>	18.25%
● Street Improvement - Prop 411 Fund	<b>\$78,120,884</b>	15.80%
● Highway User Revenue (HURF)	<b>\$65,686,860</b>	13.29%
● Mass Transit Grant Fund	<b>\$52,187,800</b>	10.56%
● Section 8 Housing Fund	<b>\$42,144,910</b>	8.53%
● Miscellaneous Federal Grant Funds	<b>\$29,405,460</b>	5.95%
● Federal Highway Grants	<b>\$26,459,000</b>	5.35%
● Gene Reid Park Zoo Capital Improvement	<b>\$18,572,220</b>	3.76%
● Section 115 Pension Trust	<b>\$17,000,000</b>	3.44%
● Tucson Convention Center (TCC)	<b>\$16,781,260</b>	3.39%
● Miscellaneous Non Federal Grant Funds	<b>\$12,311,120</b>	2.49%
● Miscellaneous Housing Grants	<b>\$9,295,894</b>	1.88%
● Community Development Block Grants	<b>\$7,257,950</b>	1.47%
● Mass Transit Sunlink	<b>\$6,999,900</b>	1.42%
● Pima County Housing Fund	<b>\$6,214,190</b>	1.26%
● Park Tucson	<b>\$5,842,043</b>	1.18%
● Civic Contributions	<b>\$3,273,920</b>	0.66%

## Special Revenue

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 H.O.M.E. Affordable Housing Fund	<b>\$3,245,100</b>	0.66%
 Green Stormwater Infrastructure Fund	<b>\$2,987,400</b>	0.60%
 Safer City	<b>\$250,080</b>	0.05%
 Better Streets	<b>\$125,000</b>	0.03%

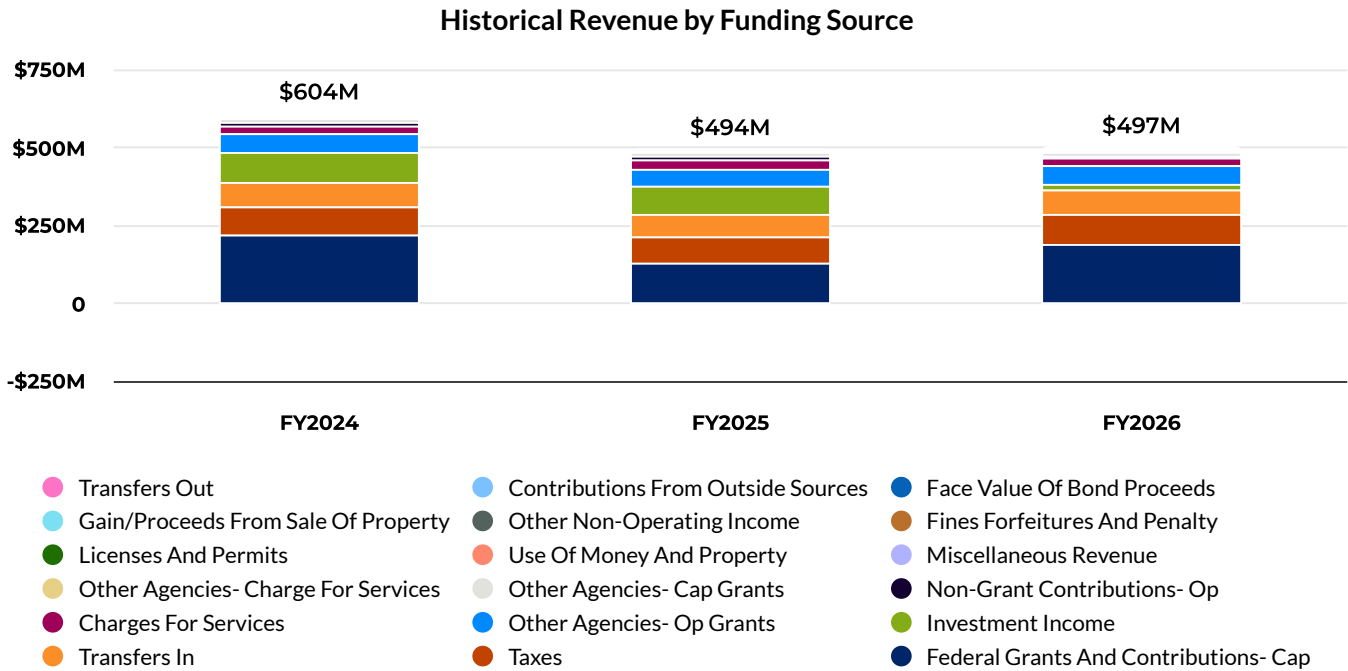
*Notes: Charts may not total 100% due to rounding.*

## Special Revenue Funds by Funding Source

This chart shows how the City of Tucson receives special revenue funds used to support key projects and services in the community.

Fiscal Year 2026 revenues are expected to rise slightly to \$422.4 million, adding a transfer-in amount of \$74.7 from Fiscal Year 2025 totaling to \$497 million. These funds help the City invest in infrastructure, safety, mobility, and quality-of-life improvements for Tucson residents.

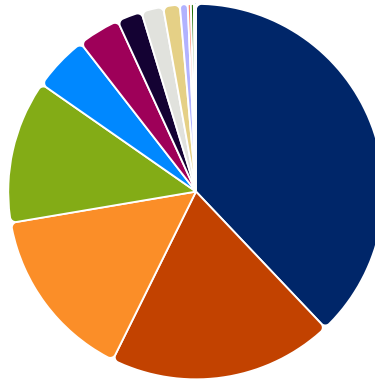
*Note: Amounts shown in the graphs are rounded up.*



*Notes: Fiscal Year 2024 (-\$112,760), Fiscal Year 2025 (-\$528,851) and Fiscal Year 2026 (-\$2,718,487) indicate transfer out.*

*Note: Fiscal Year 2026, a transfer in the amount of \$74,713,580 added to the adopted revenue of \$424 million.*

### Fiscal Year 2026 Revenues by Funding Source



Federal Grants And Contributions-Cap	<b>\$188,471,504</b>	38.12%
Taxes	<b>\$96,372,040</b>	19.49%
Transfers In	<b>\$74,713,580</b>	15.11%
Other Agencies- Op Grants	<b>\$61,412,960</b>	12.42%
Charges For Services	<b>\$23,849,380</b>	4.82%
Investment Income	<b>\$18,225,644</b>	3.69%
Other Agencies- Cap Grants	<b>\$10,695,900</b>	2.16%
Non-Grant Contributions- Op	<b>\$9,374,710</b>	1.90%
Other Agencies- Charge For Services	<b>\$7,153,400</b>	1.45%
Miscellaneous Revenue	<b>\$3,299,500</b>	0.67%
Use Of Money And Property	<b>\$1,317,600</b>	0.27%
Licenses And Permits	<b>\$1,314,000</b>	0.27%
Fines Forfeitures And Penalty	<b>\$645,000</b>	0.13%
Gain/Proceeds From Sale Of Property	<b>\$200,000</b>	0.04%
Contributions From Outside Sources	<b>\$31,410</b>	0.01%
Other Non-Operating Income	<b>\$3,720</b>	0.00%
Transfers Out	<b>-\$2,718,487</b>	-0.55%

Notes: Charts may not add to 100% due to rounding.

# Enterprise Funds

Enterprise Funds are self-sustaining accounts used to deliver public services on a fee-for-service basis. Revenues are intended to fully cover operational and capital costs, often with revenue-backed debt financing.

## Tucson Water Utility Fund

- **Service:** Provides potable and reclaimed water:
- **Fiscal Year 2026 Budget Highlights:**
  - **Potable Water Sales:** \$203.7 million, representing 59% of total revenues.
  - **Reclaimed Water Sales:** \$11.7 million, supporting non-potable irrigation and industrial uses.
  - **Water Revenue Obligation bond proceeds** – invest in water system infrastructure.

## Environmental Services Fund

- **Service:** Solid waste collection, recycling, and landfill operations.
- **Fiscal Year 2026 Budget Highlights:**
  - **Total Revenues:** \$76 million
  - **Primary Sources:** Residential, Commercial, and Landfill fees.
  - **Cost Drivers:** Homeless encampment cleanup and equipment purchases, and increased infrastructure and energy efficiency investment.

## Tucson Golf Enterprise Fund

- **Service:** Operations of five municipal golf courses via Troon contract.
- **Fiscal Year 2026 Budget Highlights:**
  - **Revenue Decrease:** \$0.4 million
  - **Sources:** Golf fees, cart rentals, pro shop, and clubhouses.

## Public Housing (AMP) Fund

- **Service:** Operates 1,505 public housing units (elderly/disabled, multi-unit, single-family).
- **Fiscal Year 2026 Budget Highlights:**
  - **Federal Grant Revenue:** Projected at \$9.3 million

### Key Insight:

Enterprise Funds are a critical component of the City's strategy to maintain financial accountability and service quality without reliance on general tax revenues. Fiscal Year 2026 reflects increased cost recovery efforts (e.g., water rate and residential fee hikes) and strategic partnerships (e.g., federal conservation funding), ensuring continued infrastructure and service delivery.

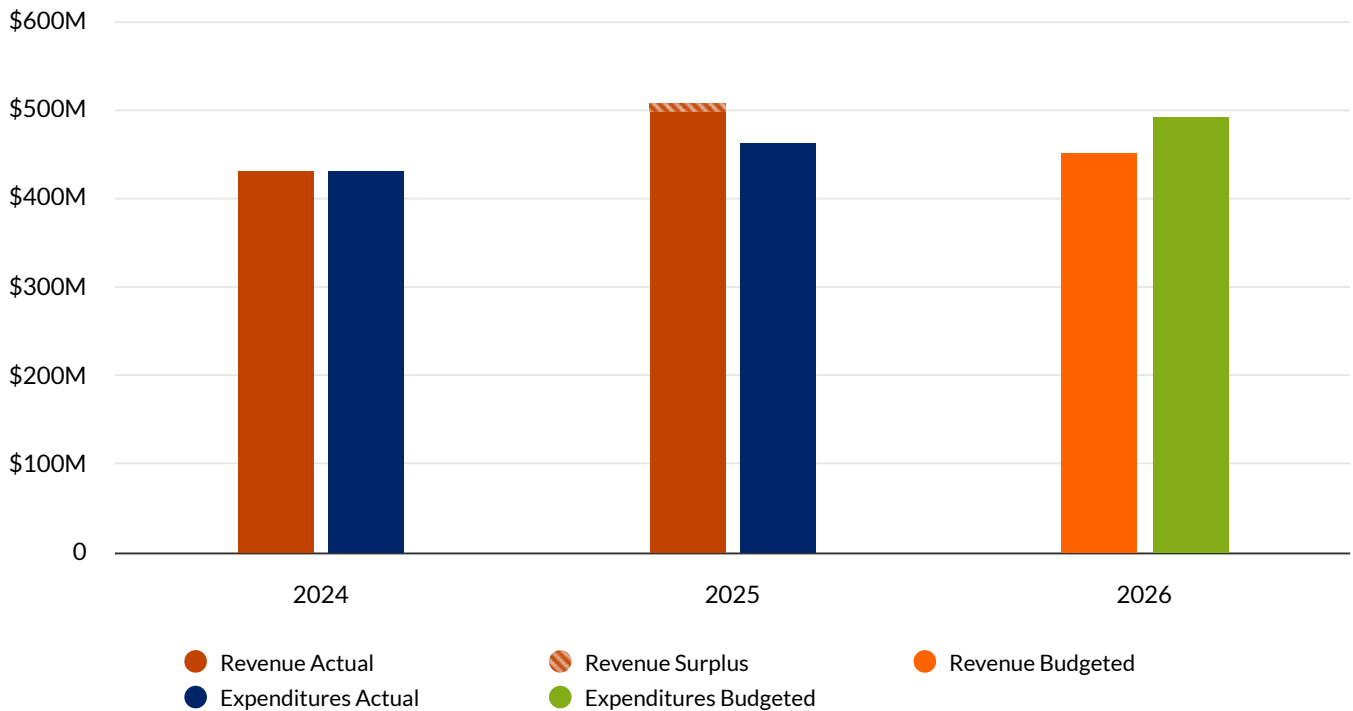
# Enterprise Summary

This chart presents a comparison of revenues and expenditures for the City of Tucson’s Enterprise Funds over Fiscal Years 2024 through 2026. Enterprise Funds are used to account for operations that are primarily funded through user fees rather than taxes—such as water services, environmental services, municipal golf course services, and public housing.

- In Fiscal Year 2026, Enterprise Fund expenditures are budgeted at \$491.4 million, an increase of 6.1% compared to the prior year’s budget of \$462.9 million. In contrast, budgeted revenues are projected at \$452.1 million, reflecting a 9.4% decrease from the Fiscal Year 2025 revenue budget of \$498.6 million.
- This shift represents a reversal in Fiscal Year 2024, when actual revenues exceeded budget by 1.5% and actual expenditures were slightly under budget at 99.69%. The Fiscal Year 2026 budget assumes the use of water obligation bond proceeds of approximately \$38 million for improvements to the utility system.

To support long-term financial sustainability, the City’s practice is to evaluate rate structures, cost containment strategies, and operational efficiencies within the Enterprise Funds. These measures will help ensure that essential services remain financially stable while continuing to meet community needs.

### Revenues vs Expenditures Summary



Note: Amounts shown in the graphs are rounded up.

# Enterprise Expenditures by Fund

This chart displays the City of Tucson’s historical Enterprise Fund expenditures from Fiscal Year 2024 through Fiscal Year 2026, broken down by individual funds. Enterprise Funds are primarily supported by user fees and are used to deliver services such as water, sanitation, and housing that operate similarly to private businesses.

**Key Insights:**

- The Water Utility operating fund remains the dominant category, totaling \$344.4 million. This represents an increase of \$41.6 million (13.7%), raising its share of the Enterprise Fund from 65.63% in Fiscal Year 2025 to 70.0% in Fiscal Year 2026. The Water Grant (includes bond proceeds) Fund grew significantly by \$28.9 million (318.9%) to \$37.9 million, expanding its share to 7.72%, compared to just 1.9% in the prior year.
- Environmental Services also experienced some growth, increasing by \$7.7 million (11.7%) to \$73.9 million, which now accounts for 14.9% of the total.
- The Tucson Golf Enterprise Fund experienced a modest decline of \$71,229 (0.59%), bringing expenditures to \$11.9 million, or 2.43% of the total, slightly lower than its 2.6% share in Fiscal Year 2025.

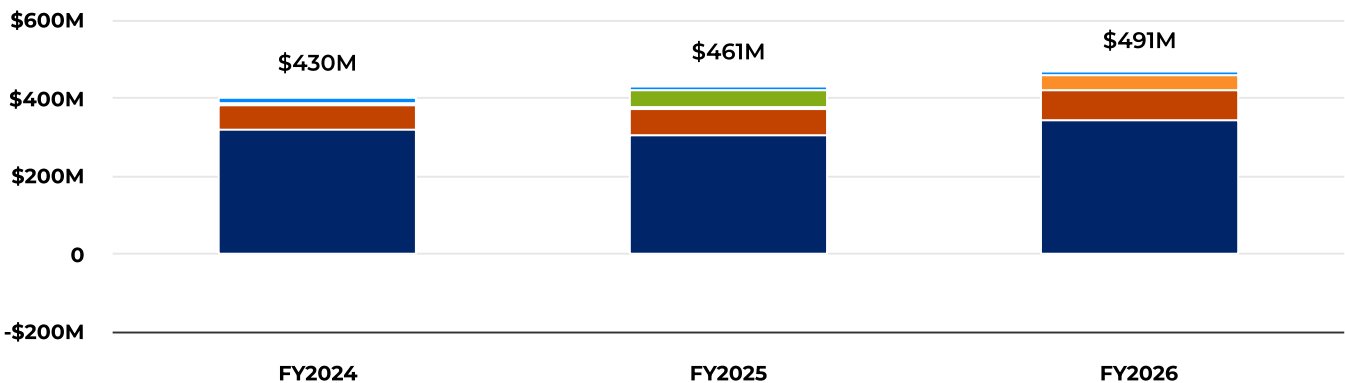
**Other notable increases include:**

- Water Conservation Program – up \$1.2 million (28.27%) to \$5.2 million.
- Housing Enterprise Fund 1 – up \$1 million (66.99%) to \$2.6 million.
- HCD Housing Zone 3 AMP – up \$1.5 million (116.47%) to \$2.9 million.
- HCD Housing Zone 5 AMP – up \$27,253 (1.46%) to \$1.9 million.

**Conclusion:**

The City’s enterprise expenditures demonstrate a strategic commitment to investing in infrastructure, environmental stewardship, and essential service delivery—all while maintaining financial independence from tax-based funding sources.

**Historical Expenditures by Fund**



- |  |  |  |
|--|--|--|
| ● HOUSING ENTERPRISE FUNDS 2           | ● Santa Rita Bel Air Isolated System Fee | ● Environmental Services Grant Fund      |
| ● Hcd Housing Silverbell 28 Amp        | ● Cap Water Resource Fee                 | ● Hcd Housing South Park 28 Amp          |
| ● Hcd Housing Lander Amp               | ● Hcd Housing Mlk 68 Amp                 | ● Differential Rate Revenue Fund         |
| ● Hcd Housing Posadas Sentinel 140 Amp | ● Hcd Housing Zone 4 Amp                 | ● Hcd Housing Zone 3 Amp                 |
| ● Hcd Housing Zone 5 Amp               | ● Housing Enterprise Funds 1             | ● Hcd Housing Zone 6 Amp                 |
| ● Tucson Water System Equity Fee       | ● Hcd Non-Pha Asset Management           | ● Hcd Housing Tucson House Amp           |
| ● Water Conservation Program           | ● Tucson Golf Enterprise Fund            | ● Water Revenue Obligations, Series 2024 |
| ● Water Grant Fund                     | ● Environmental Services                 | ● Water Utility Enterprise Funds         |

*Note: Housing and Community Development (HCD)*

*Note: Amounts shown in the graphs are rounded up.*

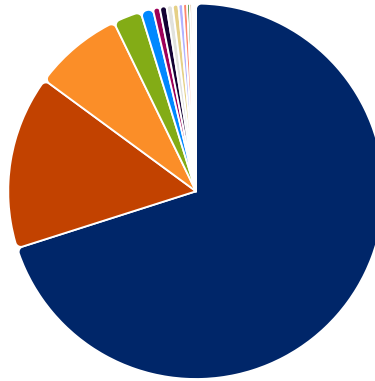
Other decreases include:

- HCD Housing Posadas Sentinel 140 AMP – down \$760,793 (44.72%) to \$940,500.
- HCD Housing Zone 6 AMP – down \$745,440 (30.26%) to \$1.7 million.
- HCD Housing Zone 4 AMP – down \$688,638 (38.73%) to \$1.1 million.
- HCD Housing Tucson House AMP – down \$481,173 (13.95%) to \$3 million.
- HCD Non-PHA Asset Management – down \$433,601 (14.93%) to \$2.5 million.
- HCD Housing Lander AMP – down \$223,116 (42.23%) to \$305,200.
- Santa Rita Bel Air Isolated System Fee – down \$207,746 (100%).

**Conclusion:**

The City's enterprise expenditures demonstrate a strategic commitment to investing in infrastructure, environmental stewardship, and essential service delivery—all while maintaining financial independence from tax-based funding sources.

### Fiscal Year 2026 Expenditures by Fund



Water Utility Enterprise Funds	<b>\$344,428,241</b>	70.09%
Environmental Services	<b>\$73,652,020</b>	14.99%
Water Grant Fund	<b>\$37,939,692</b>	7.72%
Tucson Golf Enterprise Fund	<b>\$11,934,990</b>	2.43%
Water Conservation Program	<b>\$5,238,840</b>	1.07%
Hcd Housing Tucson House Amp	<b>\$2,969,250</b>	0.60%
Hcd Housing Zone 3 Amp	<b>\$2,856,708</b>	0.58%
Housing Enterprise Funds 1	<b>\$2,570,389</b>	0.52%
Hcd Non-Pha Asset Management	<b>\$2,469,860</b>	0.50%
Hcd Housing Zone 5 Amp	<b>\$1,895,550</b>	0.39%
Hcd Housing Zone 6 Amp	<b>\$1,718,070</b>	0.35%
Hcd Housing Zone 4 Amp	<b>\$1,089,625</b>	0.22%
Hcd Housing Posadas Sentinel 140 Amp	<b>\$940,500</b>	0.19%
Hcd Housing Mlk 68 Amp	<b>\$718,121</b>	0.15%
Hcd Housing Lander Amp	<b>\$305,200</b>	0.06%
Environmental Services Grant Fund	<b>\$245,700</b>	0.05%
Hcd Housing South Park 28 Amp	<b>\$234,700</b>	0.05%
Hcd Housing Silverbell 28 Amp	<b>\$200,300</b>	0.04%
HOUSING ENTERPRISE FUNDS 2	<b>\$0</b>	0.00%

Notes: Charts may not total 100% due to rounding.

## Enterprise Expenditures by Type

This chart illustrates how the City of Tucson allocates Enterprise Fund expenditures by category from Fiscal Year 2024 to Fiscal Year 2026. These funds support services such as water delivery, environmental management, and housing programs, and are primarily funded by user fees. Total Enterprise Fund expenditures are budgeted at \$491.4 million, an increase of 6.2% compared to the prior year.

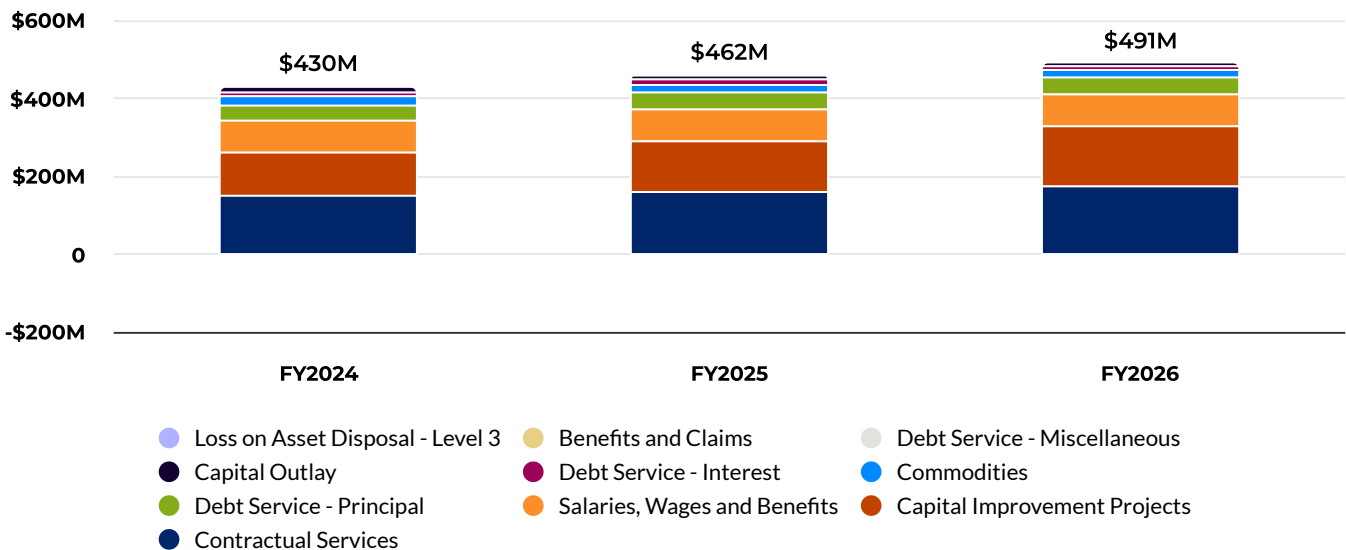
**Key Observations:**

- Contractual Services remains the largest expenditure category at \$172.5 million, increasing by \$15.3 million (9.8%). Its share of the total budget rose slightly to 35.11%, up from 34.1% in Fiscal Year 2025. This reflects the cost of outsourced services such as facility maintenance, utility operations, and vendor support.
- Capital Improvement Projects (CIP) continues as the second-largest category, rising by \$22.4 million (16.7%) to \$156.4 million. CIP now represents 31.82% of total expenditures, up from 29.04% the prior year, reflecting the City’s sustained investment in infrastructure and long-term capital needs.
- Salaries, Wages, and Benefits also represent a significant portion of enterprise spending. The Fiscal Year 2026 budget is \$82.9 million, representing \$16.9% of the total budget. This funding ensures adequate staffing for operations across departments.
- Debt Service – principal comprises \$40.5 million and the interest amount totals \$11.6 million.

**Looking Ahead:**

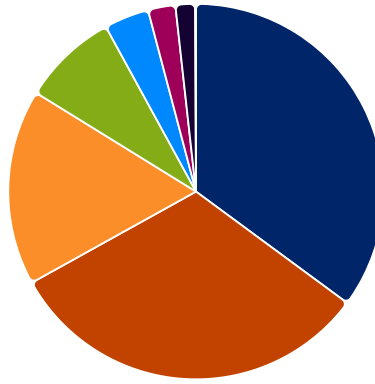
Total enterprise expenses are expected to rise from \$462 million in Fiscal Year 2025 to \$491 million in Fiscal Year 2026. This increase supports critical infrastructure improvements, enhances service delivery, and aligns with the City’s long-term investment strategy to maintain essential public services without relying on tax revenues.

**Historical Expenditures by Type**



*Note: Amounts shown in the graphs are rounded up.*

### Fiscal Year 2026 Expenditures by Type



● Contractual Services	<b>\$172,521,989</b>	35.11%
● Capital Improvement Projects	<b>\$156,377,200</b>	31.82%
● Salaries, Wages and Benefits	<b>\$82,919,583</b>	16.87%
● Debt Service - Principal	<b>\$40,489,785</b>	8.24%
● Commodities	<b>\$18,891,970</b>	3.84%
● Debt Service - Interest	<b>\$11,559,686</b>	2.35%
● Capital Outlay	<b>\$8,292,741</b>	1.69%
● Debt Service - Miscellaneous	<b>\$354,800</b>	0.07%

*Notes: Charts may not total 100% due to rounding.*

## Enterprise Revenues by Fund

### Tucson Water Utility Fund

Tucson Water, the City of Tucson's water utility, is committed to providing high-quality water service to the community. As an enterprise fund, the Tucson Water Utility Fund was established to set fees or charges to recover the cost of providing water services, including related associated capital costs.

The Tucson Water revenues reported within this fund include potable water sales, reclaimed water sales, water supply fees, water conservation fees, connection fees, and other miscellaneous operating revenues. Non-operating revenues within this fund include interest earnings, reimbursement from the Tucson Airport Authority Remediation Project, equity fees, and miscellaneous state and federal grants.

Potable and non-potable water sales account for approximately 70% of Tucson Water's annual revenue collection. For fiscal Year 2026, water sales are budgeted to be \$215.4 million, which rose from the Fiscal Year 2025 budget, primarily the result of approved rate increases. Other revenue outside those previously outlined increased significantly as a result of Tucson Water's partnership with the Bureau of Reclamation to preserve water levels in Lake Mead. Additionally, \$38 million in bond proceeds were budgeted this fiscal year and will be used to fund improvement to the City's water system.

### Environmental Services Fund

Environmental Services provides Tucson citizens and businesses with refuse and recycling collection and waste disposal services. The department operates the City's landfill in compliance with state and federal regulations and administers the City's Environmental Compliance and Brownfields programs as well as the Household Hazardous Waste program. The department also includes other Citywide environmental programming, such as food waste composting, neighborhood clean-ups and mitigating the impact of vacant and neglected structures.

The major revenue sources for the Environmental Services Fund are Residential, Commercial, and Landfill Services collections, budgeted at \$75.9 million for Fiscal Year 2026, reflecting an increase from the last two fiscal years of approximately \$4.1 million. The fund's major revenue sources are from charges for services to collect recycling and trash from residences in the City, services provided to commercial customers and charges to customers to utilize the landfill.

The City receives Brownsfield grant funds from the Environmental Protection Agency to support cleanup and redevelopment of contaminated properties. This year's grant funding budget is \$245,700, reflecting an increase of \$200,000 from the Fiscal Year 2025 budget.

Environmental Services is a self-supporting enterprise fund of the City of Tucson with rates and fees based on cost of service. The cost of service study will be updated in Fall 2025 to include increased costs for homeless camp cleanups and equipment replacement needs. In addition, capital project expenditures will also increase over the prior fiscal year as part of the City's climate action initiative.

### Tucson Golf Enterprise Fund

The Tucson Golf Fund operates five golf courses throughout the city: El Rio, Randolph, Dell Urich, Fred Enke, and Silverbell. The revenues funding the golf operations include golf fees, cart rental, driving range, pro shops, and food and beverage sales. The City contracts with Troon to manage the golf operations.

The Fiscal Year 2026 revenue budget reflects a \$0.4 million decrease over the Fiscal Year 2025 Adopted Budget. The decrease is mostly from declines in El Rio and Fred Enke golf course revenues.

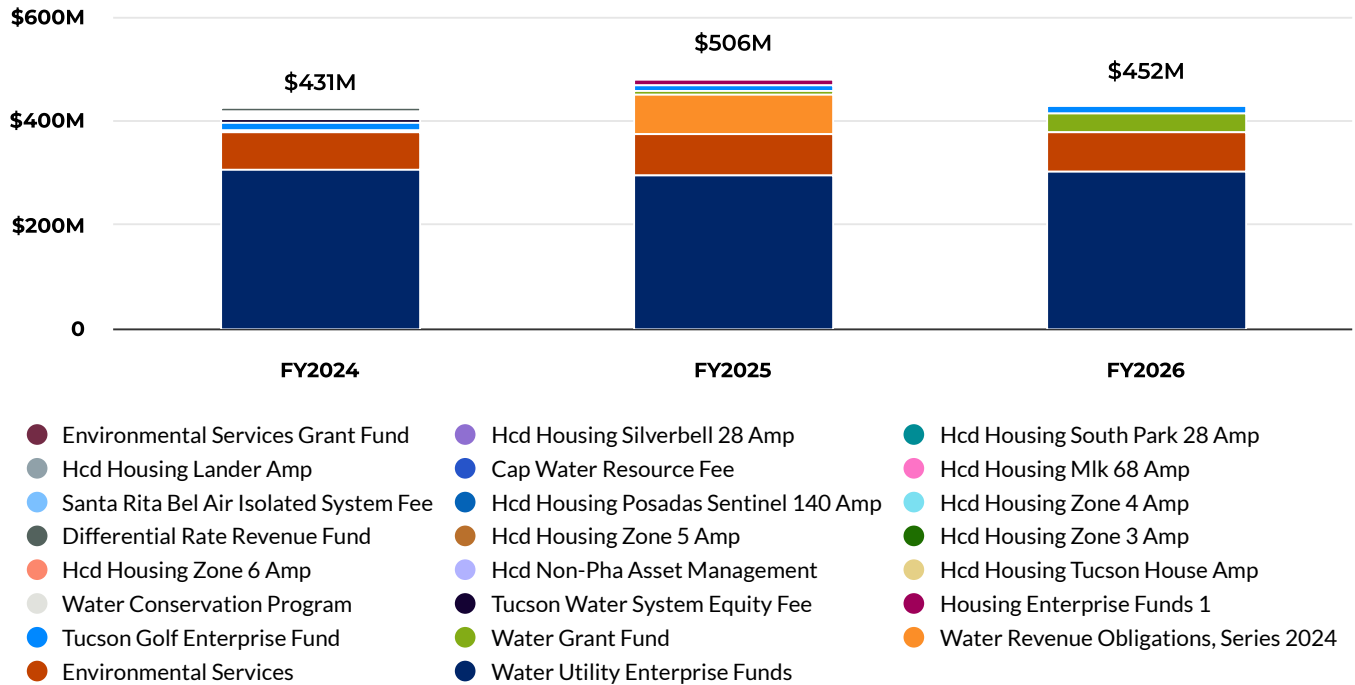
### Public Housing (AMP) Fund

Public Housing provides decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. The City of Tucson owns and manages 1,505 public housing units located throughout the city. The public housing unit portfolio includes

elderly/disabled high-rises, multi-unit housing complexes, and scattered site single-family homes.

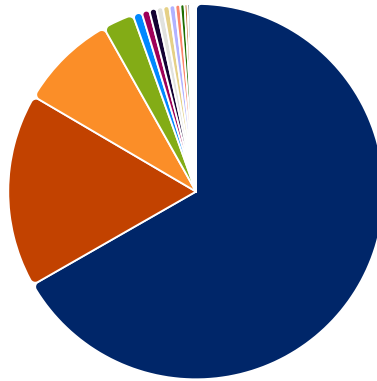
The Public Housing (AMP) Funds federal grant funding is projected to increase from Fiscal Year 2025 estimated total of \$16.9 million to \$18 million for Fiscal Year 2025.

### Historical Revenue by Fund



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Fund



Water Utility Enterprise Funds	<b>\$301,694,700</b>	66.72%
Environmental Services	<b>\$75,618,670</b>	16.72%
Water Grant Fund	<b>\$37,939,692</b>	8.39%
Tucson Golf Enterprise Fund	<b>\$12,181,620</b>	2.69%
Water Conservation Program	<b>\$3,550,400</b>	0.79%
Hcd Housing Tucson House Amp	<b>\$2,969,250</b>	0.66%
Hcd Housing Zone 3 Amp	<b>\$2,856,710</b>	0.63%
Housing Enterprise Funds 1	<b>\$2,570,390</b>	0.57%
Hcd Non-Pha Asset Management	<b>\$2,469,860</b>	0.55%
Tucson Water System Equity Fee	<b>\$2,300,000</b>	0.51%
Hcd Housing Zone 5 Amp	<b>\$1,895,550</b>	0.42%
Hcd Housing Zone 6 Amp	<b>\$1,718,070</b>	0.38%
Hcd Housing Zone 4 Amp	<b>\$1,089,620</b>	0.24%
Hcd Housing Posadas Sentinel 140 Amp	<b>\$940,500</b>	0.21%
Hcd Housing Mlk 68 Amp	<b>\$718,120</b>	0.16%
Cap Water Resource Fee	<b>\$350,000</b>	0.08%
Hcd Housing Lander Amp	<b>\$305,200</b>	0.07%
Santa Rita Bel Air Isolated System Fee	<b>\$300,000</b>	0.07%
Environmental Services Grant Fund	<b>\$245,700</b>	0.05%
Hcd Housing South Park 28 Amp	<b>\$234,700</b>	0.05%
Hcd Housing Silverbell 28 Amp	<b>\$200,300</b>	0.04%

Notes: Charts may not total 100% due to rounding.

# Enterprise Revenues by Funding Source

This chart highlights the historical and projected revenue composition of the City of Tucson’s Enterprise Funds, broken down by funding source from Fiscal Year 2024 through Fiscal Year 2026.

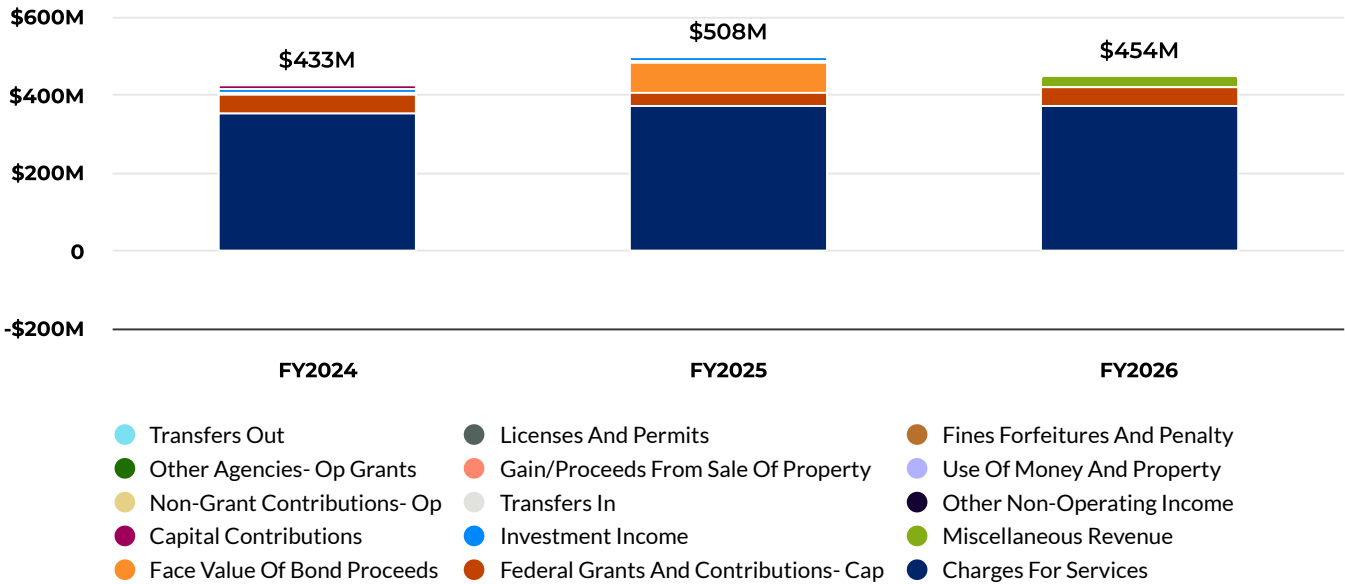
**Key Highlights:**

- Charges for Services overwhelmingly dominate enterprise revenue, contributing the majority of funding across all three fiscal years:
  - \$318 million in Fiscal Year 2024
  - \$349 million in Fiscal Year 2025
  - \$365 million in Fiscal Year 2026
- This reflects the self-sustaining nature of Enterprise Funds, which rely primarily on user fees (e.g., water, waste management, housing).
- Water Revenue Bond Proceeds, Capital Contributions, Non-Grant Contributions, and Federal Grants also play supporting roles, especially in Fiscal Year 2026, indicating targeted investments in capital projects or infrastructure upgrades.
- Investment Income, Use of Money and Property, and Miscellaneous Revenue make up smaller but stable revenue streams that support operational flexibility.
- The City issued new water revenue bonds in Fiscal Year 2025 totaling \$75 million. Bond proceeds of \$37.5 million were spent in Fiscal Year 2025, with the remaining proceeds of \$37.5 million budgeted in Fiscal Year 2026.

**Trends:**

- Total enterprise revenues are projected to increase from \$433 million in Fiscal Year 2024 to \$454 million in Fiscal Year 2026, reflecting both inflationary adjustments and rising demand for city services.
- Negative values listed at the bottom represent a transfer from the Water Utility Fund to the General Fund for property in lieu of taxes for each fiscal year.

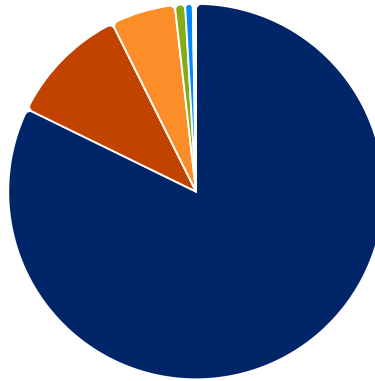
**Historical Revenue by Funding Source**



Notes: Fiscal Year 2024 (-\$2,238,480), Fiscal Year 2025 (-\$2,110,520) and Fiscal Year 2026 (-\$1,997,300) indicate transfer out.

Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Funding Source



Charges For Services	<b>\$373,459,760</b>	82.60%
Federal Grants And Contributions-Cap	<b>\$47,297,342</b>	10.46%
Miscellaneous Revenue	<b>\$25,164,900</b>	5.57%
Investment Income	<b>\$3,988,650</b>	0.88%
Capital Contributions	<b>\$2,950,000</b>	0.65%
Gain/Proceeds From Sale Of Property	<b>\$575,000</b>	0.13%
Use Of Money And Property	<b>\$443,600</b>	0.10%
Other Agencies- Op Grants	<b>\$245,700</b>	0.05%
Other Non-Operating Income	<b>\$20,100</b>	0.00%
Fines Forfeitures And Penalty	<b>\$1,300</b>	0.00%
Transfers Out	<b>-\$1,997,300</b>	-0.44%

Notes: Charts may not total 100% due to rounding.

# Capital Projects Funds

Capital Projects Funds are established to account for the financial resources used in the acquisition, construction, or major improvement of capital facilities and infrastructure not funded by the General Fund, Special Revenue Funds, or Enterprise Funds. These funds are essential for managing large-scale, multi-year capital investments that support the long-term growth and functionality of the City of Tucson.

Funding sources for Capital Projects Funds typically include Voter-Authorized General Obligation Bonds, Certificates of Participation (COPs) Proceeds, Intergovernmental Agreements (IGAs) and Development Impact Fees.

These funds ensure accountability and transparency in the planning and execution of capital improvement programs, aligning investments with strategic priorities such as public safety, mobility, community facilities, and sustainability.

The funds below comprise Capital Projects Funds.

## **Capital Project Proposition Funds (General Obligation Parks and Connections Improvement Fund)**

On November 6, 2018, voters approved Proposition 407: Parks and Connections, a \$225.0 million General Obligation bond package for capital improvements dedicated to City park amenities and bicycle and pedestrian infrastructure. The first bond series were issued in the summer of 2020 for the amount of \$57.0 million, which has been spent, and a second round of bond proceeds were sold in December 2024 in the amount of \$54 million. The City plans to spend \$31.5 million on parks and recreation projects and \$26.6 million on transportation and mobility projects.

## **Capital Improvement Fund**

The Capital Improvement Fund accounts for capital projects reimbursed by governmental agencies such as Pima County and Pima Association of Governments (PAG). Typical projects to be reimbursed by other agencies are street and highway and park improvements. Budgeted revenues for Fiscal Year 2026 are \$26.7 million, which is a decrease of \$46.8 million from the Fiscal Year 2025 Adopted Budget.

## **Development Fee Fund**

The Development Fee Fund accounts for the capital projects funded by impact fees. Impact fees are charged to new development as a means of paying for the facilities and infrastructure needed to serve development. Currently, the City of Tucson assesses impact fees for water, roads, parks, police, and fire. Impact fees for water are accounted for in the Tucson Water Utility Fund.

Budgeted roads, parks, police, and fire revenues for Fiscal Year 2026 are \$25.3 million, reflecting a slight decrease of \$0.5 million from the Fiscal Year 2025 Adopted Budget.

In Fiscal Year 2025, the City adopted a state-mandated update to its land use assumptions and infrastructure improvement plan, which resulted in fee increases that will be phased-in over three years starting August 18, 2025.

### **Regional Transportation Authority (RTA) Fund**

The RTA Fund accounts for the capital projects approved with funding from the RTA. The RTA plan is funded by a countywide transaction half-a cent sales tax approved by the voters on May 16, 2006, which is collected by the State of Arizona. The State, in turn, transfers the collected funds to a Regional Transportation authorized fund account managed by the Pima Association of Governments (PAG), the region's metropolitan planning organization. The current plan and tax are set to expire in June 2026. A new plan and half-cent sales tax investment will go to voters for approval in Spring 2026 to continue RTA-funded transportation improvements in the region.

The budgeted revenues for Fiscal Year 2026 are \$109.2 million, which is an increase of \$65.4 million from the Fiscal Year 2025 Adopted Budget. Revenues fluctuate widely from one year to the next, depending on the status of projects. Projects funded with RTA funds include design and improvements along major arterial and collector roadways within the City. The improvements include street widening, storm drains, sidewalks, street lighting, bike paths and landscaping.

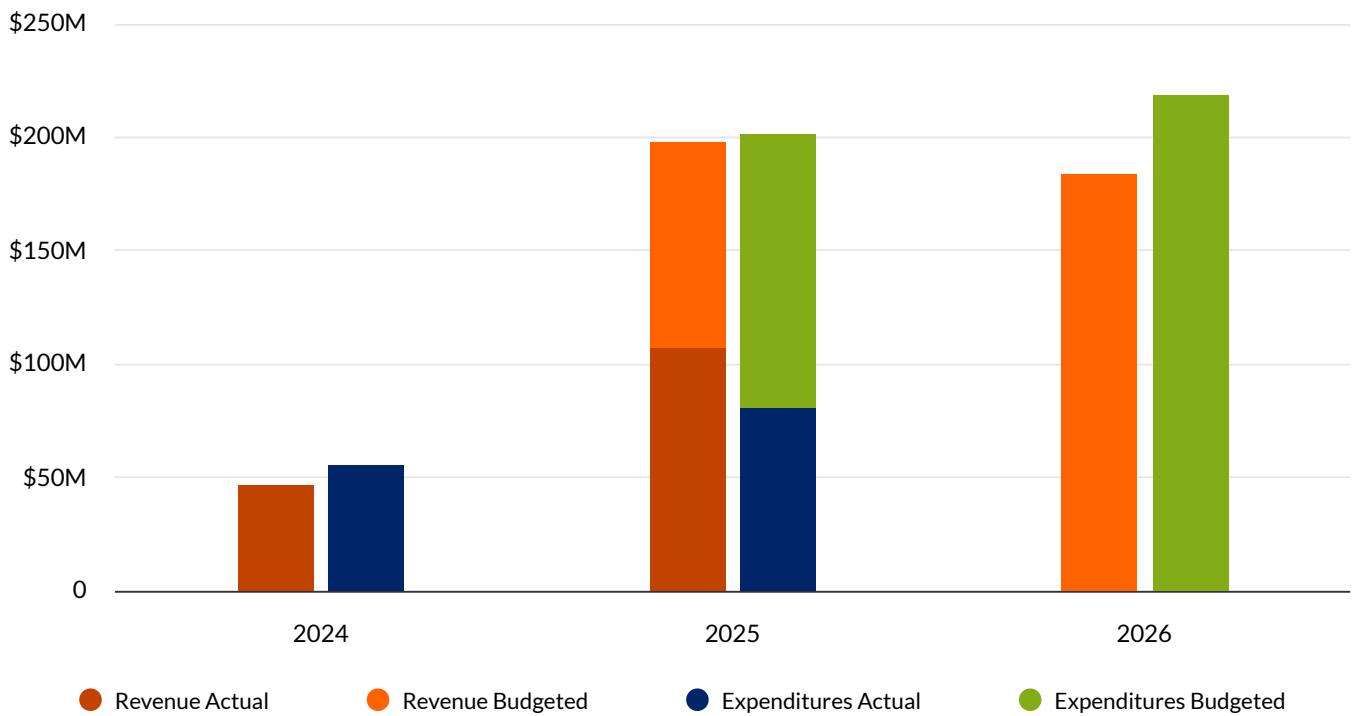
# Capital Summary

This summary highlights the City of Tucson's capital-related revenues and expenditures over the past three fiscal years, reflecting investments in long-term infrastructure and facilities.

For Fiscal Year 2026, budgeted capital fund expenditures total \$218.2 million, representing an 8.6% increase compared to the Fiscal Year 2025 adopted budget total of \$201 million. In large part, the increase is offset by the net of the increase in RTA funded transportation improvement projects (increase of \$65.4 million or 149% and a decrease in the Capital Improvements Fund planned projects (decrease of \$46.8 million or 63.7%). Budgeted revenues are \$184.1 million, including transfers' from other funds of \$22.9 million, a decrease of 6.7% from the Fiscal Year 2025 budget of \$197.2 million. The decline is mostly due to the prior year's budget having a \$55 million bond proceed sale, while there is no such sale in Fiscal Year 2026.

Growth from Fiscal Year 2024 to this year's plan reflects the City's strategic commitment to upgrading essential public assets while ensuring long-term financial responsibility.

## Revenues vs Expenditures Summary



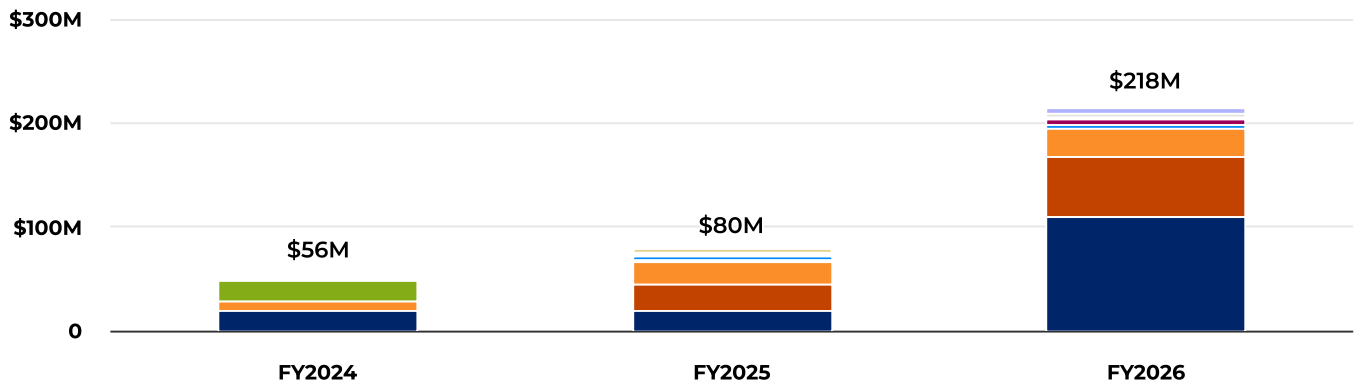
Note: Amounts shown in the graphs are rounded up.

# Capital Expenditures by Fund

This section illustrates how the City of Tucson has funded capital investments over the past three fiscal years, highlighting which funds supported infrastructure improvements and growth-related projects.

Capital fund expenditures for Fiscal Year 2026 are projected at \$218.2 million, representing a \$171.8% increase from prior year's total unaudited actuals of \$80.3 million. This significant increase demonstrates the City of Tucson's focus on delivering voter-approved projects, meeting development-related infrastructure demands, and improving the community's quality of life through strategic capital investment.

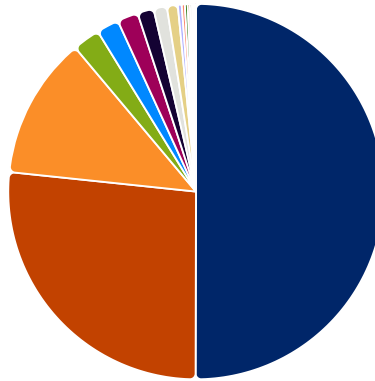
Historical Expenditures by Fund



- Fire Impact Fees (Post 12/31/2011)
- SOUTHLANDS DISTRICT IMPACT FEES
- Police Impact Fees (Post 12/31/2011)
- Impact Fees 2020 - Area A
- Impact Fees 2020 - Area C
- Capital Proposition: Parks And Connections Bond Series 2020
- Regional Transit Authority Fund
- East District Impact Fees
- Southeast District Impact Fees
- East District Impact Fees (Post 12/31/2011)
- Impact Fees 2020 - Citywide
- Southeast District Impact Fees (Post 12/31/2011)
- Capital Improvement Fund
- Central District Impact Fees
- Southlands District Impact Fees 2
- West District Impact Fees (Post 12/31/2011)
- Impact Fees 2020 - Area B
- Central District Impact Fees (Post 12/31/2011)
- Capital Proposition: Parks And Connections Bond Series 2023

Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Fund



Regional Transit Authority Fund	<b>\$109,172,300</b>	50.03%
Capital Proposition: Parks And Connections Bond Series 2023	<b>\$58,100,820</b>	26.63%
Capital Improvement Fund	<b>\$26,662,900</b>	12.22%
Southeast District Impact Fees (Post 12/31/2011)	<b>\$5,132,000</b>	2.35%
Impact Fees 2020 - Area A	<b>\$4,226,500</b>	1.94%
Impact Fees 2020 - Area B	<b>\$3,925,000</b>	1.80%
Central District Impact Fees (Post 12/31/2011)	<b>\$3,041,440</b>	1.39%
Impact Fees 2020 - Area C	<b>\$2,500,000</b>	1.15%
West District Impact Fees (Post 12/31/2011)	<b>\$2,045,900</b>	0.94%
Capital Proposition: Parks And Connections Bond Series 2020	<b>\$727,634</b>	0.33%
Police Impact Fees (Post 12/31/2011)	<b>\$600,000</b>	0.27%
East District Impact Fees (Post 12/31/2011)	<b>\$525,000</b>	0.24%
Southeast District Impact Fees	<b>\$400,000</b>	0.18%
SOUTHLANDS DISTRICT IMPACT FEES	<b>\$400,000</b>	0.18%
Southlands District Impact Fees 2	<b>\$350,000</b>	0.16%
Central District Impact Fees	<b>\$217,800</b>	0.10%
East District Impact Fees	<b>\$140,000</b>	0.06%
Fire Impact Fees (Post 12/31/2011)	<b>\$29,440</b>	0.01%

Notes: Charts may not total 100% due to rounding.

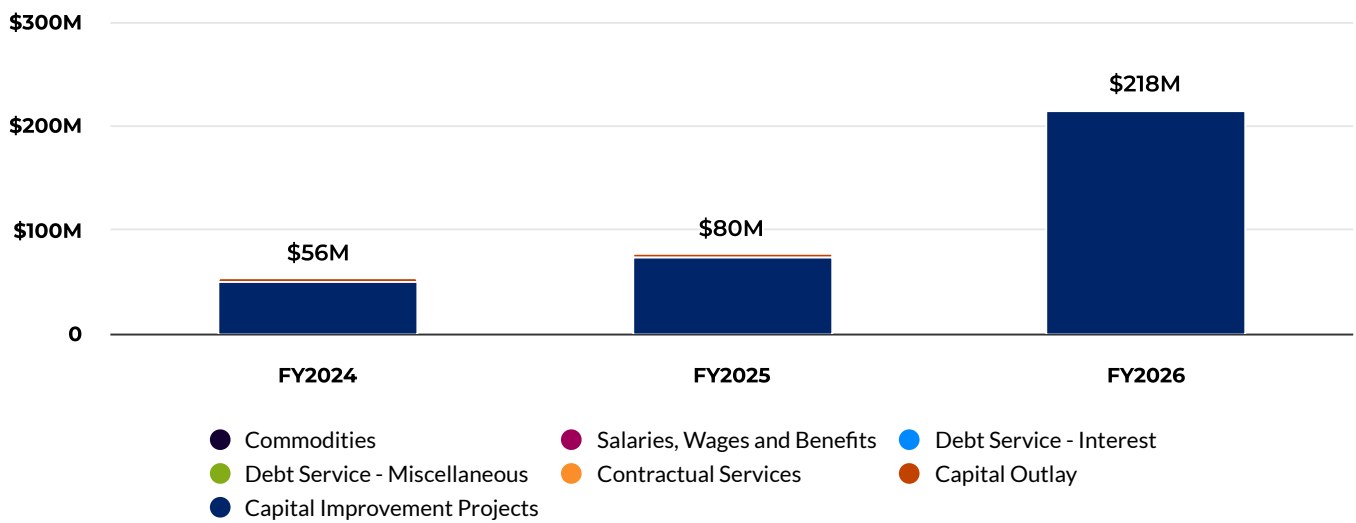
## Capital Expenditures by Type

Capital spending is primarily focused on delivering infrastructure and improvement projects that benefit the community over the long term. This chart shows how capital expenditures are categorized by type over three fiscal years.

For Fiscal Year 2026, the City's total Capital Funds expenditures are budgeted at \$218.2 million, a significant increase of 171.8 % compared to the prior year's \$80.3 million. The largest category by far is capital improvement project expenditures, totaling \$213.4 million and representing 97.8% of all Capital Fund expenditures. This reflects a substantial increase of \$139.9 million over the prior year, emphasizing the City's continued focus on long-term infrastructure improvements.

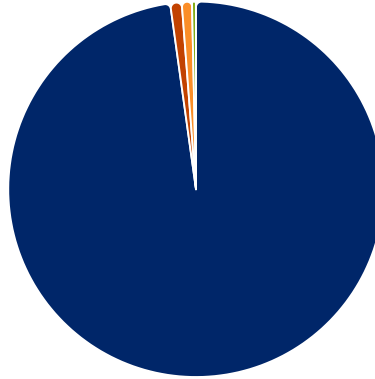
Other categories such as capital outlay, contractual services and commodities make up only a small share. The Fiscal Year 2026 spike in spending reflects a scaling up of bond-funded and growth-driven projects, as well as reinvestment in public infrastructure to meet the needs of Tucson's growing population.

Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Type



● Capital Improvement Projects	<b>\$213,382,400</b>	97.79%
● Capital Outlay	<b>\$2,167,800</b>	0.99%
● Contractual Services	<b>\$1,918,900</b>	0.88%
● Debt Service - Interest	<b>\$727,634</b>	0.33%

*Notes: Charts may not total 100% due to rounding.*

## Capital Revenues by Fund

This chart illustrates how the City of Tucson funds its capital improvement projects through various revenue sources, including voter-approved propositions, development impact fees, and transportation authority contributions.

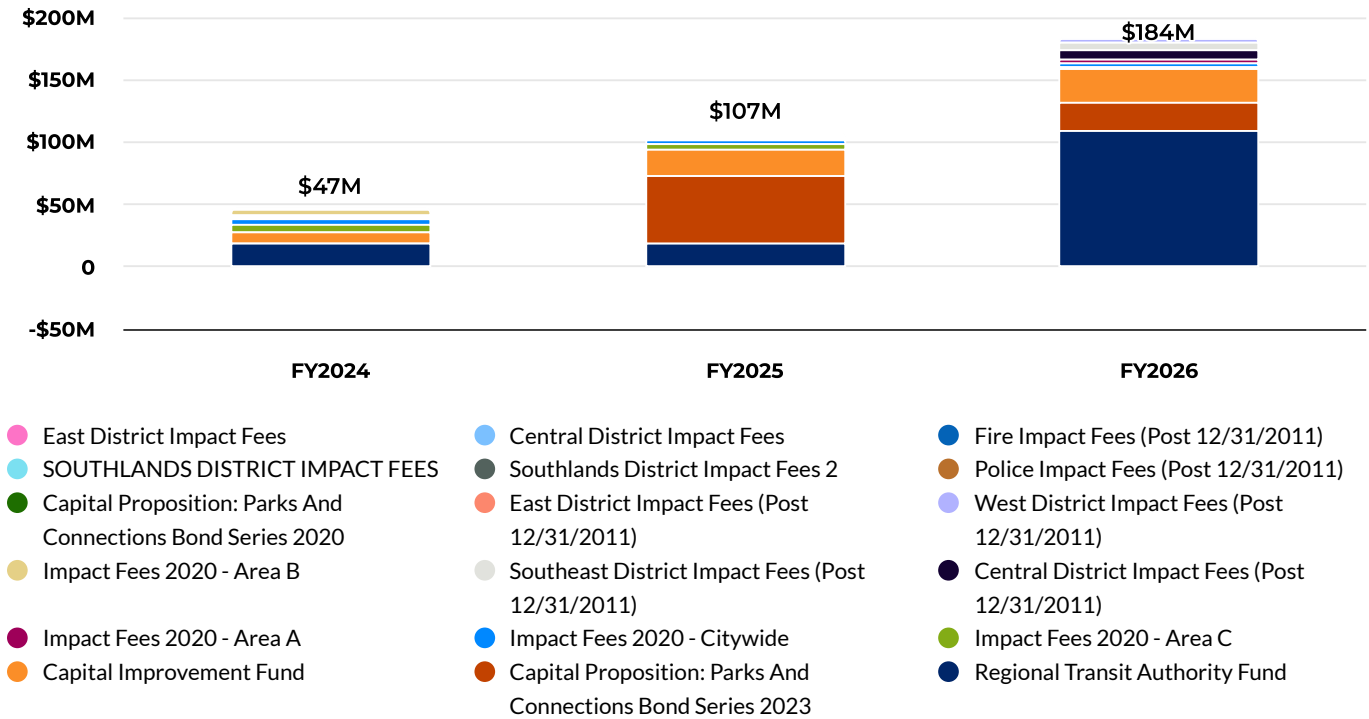
For Fiscal Year 2026, the City of Tucson's total Capital Fund revenues are budgeted to total \$184.1 million, which consists of the adopted budget of \$161.2 million and a transfer in of 23million, representing a 6.7% decrease compared to the prior year's \$197.2 million.

The largest revenue source is the Regional Transit Authority (RTA) Fund, which totals \$109.2 million (59.3% of total revenues). This marks a substantial increase of \$66 million (148.18%) over Fiscal Year 2025, making the RTA the dominant contributor to capital funding.

The Capital Improvement Fund is the second-largest source at \$26.7 million for Fiscal Year 2026. The Capital Proposition Fund: Parks and Connections bond proceeds declined because the City is not planning to issue new general obligation bonds in Fiscal Year 2026. The Development Impact Fee Funds budget increased slightly by \$0.5 million.

Despite the overall decrease in total Capital Fund revenues, key sources such as the Regional Transit Authority Fund and Development Impact Fees show upward trends that support the City's continued investment in parks, mobility, and public infrastructure.

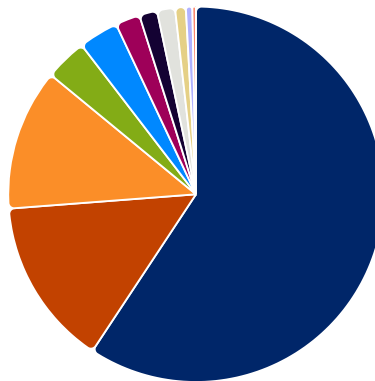
Historical Revenue by Fund



Note: For Fiscal Year 2026, the revenue fund is \$161 million, adding a transfer-in amount of \$23 million totaling to \$184.1 million.

Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Fund



Regional Transit Authority Fund	<b>\$109,172,300</b>	59.30%
Capital Improvement Fund	<b>\$26,662,900</b>	14.48%
Capital Proposition: Parks And Connections Bond Series 2023	<b>\$22,431,610</b>	12.18%
Southeast District Impact Fees (Post 12/31/2011)	<b>\$6,658,240</b>	3.62%
Central District Impact Fees (Post 12/31/2011)	<b>\$6,319,600</b>	3.43%
Impact Fees 2020 - Area A	<b>\$3,887,160</b>	2.11%
West District Impact Fees (Post 12/31/2011)	<b>\$2,854,360</b>	1.55%
Impact Fees 2020 - Citywide	<b>\$2,839,160</b>	1.54%
Impact Fees 2020 - Area C	<b>\$1,703,160</b>	0.93%
East District Impact Fees (Post 12/31/2011)	<b>\$1,006,600</b>	0.55%
Impact Fees 2020 - Area B	<b>\$556,680</b>	0.30%
SOUTHLANDS DISTRICT IMPACT FEES	<b>\$10,200</b>	0.01%
Southlands District Impact Fees 2	<b>\$9,120</b>	0.00%

Note: Charts may not total 100% due to rounding.

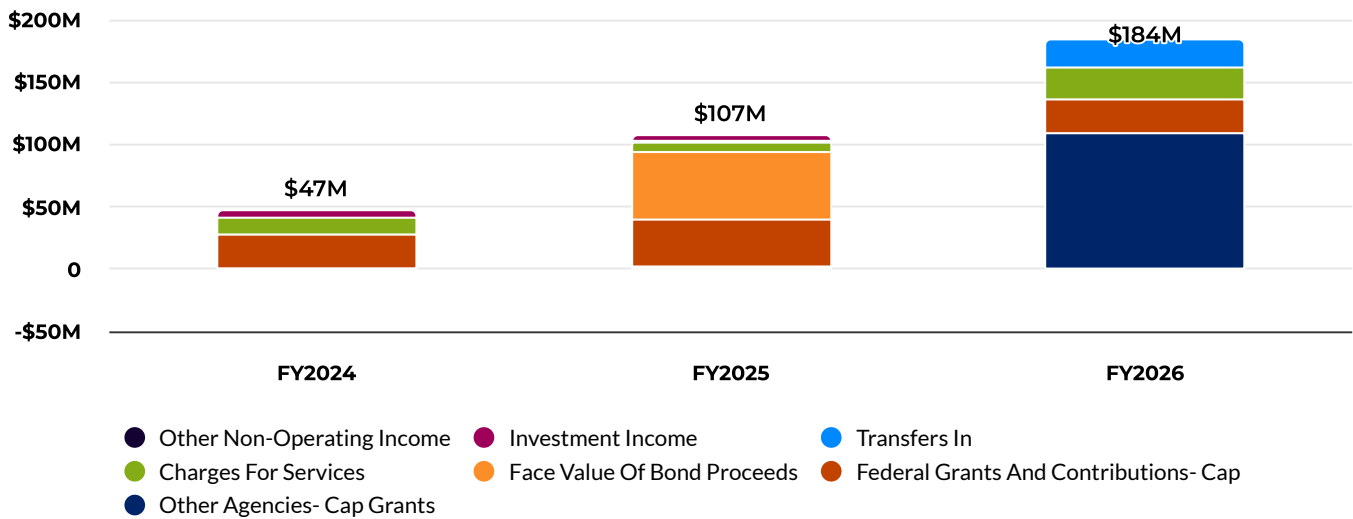
## Capital Revenues by Funding Source

This chart highlights how the City of Tucson secures funding for capital projects through a combination of grants, bonds, and other revenue streams.

For Fiscal Year 2026, the City anticipates revenues reaching \$184.1 million, fueled by a sharp rise in RTA revenues, continued intergovernmental agreement funding, development impact fees, a contribution from the General Fund to support proposition 407: Parks and Connections projects, and other smaller revenue sources.

This growth reflects Tucson’s strategic focus on leveraging external funding—particularly federal and intergovernmental support—alongside bond financing to advance capital investment priorities.

Historical Revenue by Funding Source

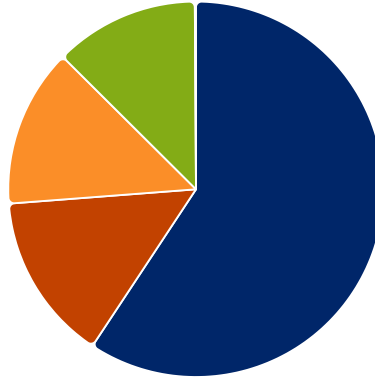


Note: Note: For Fiscal Year 2026, the revenue fund is \$161 million, adding a transfer-in amount of \$22.9 million.

Note: Charges for Service should should be labled as Impact Fees.

Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Type



● Other Agencies- Cap Grants	<b>\$109,172,300</b>	59.30%
● Federal Grants And Contributions- Cap	<b>\$26,662,900</b>	14.48%
● Charges For Services	<b>\$25,169,380</b>	13.67%
● Transfers In	<b>\$22,931,610</b>	12.46%
● Investment Income	<b>\$174,900</b>	0.09%

*Note: Charges for Service should should be labeled as Impact Fees.*

*Note: Charts may not total 100% due to rounding.*

# Debt Service Funds

The City of Tucson's Debt Service Funds are dedicated to managing long-term debt obligations not paid through the General Fund, Special Revenue Funds, or Enterprise Funds. These funds are used exclusively for the accumulation of resources and the payment of principal and interest on the City's general long-term debt, excluding contractual obligations tied to specific funds.

The funds below comprise Debt Service Funds:

## **General Obligation Bond and Interest Fund**

General Obligation bonds are a form of long-term borrowing in which the City issues municipal securities and pledges its full faith and credit to their repayment. Bonds are repaid over many years through semi-annual debt service payments. The City levies a secondary property tax for the purpose of retiring the principal and paying interest on the general obligation bonds. The tax rate is based on the annual debt service requirements and includes a tax delinquency factor.

The budgeted amount for Fiscal Year 2026 is \$28.4 million, an increase of \$1.5 million from the Fiscal Year 2025 estimated amount.

The primary instrument within these funds is the General Obligation (GO) bond, a voter-approved financing mechanism backed by the City's full faith and credit. GO bonds are repaid through semi-annual payments funded by a dedicated property tax, which is recalculated annually. This tax includes a cushion to account for possible delinquencies, ensuring the City remains on track to meet its debt repayment schedule.

Through proactive financial management and a reliable property tax funding source, the City continues to honor its long-term debt obligations while maintaining confidence in its municipal credit standing.

## Debt Service Summary

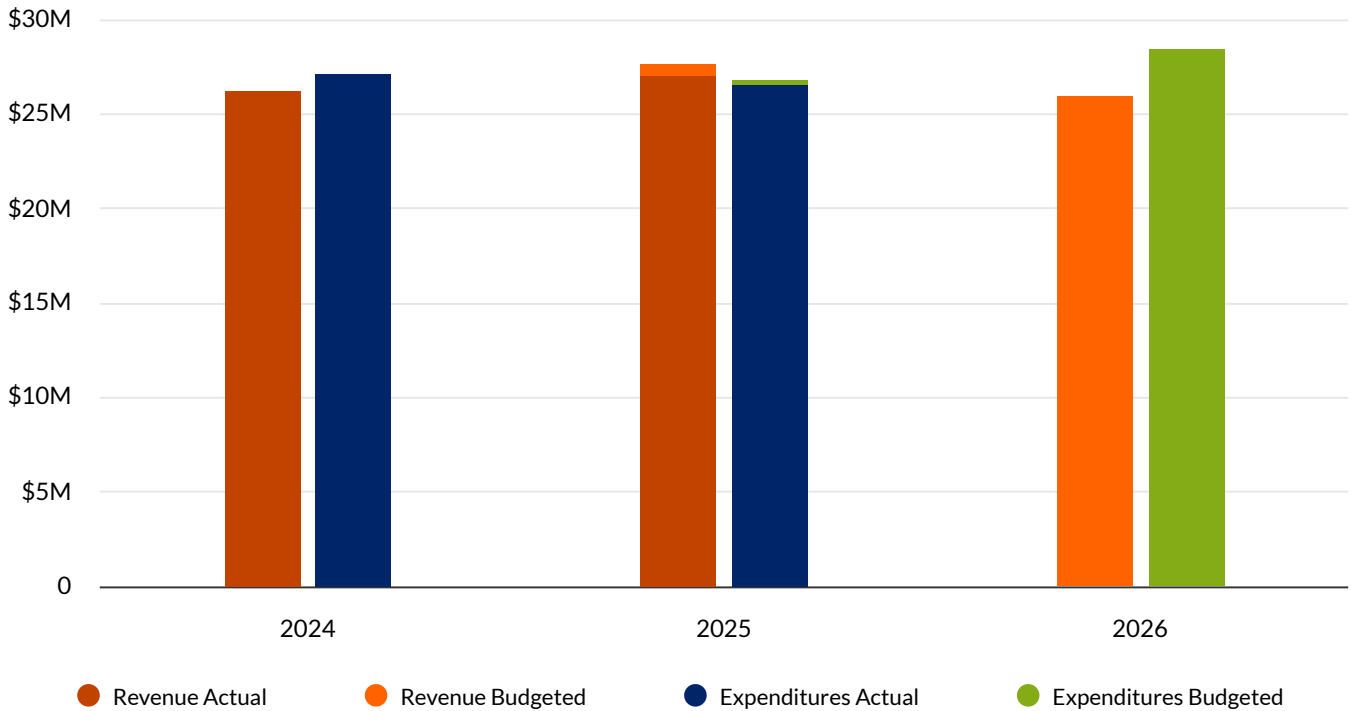
The City of Tucson remains committed to honoring its long-term financial obligations through a well-managed Debt Service Fund. This fund supports the repayment of principal and interest on the City’s general long-term debt not funded by the General Fund, Special Revenue Funds, or Enterprise Funds.

The chart below illustrates the relationship between revenues and expenditures for debt service over three fiscal years:

In the Debt Service Funds for the target budget Fiscal Year 2026, the budgeted expenses are \$28.4 million, reflecting a slight increase of 0.88% compared to the previous year’s budgeted expenses of \$26.9 million. Budgeted revenues for Fiscal Year 2026 are at \$26 million, showing a decrease of 6.2% from the prior year’s budgeted revenues of \$27.7 million.

Comparing these figures highlights that the budgeted revenues for Fiscal Year 2026 are lower than budgeted expenses by \$2.4 million, indicating that the City accumulated excess revenues from previous years to help pay for a portion of the current year’s debt service and therefore reduced the secondary property tax rate from \$0.6034 to \$0.5510 per \$100 of assessed valuation.

**Revenues vs Expenditures Summary**



*Note: Amounts shown in the graphs are rounded up.*

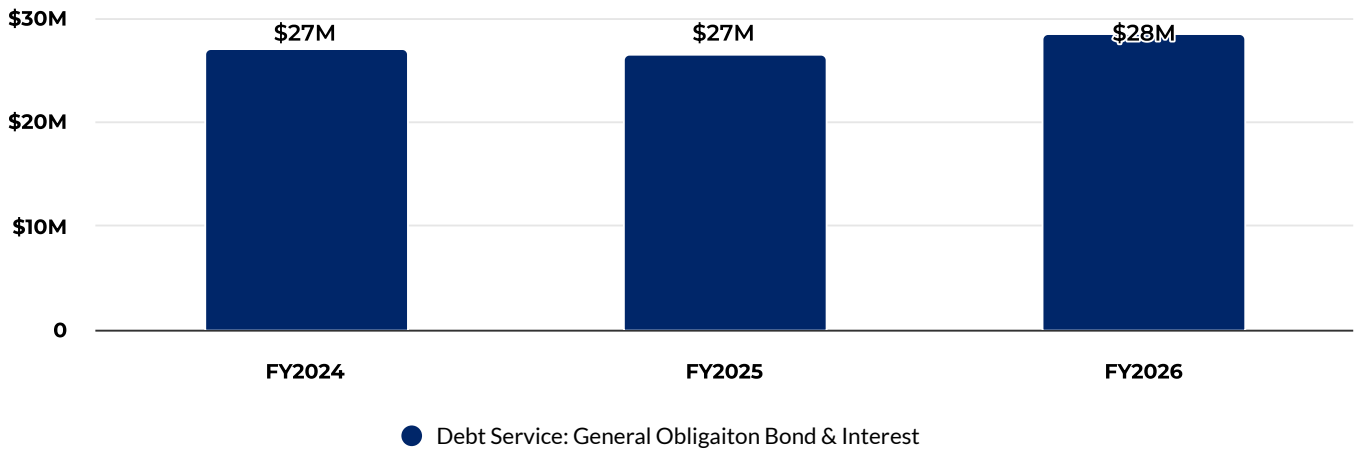
## Debt Service Expenditures by Fund

The chart above highlights the City of Tucson’s historical expenditures for General Obligation Bond debt service. These expenditures represent the payments of principal and interest tied to long-term debt funded through a voter-approved property tax levy.

For Fiscal Year 2026, expenditures are projected to increase by \$1.9 million, seething the budget at \$28.4 million, which is consistent with the City's current debt service schedule and financial planning.

This consistent level of funding ensures the City maintains its strong credit worthiness, fulfills its obligations, and continues responsible debt management practices.

Historical Expenditures by Fund



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Expenditures by Fund



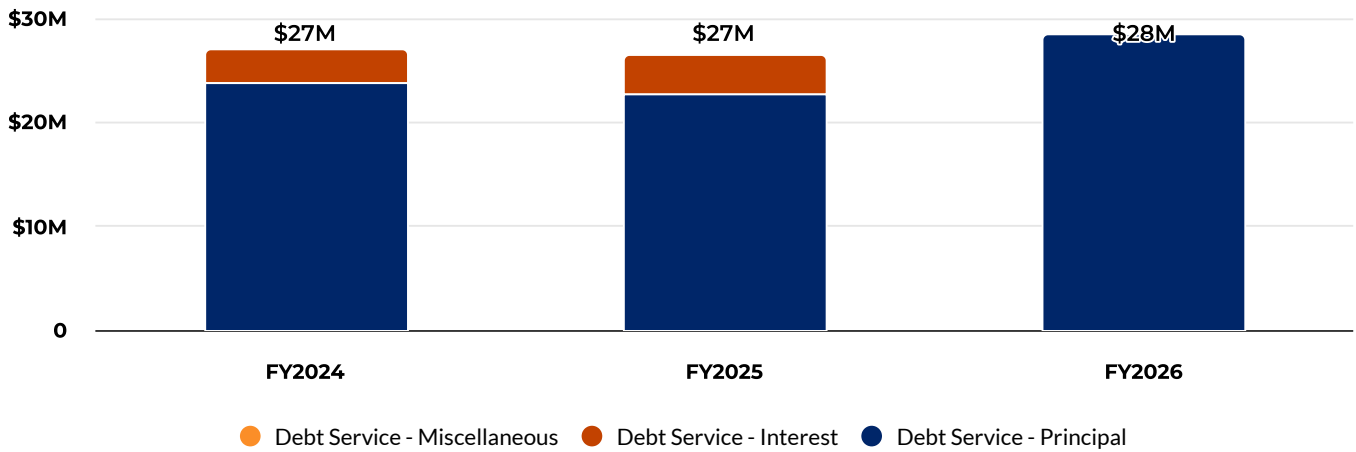
● Debt Service: General Obligation Bond & Interest **\$28,421,350** 100.00%

## Debt Service Expenditures by Type

The Debt Service Fund expenditures are primarily categorized into three types: principal payments, interest payments, and a small allocation for miscellaneous debt service costs.

For Fiscal Year 2026, the City anticipates maintaining \$28.4 million in debt service, with the balance between principal and interest increasing by \$1.9 million. This increase is generated by the issuance of general obligation bonds approved by voters under the Prop 407: Parks and Connections initiative.

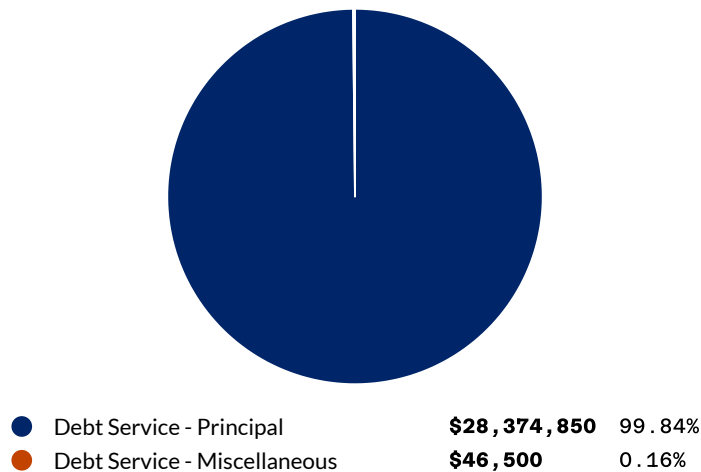
Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

Note: Debt Service – Interest in is not shown for FY 2026 due to system default.

Fiscal Year 2026 Expenditures by Type



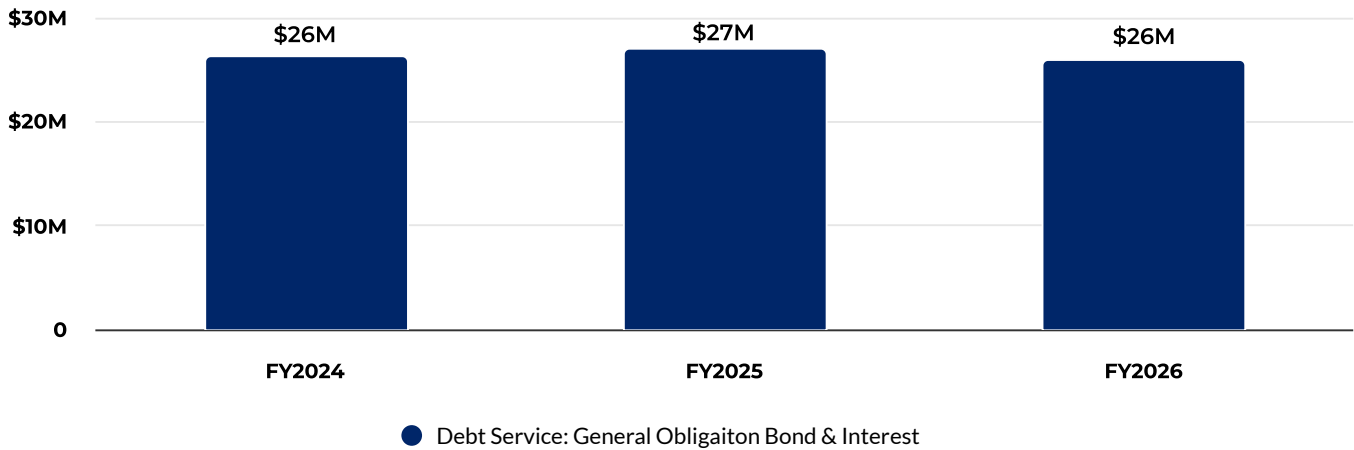
## Debt Service Revenues by Fund

The Debt Service Fund is supported primarily through property tax revenues specifically dedicated to the repayment of the City's general obligation bonds. These revenues ensure that the City can meet its long-term debt commitments in a timely and responsible manner.

For Fiscal Year 2026, revenues are projected to slightly decrease to \$26 million, reflecting updated assessments, minor adjustments to the property tax levy, and the accumulation of funds collected from prior year delinquent property taxes.

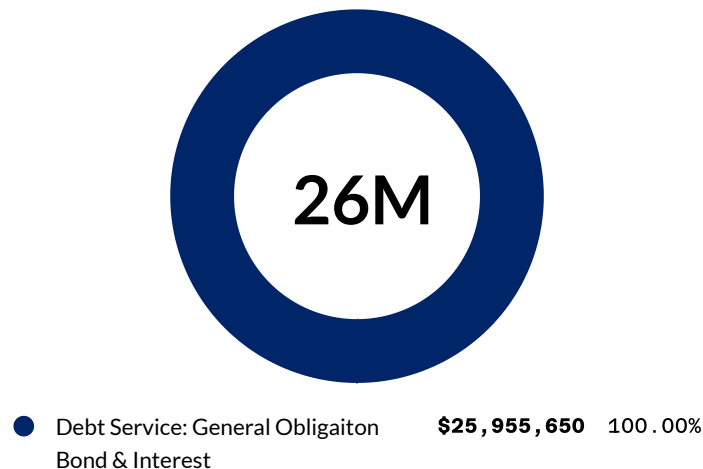
This stable revenue stream supports the City's strong financial position and reinforces its commitment to maintaining credit quality and transparency in public finance.

Historical Revenue by Fund



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Revenues by Fund



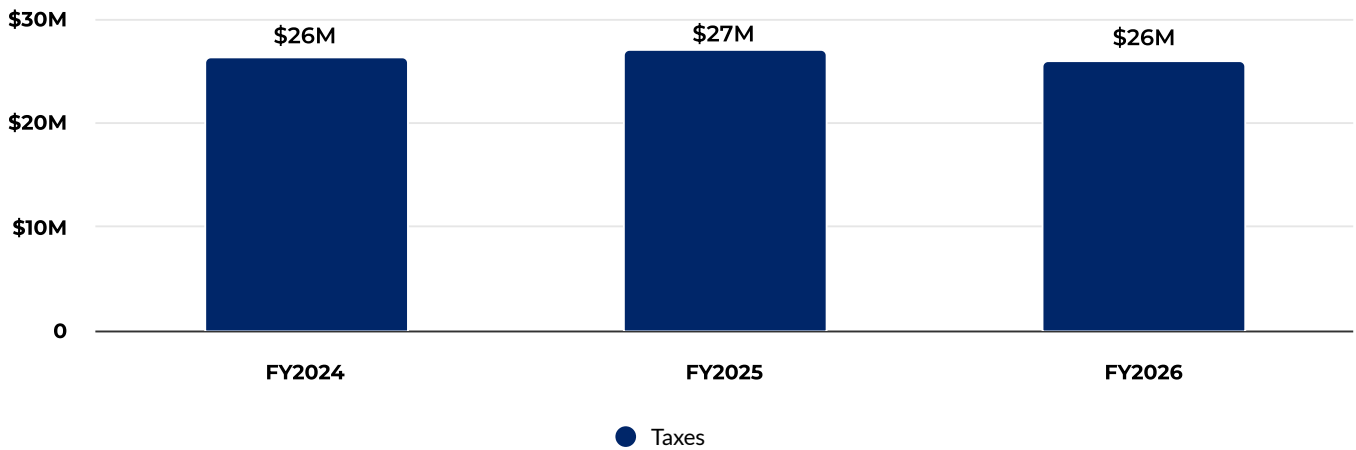
## Debt Service Revenues by Funding Source

The primary revenue source for the City of Tucson's Debt Service Fund is from secondary property taxes, which are levied to repay general obligation bond debt. This dedicated revenue stream ensures the City meets its financial obligations while maintaining a strong credit rating.

In Fiscal Year 2026, the total revenue for Debt Service Funds was \$26 million. Taxes remain the sole funding source, accounting for 100% of the total revenue in both years. However, tax revenue declined by \$1 million, or 3.7%, from \$27 million in FY2025 to \$26 million in FY2026. This decrease in tax rate is the primary factor contributing to the overall reduction in total revenue for the Debt Service Funds in Fiscal Year 2026.

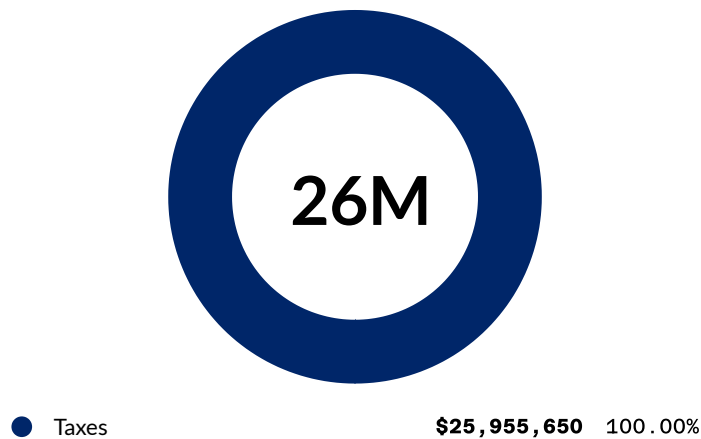
This consistent revenue performance underscores the City of Tucson's commitment to responsible tax policy, disciplined debt management, and long-term financial sustainability.

### Historical Revenue by Funding Source



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Type



# Debt Management Policy

This policy is a component of the adopted Comprehensive Financial Policies. It has been developed to provide guidelines for the issuance of bonds and other forms of indebtedness to finance necessary land acquisitions, capital construction, equipment, and other items for the City and post-closing follow-up with respect to such financings.

The debt policy is to be used in conjunction with the Adopted Budget, the CIP, and other financial policies as directed by the Mayor and Council. It will assist the City in determining appropriate uses of debt financing, establish debt management goals, provide guidelines resulting in the lowest cost of borrowing for each transaction, and assist the City in maintaining its current credit ratings, while assuming a prudent level of financial risk and preserving the City's flexibility to finance future capital programs and requirements.

The City of Tucson uses a variety of financing mechanisms to meet the long-term capital needs of the community. In determining an appropriate indebtedness program for the City, consideration is given to the following:

- Operating and maintenance costs associated with the Capital Improvement Program.
- Federal and state laws and regulations, Tucson City Charter, and the Tucson Code.
- Current outstanding debt requirements.
- Source of debt repayment is consistent with the capital project being financed.
- The life of the capital project is equal to or greater than the term of the financing.
- Proposed debt will not cause extraordinary tax or fee increases.
- Proposed debt will not result in limiting the City's ability for future indebtedness.

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 to provide maximum future borrowing flexibility. The City's debt program includes the following financing mechanisms.

## **General Obligation (GO) Bonds**

Bond proceeds are used to finance capital projects for police, fire, parks and recreation, drainage, and other purposes. State law limits the amount of general obligation bonds that may be outstanding to 20% of the assessed valuation for utility, open space, public safety, and transportation purposes and 6% of assessed valuation for all other purposes.

GO bonds are backed by the full faith and credit of the City and are secured by secondary property tax. The Tucson City Charter currently sets an upper primary and secondary property tax limit of \$1.75 per \$100 of assessed valuation as a condition upon the City's continuing ability to impose and collect transaction privilege taxes. Therefore, state laws notwithstanding, the City will not levy a combined primary and secondary property tax that exceeds \$1.75. The City generally issues general obligation bonds with 20-year maturities.

### **Water Revenue Bonds and Obligations**

Bond proceeds are used to finance capital improvements to the water system. By bond covenant, the City is limited to issuing bonds only if net revenues after operations are equal to at least 120% of the maximum future annual debt service requirement. To maintain a high credit rating and thus decrease borrowing costs, the City maintains 150% - 200% debt service coverage. Water revenue bonds and obligations are generally issued with 20 to 30-year maturities.

### **Water Infrastructure Finance Authority (WIFA) Loans**

In 1997, Arizona State Legislation increased the powers of the Wastewater Management Authority created in 1989 and permitted additional types of borrowers to access funds through the establishment of the WIFA. A part of this legislation provides WIFA the power to issue bonds to provide low-interest-rate loans to local governments related to the Clean Water Act. WIFA's funding source includes both Federal and State sources. In order to participate in the WIFA loan program, local governments must have existing bond authorization equal to the loan amount.

### **Clean Renewable Energy Bonds (CREBs)**

In July 2005, Congress passed the Energy Tax Incentives Act of 2005 (the "Act"). Among a number of other tax incentives, the Act permits state and local governments, cooperative electric companies, clean renewable energy bond lenders and Indian tribal governments to issue CREBs to finance certain renewable energy and clean coal facilities.

CREBs are a form of tax credit bond in which interest on the bonds is paid in the form of federal tax credits by the United States government in lieu of interest paid by the issuer. CREBs, therefore, provide qualified issuers/qualified borrowers with the ability to borrow at a 0% interest rate. The federal tax benefit to the holder of a CREB is greater than the benefit derived from tax-exempt municipal bonds in that the tax credit derived from a CREB can be used to offset on a dollar-for-dollar basis.

The City began issuing CREBs in Fiscal Year 2009 and 2011, using this financing mechanism to fund the purchase and installation of solar panels for use on city buildings. The bond principal is being repaid from the electricity savings and rebates from Tucson Electric Power.

### **Non-Bond Debt: Lease Purchases and Certificates of Participation**

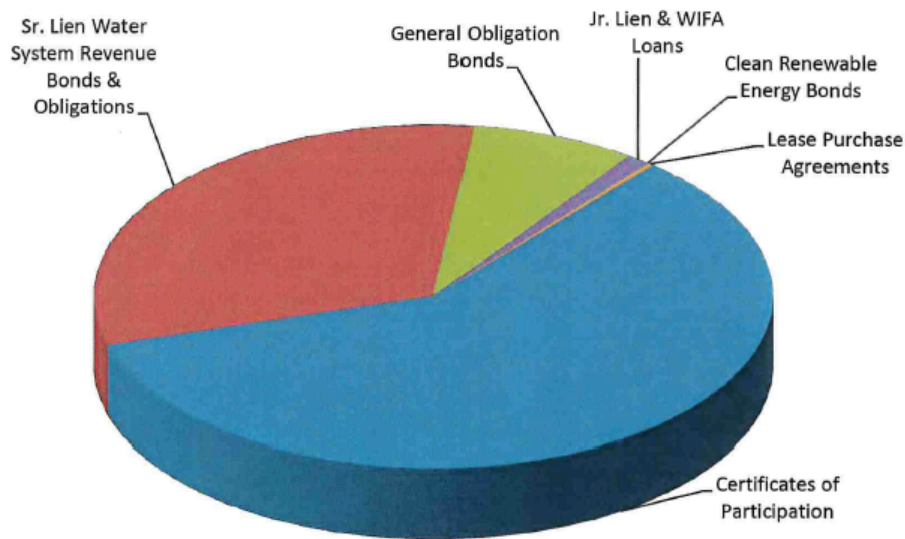
These financing mechanisms are used when the projects involved are unsuitable for traditional bonding or a determination is made that alternative financing has advantages over bonding. The debt requirements for these financing mechanisms are payable from the City's recurring revenues and are subject to annual appropriation by the Mayor and Council. To minimize borrowing costs, the City generally purchases financing insurance and pledges collateral towards the debt repayment. Maturities of these debts range from 1 to 20 years, depending upon the nature of the project being financed.

# Summary of Outstanding Indebtedness

## CITY OF TUCSON, ARIZONA

### SUMMARY OF OUTSTANDING INDEBTEDNESS

Issue Type	Principal Outstanding	% Total
Certificates of Participation	\$641,590,000	59.24%
Sr. Lien Water System Revenue Bonds & Obligations	341,298,814	31.51%
General Obligation Bonds	84,960,000	7.84%
Jr. Lien & WIFA Loans	11,946,349	1.10%
Clean Renewable Energy Bonds	445,000	0.04%
Lease Purchase Agreements	2,852,331	0.26%
Total	\$1,083,092,494	100.00%



## **Bond Sales**

**2012 Bond Authorization Sales** - In November 2012, the voters approved \$100,000,000 of General Obligation bonds for a five-year program to restore, repair, and resurface streets inside Tucson City limits. In this year's budget, Mayor and Council appropriated \$1,041,170.

**2018 Bond Authorization Sales** - In November 2018, the voters approved \$225,000,000 of General Obligation bonds for Parks and Connectivity projects within Tucson City limits. On June 30, 2020, Mayor and Council authorized up to \$57,000,000 in General Obligation Bonds for this purpose. On August 19, 2020, \$57,000,000 of General Obligation Bonds were sold. The interest cost was 0.92%.

**Water System Revenue Obligations, Series 2020** - On June 30, 2020, Mayor and Council authorized up to \$57,000,000 for the proposal of acquiring, construction and improvement utility systems for the City. On August 19, 2020, \$57,000,000 of Water Revenue Obligation were issued and resulted with an interest rate of 1.63%.

**Certificates of Participation, Refunding Series 2020** - On October 6, 2020, Mayor and Council authorized up to \$16,960,000 of taxable refunding Certificates of Participation and authorized the potential to issue up to \$50,000,000 of new taxable Certificates of Participation for the City.

### **Certificates of Participation, Pension Obligation**

On November 4, 2020, Mayor and Council authorized to prepare for Pension Obligation bond sales, structured as Certificates of Participation. City of Tucson Public Safety Pension Trust (section 115 Trust) was created in Fiscal Year 2021, via Certificate of Participation or "Pension Bonds". The City uses this financing mechanism to fund the PSPRS liability arising from the retirement benefits provided to elected officials and sworn public safety personnel. The Pension Trust debt is pledged by City assets, primarily public safety, giving bondholders the right to foreclose pledged assets. The annual debt service for Pension Bonds is not an allowable expense for the Section 115 Trust and therefore is assumed by the General Fund. The Trust will pay for the management, investment and advisor fees created by the Trust. The Board of Trustees will recommend the annual payment from the Trust to PSPRS.

## **Repayment Impact of Bond Sales**

**General Obligation Bond Debt Service** - General obligation bond debt is paid off from the secondary property tax rate, which is determined each year by the levy required to meet the annual debt service divided by the City's projected secondary assessed valuation. For Fiscal Year 2022/23, the required levy to cover outstanding bonds is estimated at \$37,598,880, an increase of \$3,150,280 from the Fiscal Year 2021/22 levy. The Fiscal Year 2022/23 secondary property rate is estimated at \$0.9048 per \$100 of assessed valuation that is higher based on the final secondary assessed valuation set by Pima County in the summer of 2021.

**Street and Highway Revenue Bond Debt Service** - Street and highway revenue bonds are repaid from state-shared Highway User Revenue Fund receipts. The debt services payments were paid off in Fiscal Year 2021/22. There are no outstanding debt service payments for this fiscal year.

**Enterprise Funds Debt Service** - Enterprise Fund revenue bonds and other long-term obligations are payable solely from fees, charges for services, or rents paid by users of the service provided.

# General Obligation Bonding Capacity

## CITY OF TUCSON, ARIZONA



### *General Obligation Bonding Capacity*

2025/26 Full Cash Net Assessed Value	\$6,906,336,986
--------------------------------------	-----------------

#### *6% Bonding Capacity* General Municipal Purpose Bonds

6% General Obligation Bonding Limitation	\$414,380,219
Less: 6% G.O. Bonds Outstanding	-
Less: Excess Premium	-
Unused 6% Bonding Capacity	<u>\$414,380,219</u>

#### *20% Bonding Capacity* Water, Sewer, Light, Parks, Open Space Public Safety, Transportation and Recreational Facility Bonds

20% General Obligation Bonding Limitation	\$1,381,267,397
Less: 20% G.O. Bonds Outstanding	(84,960,000)
Less: Excess Premium	<u>(15,583,413)</u>
Unused 20% Bonding Capacity	<u>\$1,280,723,984</u>

**CITY OF TUCSON, ARIZONA**  
**Schedule of Callable Bonds/Obligations**  
 (As of July 1, 2025)



Security	Series	(7/1)	Principal	Maturities	Page
G.O.	2012-A (2013)	2023	\$7,500,000	2024-2026	1.5.2
G.O.	2012-B (2014)	2024	10,000,000	2025-2027	
G.O.	2018-A (2020)	2029	9,815,000	2030-2033	
Sr. Lien Water Revenue	2010A	MWC	28,515,000	2024-2030	1.5.3
Sr. Lien Water Revenue	2014	2024	2,615,000	2025-2031	
Sr. Lien Water Revenue	2015REF	2025	7,240,000	2026-2032	
Sr. Lien Water Revenue	2015	2024	0	2025-2031	
Sr. Lien Water Revenue	2016	2026	14,205,000	2027-2035	
Sr. Lien Water Revenue	2017REF	2027	21,230,000	2028-2032	
Sr. Lien Water Revenue	2017	2027	16,815,000	2028-2035	
Sr. Lien Water Revenue	2018	2028	14,730,000	2029-2036	
Sr. Lien Water Revenue	2019	2029	7,670,000	2030-2036	
Sr. Lien Water Revenue	2020	2030	26,765,000	2031-2039	
Sr. Lien Water Revenue	2020REF	2030	18,815,000	2031-2033	
COPs	2010A	MWC	22,070,000	2024-2030	1.5.4
COPs	2011QECB	2021	245,000	2022-2027	
COPs	2014TAX	2024	10,860,000	2025-2034	
COPs	2014REF	2024	2,000,000	2025-2028	
COPs	2015REF	2025	2,675,000	2026	
COPs	2016REF	2026	9,390,000	2027-2029	
COPs	2020REF	MWC	11,065,000	2024-2031	
COPs	2021A (POB)	MWC	579,495,000	2024-2047	
CREBs	2011	2016	445,000	2024-2026	1.5.5
Leases	LED Lighting	2022	2,852,331	2024-2027	1.5.6

# Internal Service Funds

Internal Service Funds are established to finance and account for goods or services provided internally by City departments or, in some cases, to other governmental entities, on a cost-reimbursement basis. These funds promote efficiency and centralized management of services that benefit multiple areas of City operations.

The City of Tucson utilizes two primary Internal Service Funds:

## **Risk Management/Self-Insurance Fund**

The Self Insurance Fund is used to finance the City of Tucson's risk management program. Revenues for this fund are primarily derived from charges to other City departments. The related fund activity includes unemployment claims, workers' compensation claims, public liability claims, employee safety, hazardous waste management (spill program), and specified environmental remediation. The charges to other City departments are dependent on the department's claim cost and the expenses (e.g. insurance, legal, medical, and administrative costs) related to the risk management program.

In Fiscal Year 2026, the City will continue to include tort claim reimbursements in the primary tax levy as allowed by state law. The property tax revenue represents a reimbursement to the City's Self-Insurance Fund for the actual cost of liability claim judgments paid during Fiscal Year 2024. The amount levied for the tort liability reimbursement will be \$1,733,290, a \$0.0368 property tax impact per \$100 assessed value to the primary tax levy.

## **Health Insurance Fund**

The Health Insurance Fund was established in Fiscal Year 2020 with the purpose of managing life and medical insurance costs by providing health-related benefits to participants; City employees, City retirees, and qualified family members through various benefit plan networks administered by a combination of third-party administrators and contractors. A major source of revenue for these programs comes from various plan networks offered to participants, pharmacy rebates, and interest earnings. These programs are funded primarily by charges to City departments for each participating member and contributions from the members themselves. In general, the monies are held in a trust for the benefit of the plan.

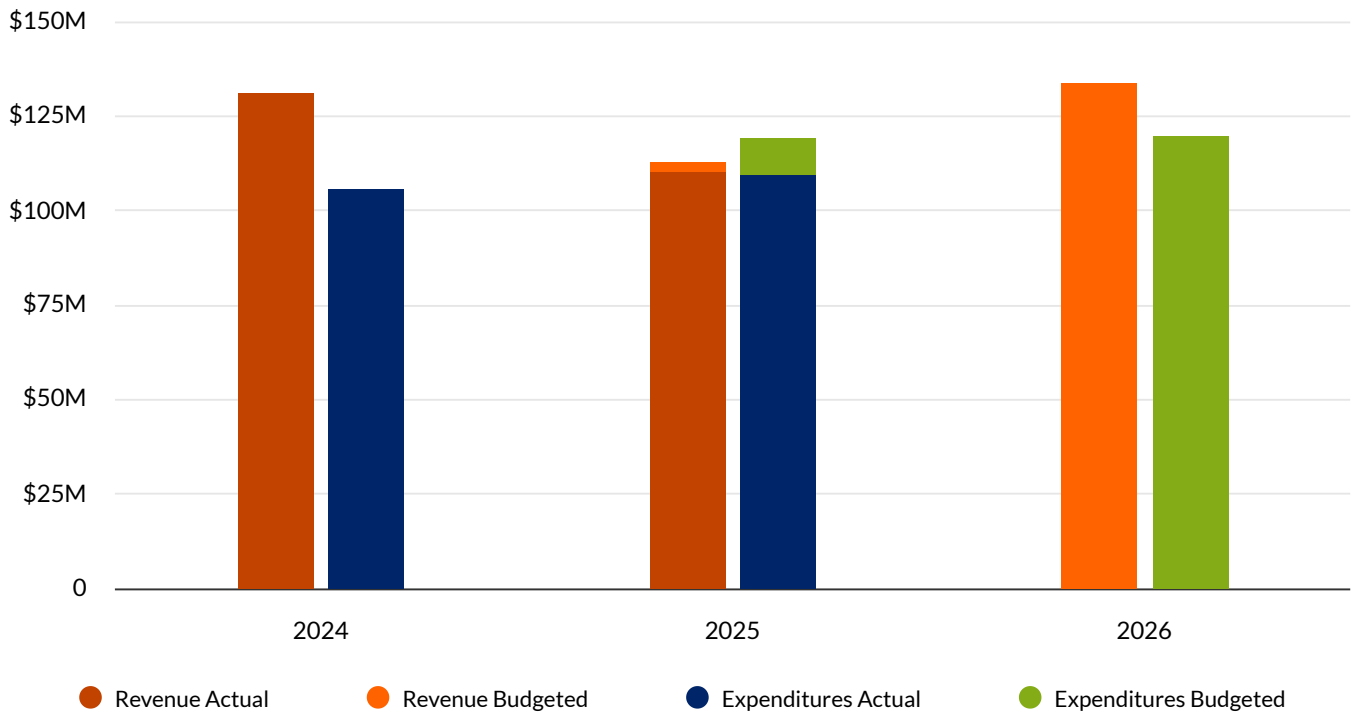
This fund accounts for the City's self-funded health benefits, which include medical, dental, and other insurance programs provided to active employees, retirees, and their eligible dependents. The self-funded model aims to provide comprehensive coverage while controlling long-term costs through strategic planning and program oversight.

# Internal Service Summary

This chart shows how much revenue the City of Tucson's internal service departments brought in compared to what they spent over the past three years.

- Fiscal Year 2024 Internal services generated about \$131.1 million in revenue, with expenditures totaling roughly \$105.6 million, resulting in a healthy surplus that helps maintain a sufficient level of reserves.
- Fiscal Year 2025 Revenues decreased to \$110 million. Spending was slightly lower, totaling \$109.3 million, reflecting the City's efforts to maintain each program's spending within the resources collected.
- For Fiscal Year 2026, the City anticipates spending \$119.5 million, with a projected revenue from internal departments of \$129.5 million.

### Revenues vs Expenditures Summary



*Note: Amounts shown in the graphs are rounded up.*

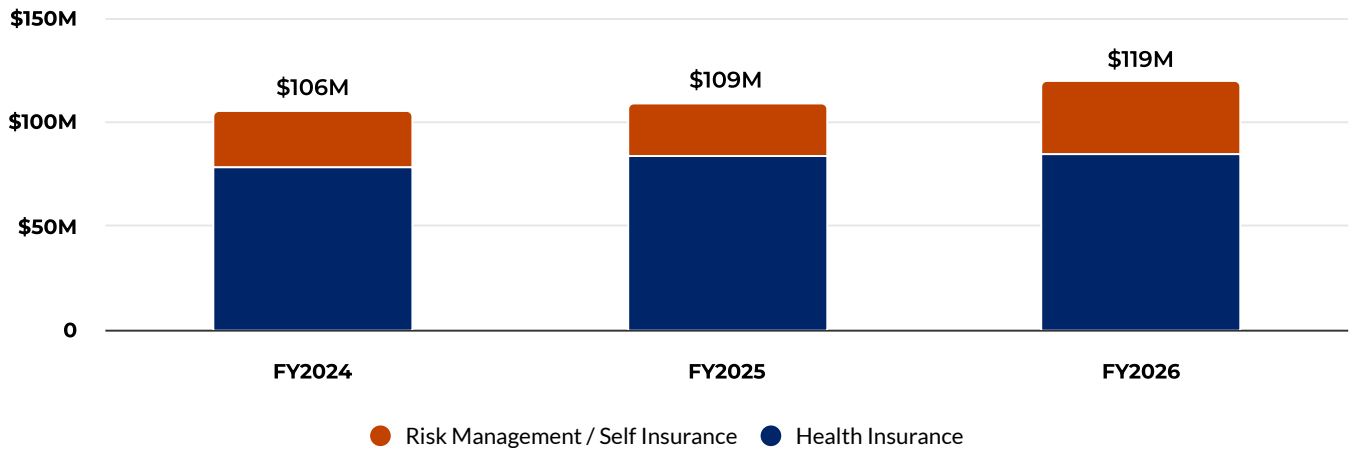
## Internal Service Expenditures by Fund

This chart shows how the City spent money within its internal service funds over the past three fiscal years, focusing on Health Insurance and Risk Management/Self-Insurance.

For Fiscal Year 2026, the City plans to spend \$119 million, continuing to prioritize employee health benefits and maintaining adequate insurance coverage for city operations.

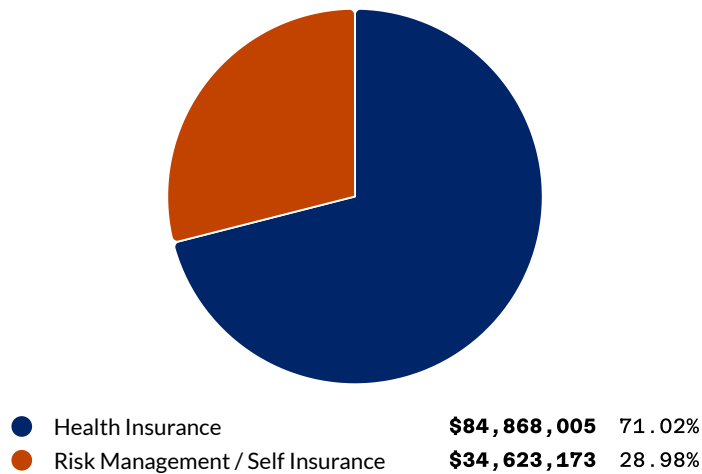
These internal service funds help safeguard City resources and ensure that employees have access to reliable health services and protection from potential risks.

Historical Expenditures by Fund



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Expenditures by Fund



Note: Amounts shown in the graphs are rounded up.

## Internal Service Expenditures by Type

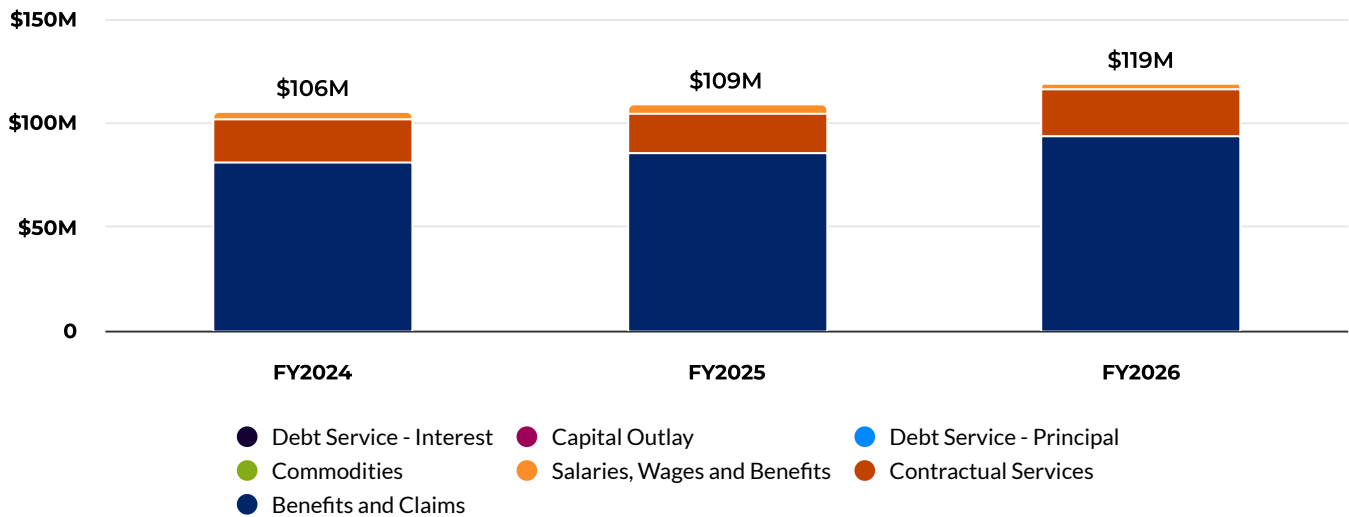
This chart illustrates how the City of Tucson spent internal service funds across different expense categories over the past three fiscal years.

The Internal Service Funds' total expenditures for Fiscal Year 2026 rose to \$119.5 million compared to the previous year. Benefits and Claims remained the largest expenditure category, accounting for 78.8% of the total at \$94 million, with an increase of \$9.1 million from the prior year.

Contractual Services is almost level when compared to the prior year, rising to \$21.8 million and representing 18.2% of total expenditures. Other expenditure types remain level over all three years.

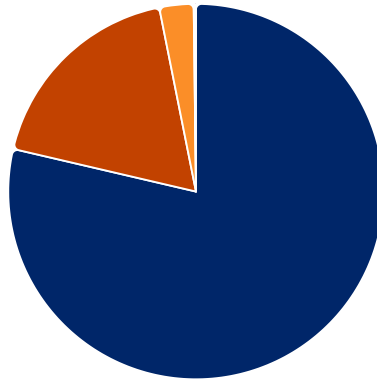
The trend shows significant growth from Fiscal Year 2025 to Fiscal Year 2026, due to rising claims costs and the continued need to support insurance and risk-related obligations for City operations.

Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Type



● Benefits and Claims	<b>\$93,974,430</b>	78.65%
● Contractual Services	<b>\$21,760,638</b>	18.21%
● Salaries, Wages and Benefits	<b>\$3,514,870</b>	2.94%
● Commodities	<b>\$149,310</b>	0.12%
● Debt Service - Principal	<b>\$91,130</b>	0.08%
● Debt Service - Interest	<b>\$800</b>	0.00%

*Note: Amounts shown in the graphs are rounded up.*

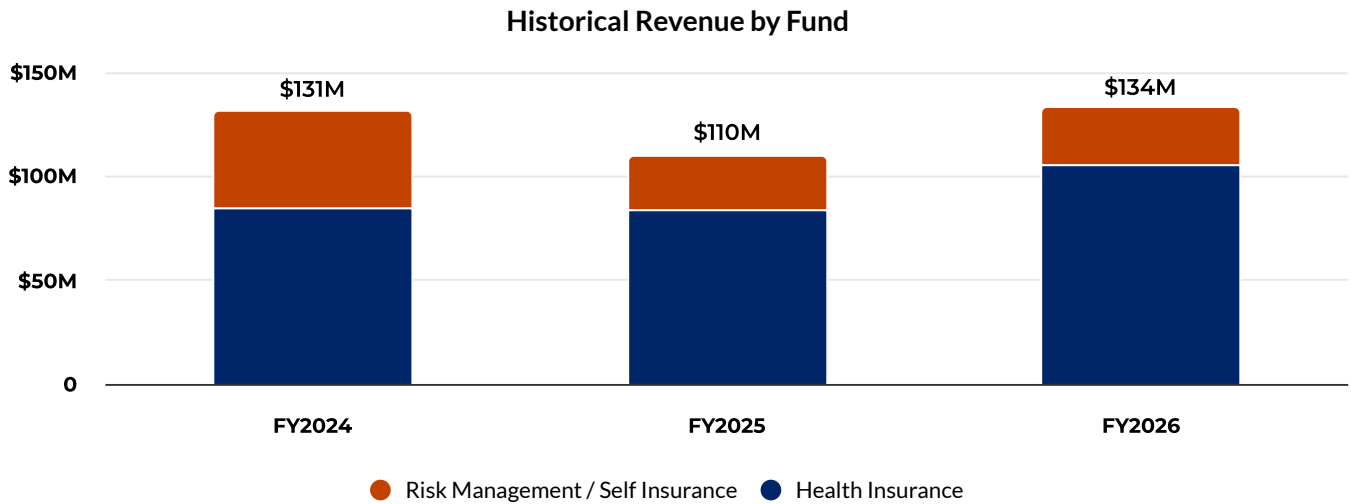
## Internal Service Revenues by Fund

- Health Insurance revenues make up the largest share, representing premium payments collected from City departments and employees.
- Risk Management/Self-Insurance revenues support liability and workers’ compensation programs.

Revenue Totals:

For Fiscal Year 2026, the total adopted budget is as follows: \$105.3 million from Self-Insurance – Employee Benefits and \$24.2 million from the Self-Insurance-Risk Fund, adding the Fiscal Year 2026 Transfer—in amounting to \$2.3 million, totaling to approximately 132 million.

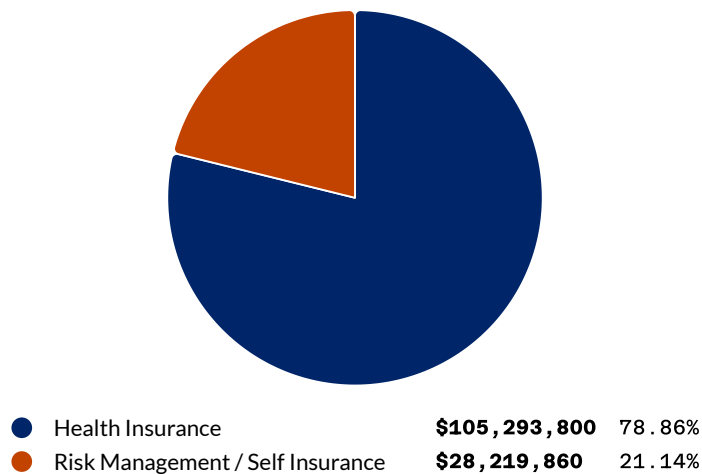
These revenues ensure the City can sustain internal programs that protect employees and reduce long-term financial risks.



*Note: Amounts shown in the graphs are rounded up.*

*Note: Amounts shown in State Forms that is not shown in the graphs— For Fiscal Year 2026, the total adopted budget is as follows: \$105.3 million from Self-Insurance – Employee Benefits and \$24.2 million from the Self-Insurance-Risk Fund, adding the Fiscal Year 2026 Transfer—in amounting to \$2.3 million, totaling to approximately 132 million.*

### Fiscal Year 2026 Revenues by Fund



## Internal Service Revenues by Funding Source

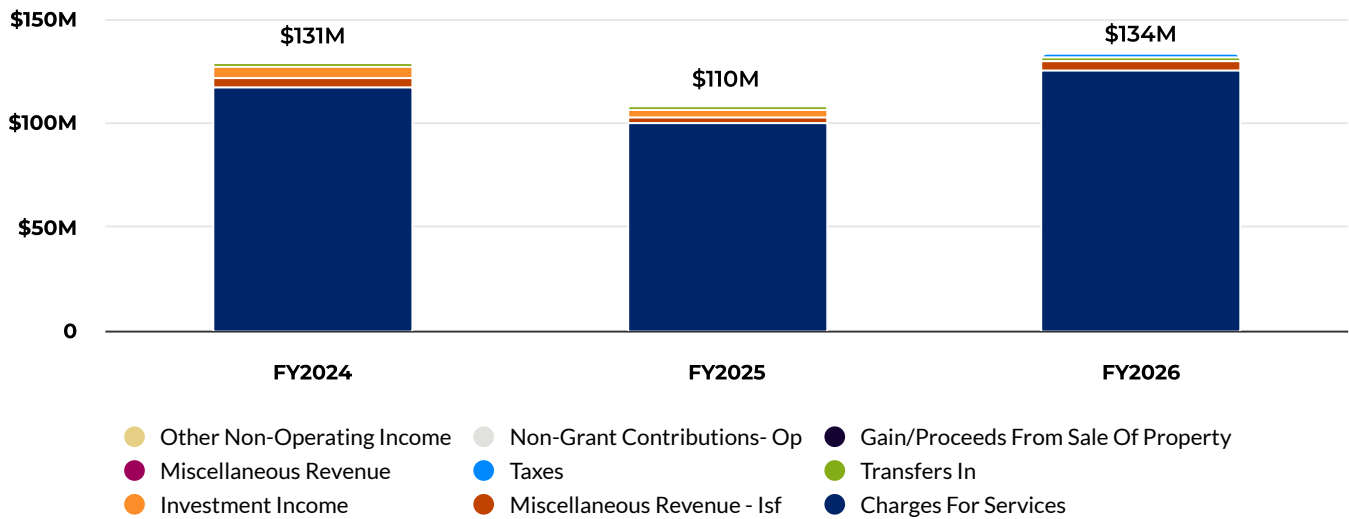
This chart breaks down the sources of internal service revenues that fund programs such as health benefits and risk management.

- The primary source of revenue is Charges for Services, which include payments from City departments for services like insurance coverage, claims processing, and internal support functions.
- Primary property tax involuntary tort claim reimbursements are applied towards the City's risk liability insurance program.
- Transfers - In reflect internal cost-sharing across funds.
- Other sources like Investment Income and Miscellaneous Revenue provide smaller but steady contributions.

The decrease in Fiscal Year 2025 reflects lower than anticipated claim payments and operational costs. The increase in Fiscal Year 2026 projections indicates the total adopted budget is as follows: \$105.3 million from Self-Insurance – Employee Benefits and \$24.2 million from the Self-Insurance-Risk Fund, adding the Fiscal Year 2026 Transfer–in amounting to \$2.3 million, totaling to approximately 132 million.

These revenues help ensure that internal operations and employee benefit programs are financially supported without relying on external sources.

Historical Revenue by Funding Source



Note: Amounts shown in the graphs are rounded up.

Note: Charts may not total 100% due to rounding.

# Fiduciary Funds

Fiduciary Funds are used to report assets that the City holds in a trustee or agency capacity for individuals, private organizations, other governments, and/or other funds. These funds are not available for use by the City to support its own programs and are instead held for the benefit of external parties.

## **Tucson Supplemental Retirement System (TSRS)**

The Tucson Supplemental Retirement System (TSRS) was established in 1953 to provide retirement, survivor, and disability benefits for eligible city employees. The majority of all full-time and a portion of part-time employees, except for those covered by the Arizona Public Safety Personnel Retirement System or the Elected Officials Retirement Plan of Arizona, are covered by TSRS.

In Fiscal Year 2025, the Mayor and Council approved increases to employee contributions by 0.5% to the Tucson Supplemental Retirement System pension program for Tier 1 and 2 participants and remained the same for Fiscal Year 2026. The funding policy, which rounds up the employee and City contribution rates, sets a 27.5% minimum on the City contribution rate until full funding is reached. The City-funded ratio increased to 76.3%, which increased from 75% in the prior year. The City will continue working towards a goal of being fully funded (nearly 100%) by Fiscal Year 2034.

For TSRS employees hired prior to July 1, 2006, the employee contribution rate of 5% of their annual covered payroll through bi-weekly payroll deductions. For employees hired after July 1, 2006, the contribution rate is 7.25%; for employees hired after June 30, 2011, the rate is 5.75%.

The Fiscal Year 2026 employer contribution rate is 27.5% for all employee members of the TSRS.

TSRS continues to be a critical component of the City's commitment to providing competitive and sustainable retirement benefits to its workforce.

# Fiduciary Summary

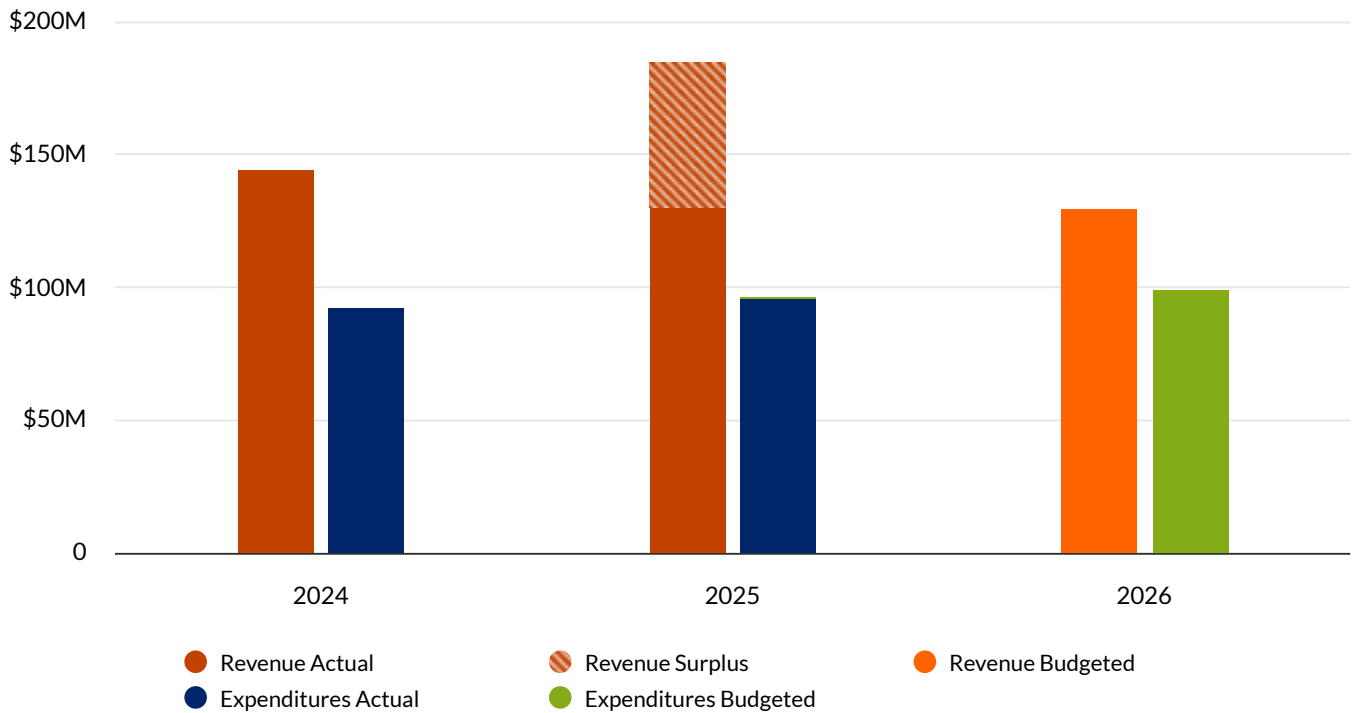
Fiduciary Funds are used to account for resources that the City holds in a trustee or custodial capacity for the benefit of employees, retirees, and other stakeholders. These funds are not available to support the City’s general operations; instead, they are managed to ensure the long-term integrity and sustainability of pension, retirement, and employee benefit programs.

For Fiscal Year 2026, budgeted expenditures total \$98.7 million, representing a 3.11% increase from the prior year’s budgeted expenditures of \$95.8 million. This increase reflects ongoing commitments to pension obligations and benefit administration.

Budgeted revenues for Fiscal Year 2026 are \$129.7 million, a slight 0.1% decrease compared to the FY 2025 budgeted revenues of \$129.8 million. The near-stable revenue level indicates consistent funding streams and investment-related expectations for the upcoming year.

Overall, these figures demonstrate a modest increase in planned expenditures paired with relatively steady revenue projections. This balance reflects the City of Tucson’s continued commitment to responsibly managing and safeguarding fiduciary resources on behalf of employees, retirees, and other beneficiaries, ensuring the long-term financial health of the City’s benefit and retirement systems.

## Revenues vs Expenditures Summary



*Note: Amounts shown in the graphs are rounded up.*

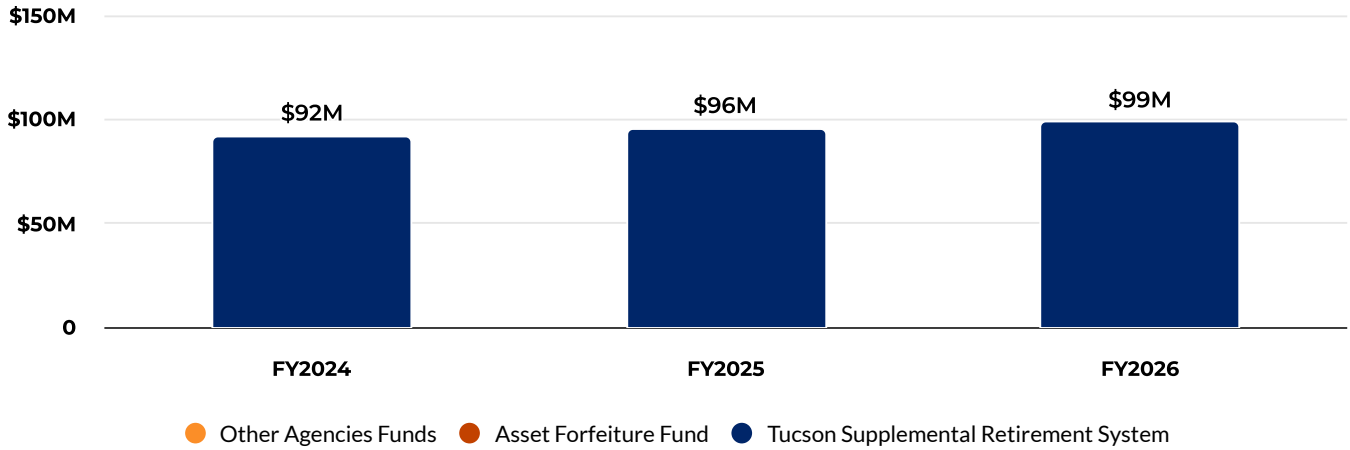
## Fiduciary Expenditures by Fund

Fiduciary Funds are used by the City to manage assets held in trust or on behalf of others, such as employee retirement systems or funds collected for outside agencies.

Overall, the table reflects a steady increase from Fiscal Year 2024 through Fiscal Year 2025 and Fiscal Year 2026 projections follow the same trend.

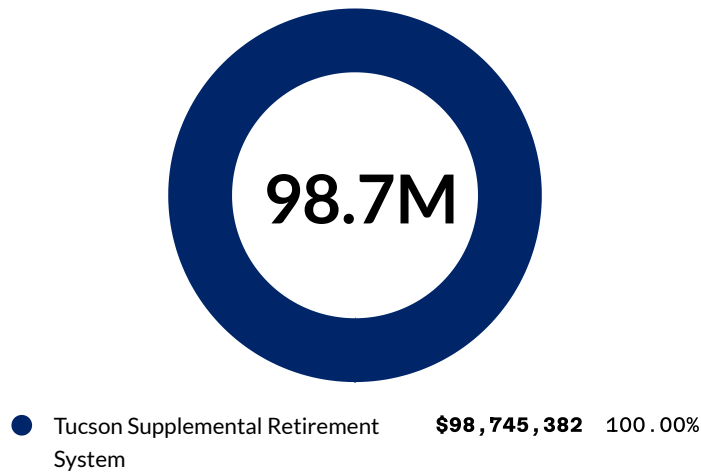
This trend illustrates the City's commitment to fulfilling fiduciary responsibilities while aligning spending with current trust obligations.

### Historical Expenditures by Fund



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Fund



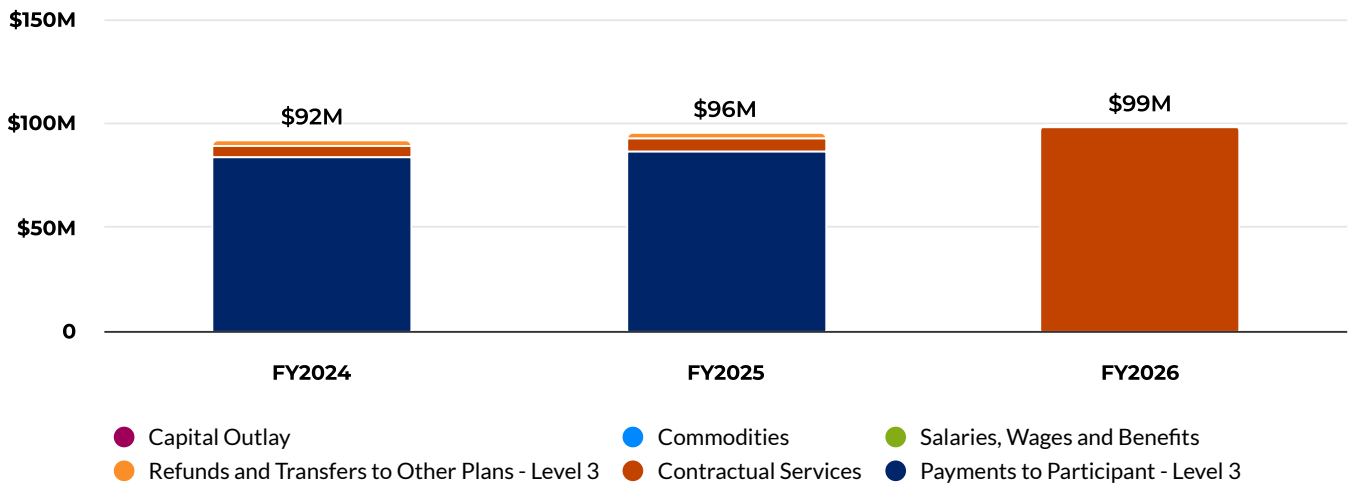
## Fiduciary Expenditures by Type

Fiduciary Funds are used to manage resources the City holds on behalf of others—such as retirement benefits and specific trust obligations.

- The majority of expenditures were made up of Contractual Services, such as investment management and Payments to Participants, primarily related to retirement distributions.
- In Fiscal Year 2026, the budgeted spending is \$98.4 million, reflecting an increase from Fiscal Year 2024 and Fiscal Year 2025 expenditures.

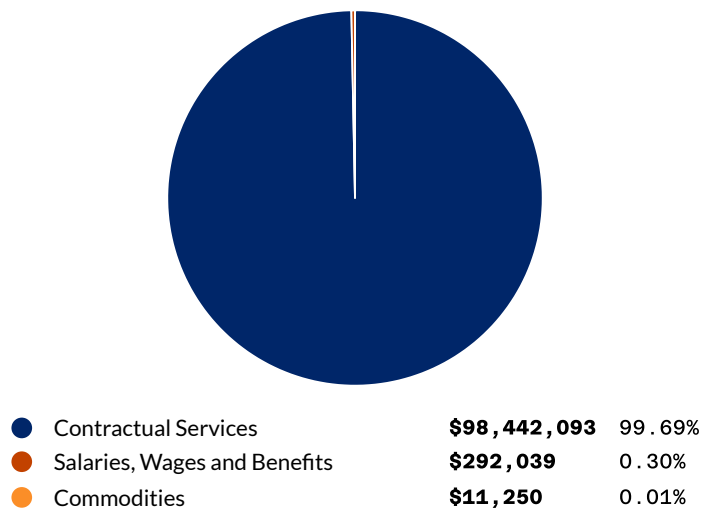
This pattern reflects the City’s ongoing responsibility to manage and distribute fiduciary funds transparently and in accordance with legal obligations.

Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Expenditures by Expense Type

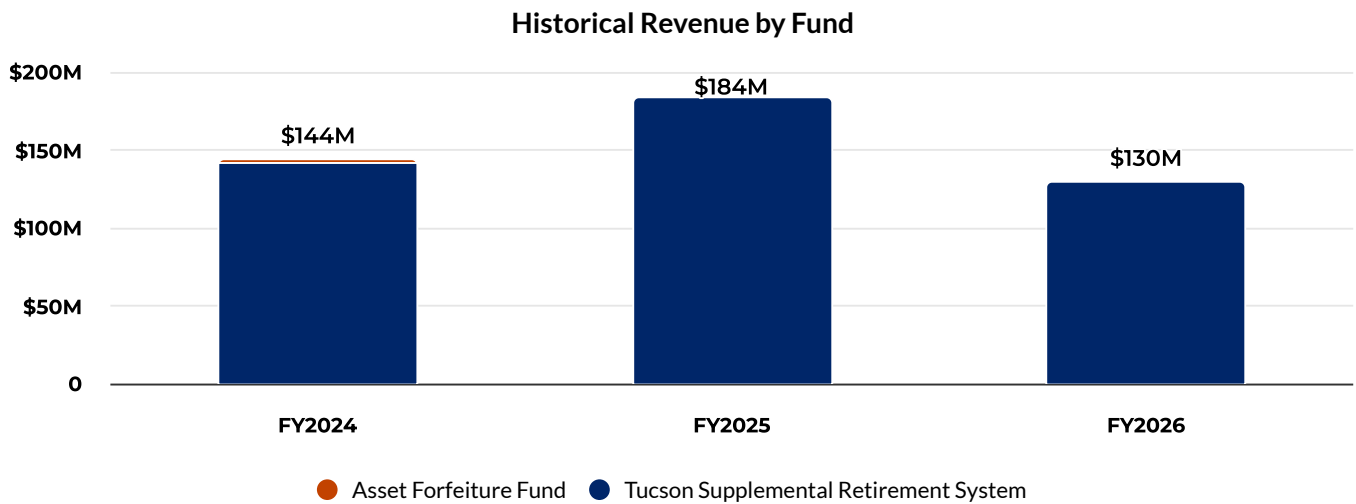


## Fiduciary Revenues by Fund

Fiduciary revenues are collected and held by the City to benefit others—such as retirees — rather than for general City operations. These revenues are deposited into specific trust.

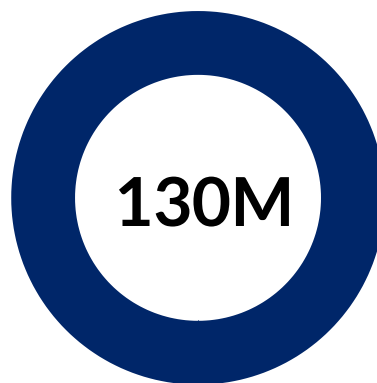
- In Fiscal Year 2026, total fiduciary revenues reached \$183.6 million:
  - The largest contributions came from the Tucson Supplemental Retirement System employer and employee pension contributions, and investment earnings.
- Revenues were \$142 million in Fiscal Year 2025 and \$183.6 million in Fiscal Year 2025, reflecting expected returns and deposits into the City’s TSRS trust fund.

This revenue helps ensure long-term security for retirees and fulfills the City's fiduciary obligations with transparency and accountability.



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Fund



- Tucson Supplemental Retirement System **\$129,668,640** 100.00%

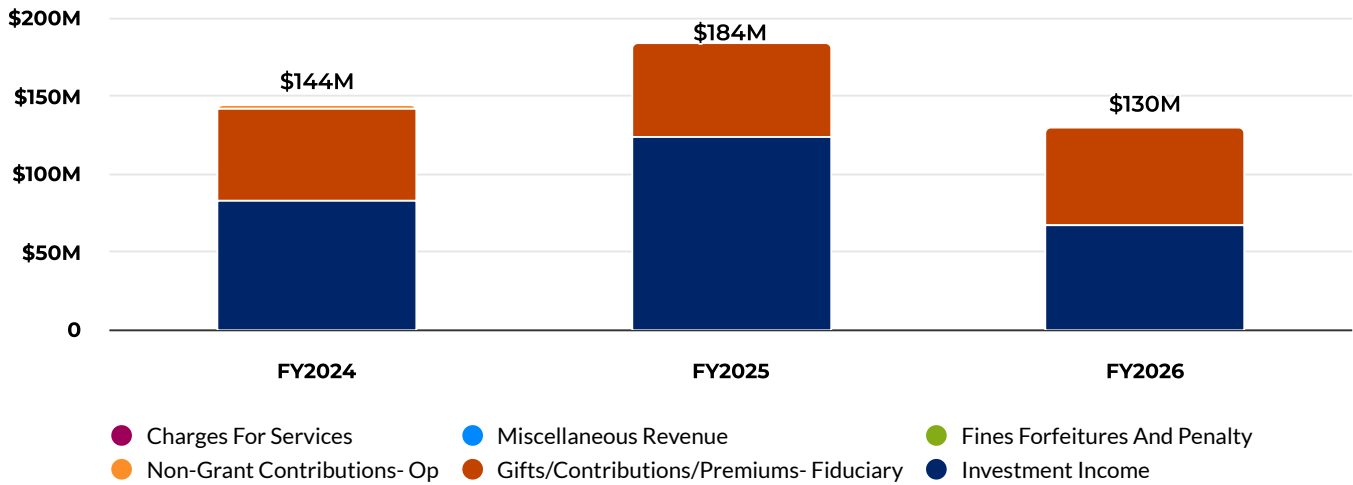
## Fiduciary Revenues by Funding Source

Fiduciary revenues come from a variety of sources that support trust and agency funds, including retirement contributions and investment earnings.

- In Fiscal Year 2026, the City budgeted to collect \$129.5 million in fiduciary revenues:
  - The largest portion is projected to come from pension contributions and investment earnings.
- Revenues collected in Fiscal Year 2024 were \$141.9 million and \$183.7 million in Fiscal Year 2025.

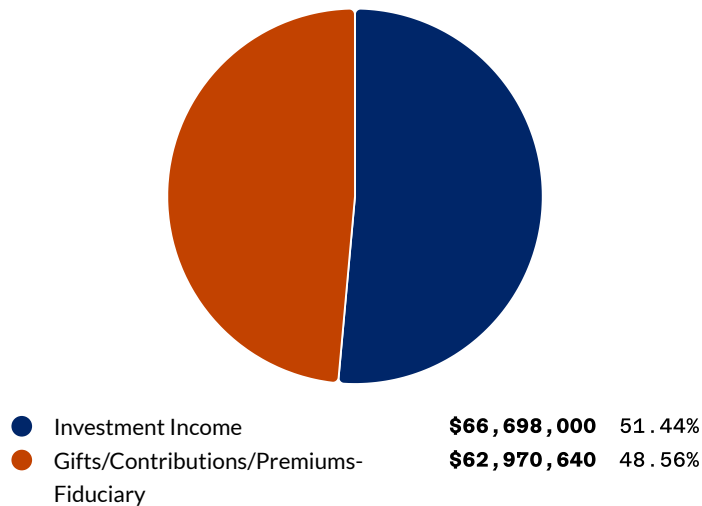
Fiduciary funds are managed carefully to ensure they meet obligations like pension benefits, while maintaining financial trust and accountability.

Historical Revenue by Funding Source



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Revenues by Funding Source





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# Departments Summary

**Mayor and Council**

**Business Services Department**

**City Attorney**

**City Clerk**

**City Court**

**City Manager**

**City Public Defender**

**Department of Transportation and Mobility**

**Environmental and General Services**

**General Government Department**

**Housing and Community Development**

**Human Resources Department**

**Information Technology**

**Parks and Recreation**

**Planning and Development Services Center**

**Public Safety Communications**

**Tucson City Golf**

**Tucson Convention Center**

**Tucson Fire Department**

**Tucson Police Department**

**Tucson Water**

# Mayor & Council Department Overview



## Mission Statement

To establish public policy and develop programs as mandated by the Tucson City Chamber, represent community interests, and work with City management to effectively meet the community's current and long-term needs.

The following divisions are included in this department:

The **Administration** division provides the necessary operating expenses to support the Mayor and Council. Key responsibilities include providing support for the Mayor's Office and six Council Offices.

The six **Ward Offices** work together with the mayor's office as the policymaking body for the City of Tucson. Key responsibilities are as follows:

- Enact ordinances, set policies, and develop an annual Legislative Agenda for the City of Tucson.
- Oversees the city budget and capital improvements program.
- Hold [weekly council meetings](#) to address issues and concerns in the community.
- Respond to constituents' concerns at neighborhood meetings, through written correspondence, and telephone communication, and staff assistance.
- Serve on Mayor and Council Subcommittees to deal with specific issues such as public safety, youth and family issues, and community services.

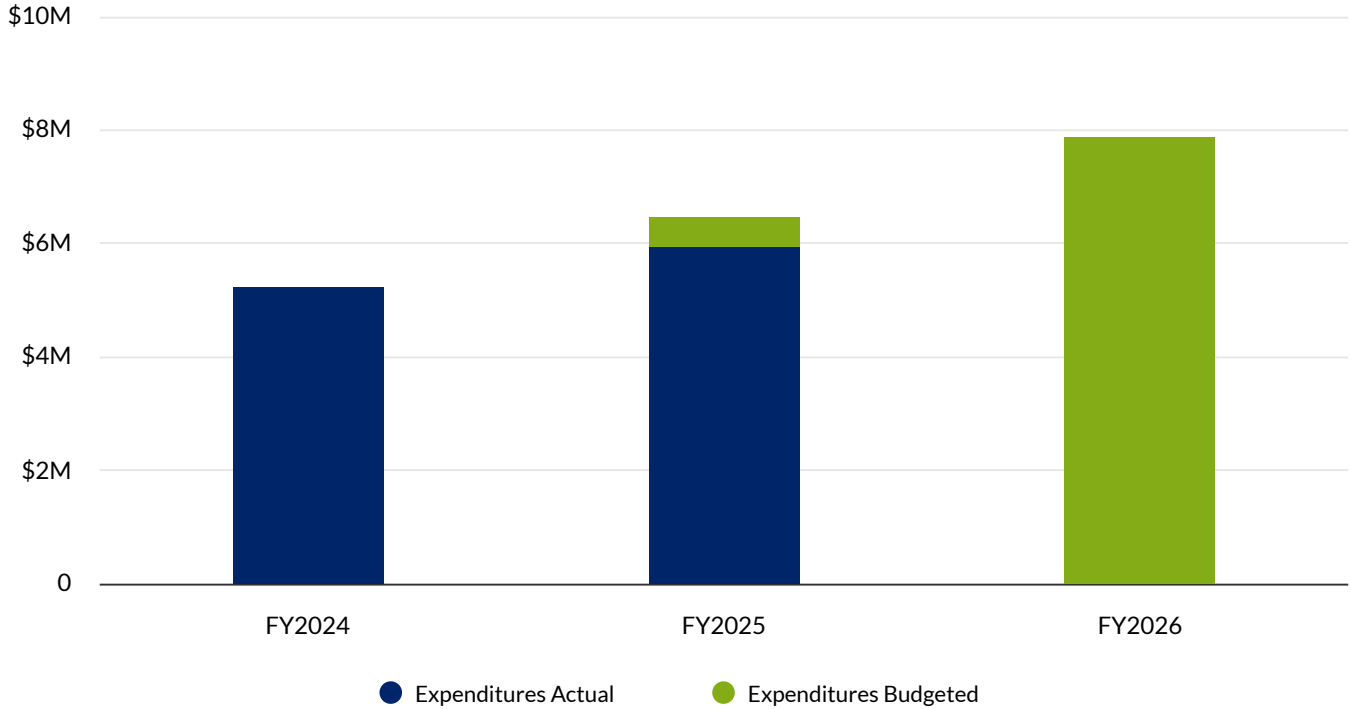
The Department's **Investment Plan** segment allows for the utilization of the available General Fund, balance strategically to address the city's needs and foster impactful investments that enhance community well-being. The key task is to prioritize and allocate funds to support various city initiatives and projects. This includes conducting thorough assessments of community needs, engaging with stakeholders, and ensuring transparency in the funding process. The funding will be monitored and adjusted as necessary to align with changing priorities and to ensure that investments lead to tangible improvements within the community.

## Expenditure Summary

\$7,870,926.00

\$1,425,471 / 22% Higher Than the Prior Year's Budget

### Historical Expenditures Across Department



*Note: Amounts shown in the graphs are rounded up.*

#### Significant Changes

In Fiscal Year 2026, the Mayor and Council Department is budgeted at \$7.9 million, reflecting a 22.12% increase compared to the Fiscal Year 2025 budget of \$6.4 million.

In Fiscal Year 2025, actual expenditures were \$5.9 million, which was 12.84% higher than the prior year and represented 91.83% of the budgeted amount.

The Fiscal Year 2026 budget therefore represents a substantial upward adjustment when compared to both the Fiscal Year 2025 budget and actual expenditures. This trend highlights a planned expansion in departmental resources, signaling an emphasis on strengthening governance, supporting Council operations, and advancing community priorities.

#### Trends

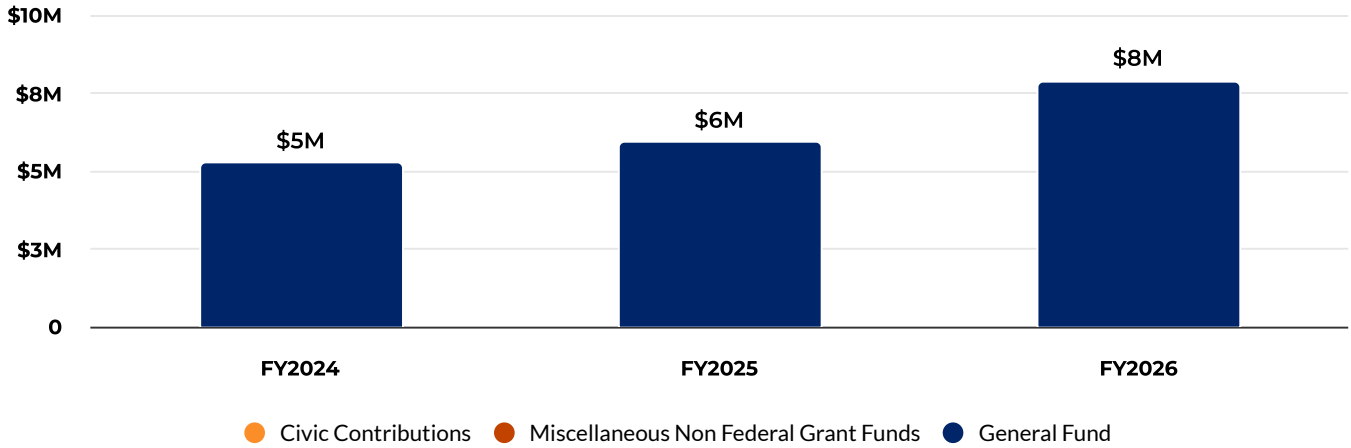
The Mayor and Council's expenditures have grown steadily year-over-year, with Fiscal Year 2026 marking the most significant increase in recent years. The rising budget suggests a shift toward greater investment in policy development, constituent services, and operational support for elected leadership.

## Expenditures by Fund

The Mayor and Council’s expenditures are primarily funded through the General Fund, which has made up nearly the entire budget over the past three years.

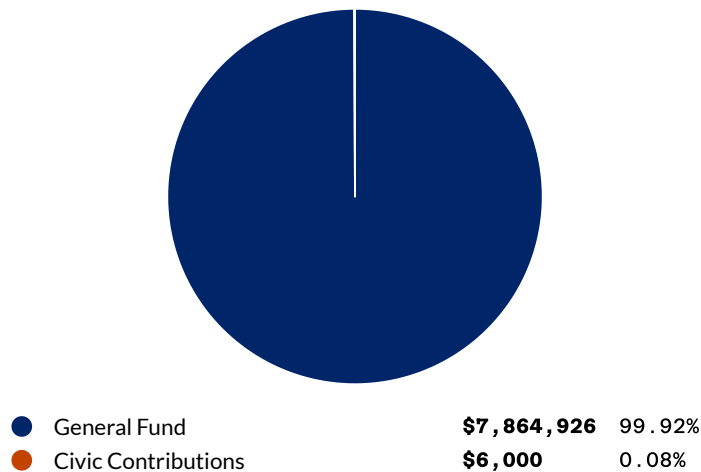
- In Fiscal Year 2023, expenditures totaled approximately \$4 million.
- In Fiscal Year 2024, spending rose significantly to \$6 million, reflecting increases primarily in personnel costs.
- For Fiscal Year 2025, the budget remains steady at just over \$6 million, continuing to support Council priorities and salary adjustments approved by voters in late 2023.

Historical Expenditures by Fund



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Expenditures by Fund



Notes: Charts may not total 100% due to rounding.

## Expenditures by Type

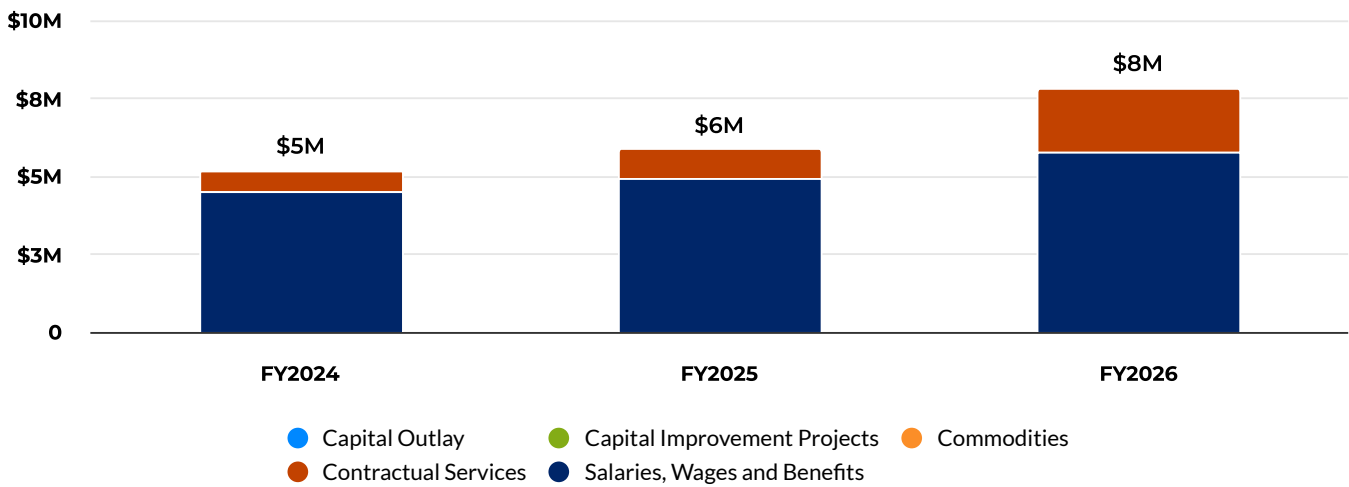
Over the past three fiscal years, our expenditures have steadily increased to support the growing needs of our operations.

In Fiscal Year 2023, total expenses were approximately \$4 million, with the majority going toward Salaries, Wages, and Benefits, followed by Contractual Services.

By Fiscal Year 2024, expenditures rose to about \$6 million, largely driven by increases in both personnel costs and contracted services. This trend reflects our investment in staffing and critical support functions.

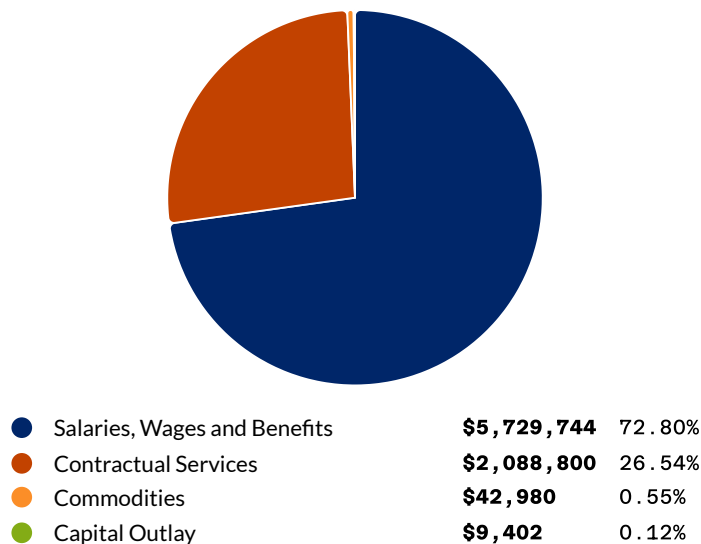
In Fiscal Year 2025, expenditures remained consistent overall at around \$6 million. Salary increases for the Mayor and Council members were approved in November 2023 and took effect in December 2023. The \$460,728 increase in personnel costs is primarily due to increased staffing levels and higher salary amounts.

Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Expenditures by Type



Notes: Charts may not total 100% due to rounding.

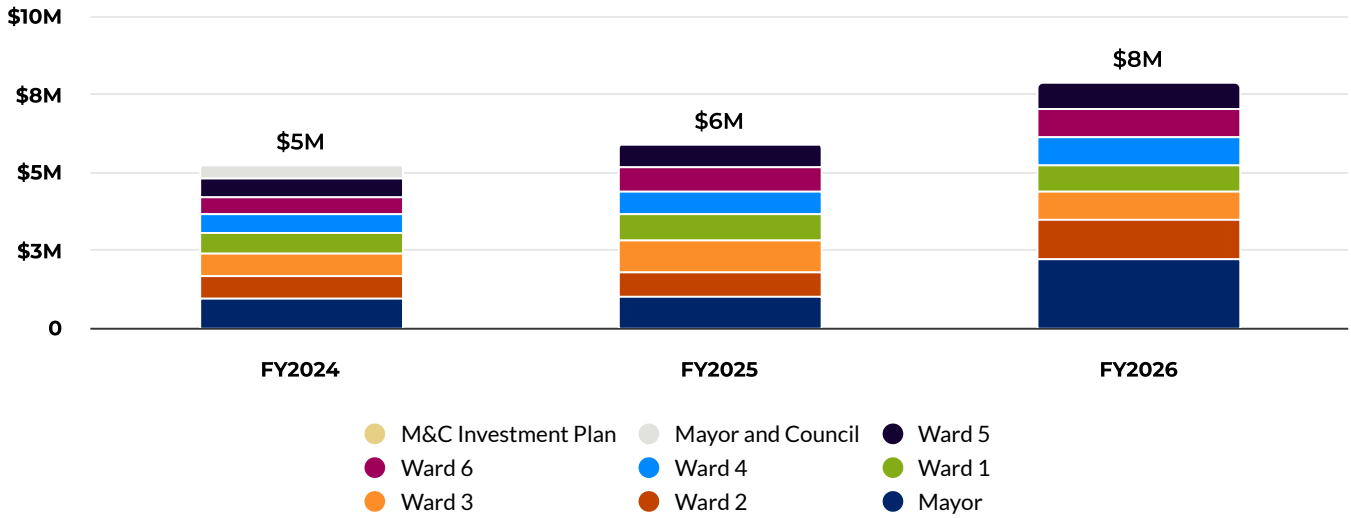
## Expenditures by Cost Center

Spending for the Mayor and City Council has gradually increased over the past three years to better support community needs and priorities.

In FY2024, total expenditures were about \$5 million, rising to \$6 million in FY2025, and are projected at \$8 million for FY2026.

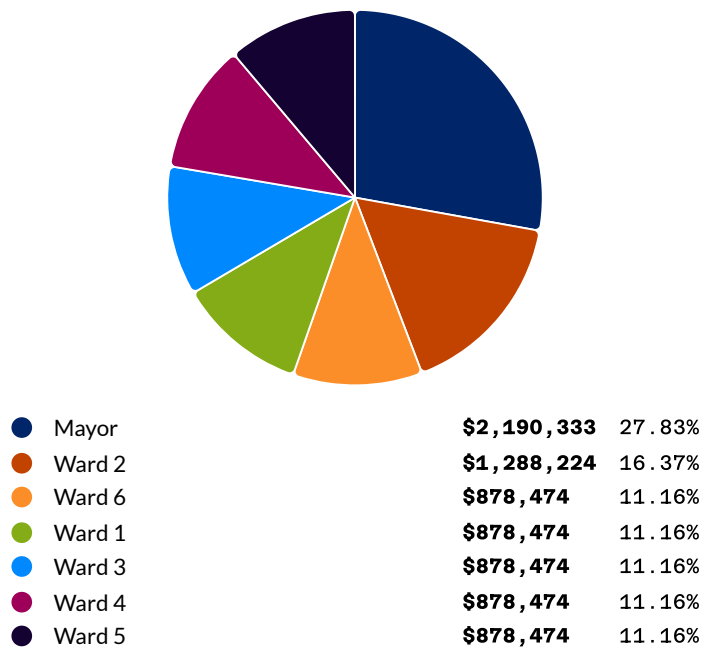
This steady growth reflects ongoing investments in community outreach, neighborhood projects, and the Mayor's Council's strategic initiatives to better serve Tucson residents.

Historical Expenditures by Cost Center



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Expenditures by Cost Center



Note: *Charts may not total 100% due to rounding.*

## Highlights

**The City of Tucson's Amazon Motel is the first of two phases that will create 89 units of affordable housing in Ward 3.**

Amazon Motel will provide permanent supportive housing for individuals experiencing homelessness in 30 refurbished studio apartments. These units will house individuals earning up to 30% of the Area Median Income (AMI). There will be no time limit on tenancy to ensure residents can remain housed while accessing the supportive services they need until they are ready to transition to independent living.

"The Amazon Motel celebrates the type of significant investment that the City of Tucson has been bringing into the Thrive in the '05," said Tucson Mayor Regina Romero. "It's important to me that the City of Tucson continues investing in resources that help to stabilize people and families. Having affordable, accessible housing and a variety of shelter options is what will help keep Tucsonans housed. This has been a priority for residents and the Mayor and Council in the 05," said the Mayor.

Amazon Motel is located across the street from Pima County's new Northwest Service Center facility featuring a health clinic and employment assistance services. Project amenities include a laundry room and a community space. The property acquisition and rehabilitation of Amazon Motel was largely funded by a \$6.2 million Arizona Department of Housing Hotels to Housing grant using federal American Recovery Plan Act funds. Additional funding for the project was provided by the City of Tucson Framework Affordable Housing Acquisition and Programming as well as Pima County gap funding.

Old Pueblo Community Services, an experienced provider of services for unsheltered people, will provide long-term support for Amazon Motel residents.

Amazon Motel is the first of two developments on the property. The second project, called Amazon Flats, will include a new building with 59 new one-bedroom affordable housing units on a vacant lot adjacent to the motel.

"The Amazon Motel rehabilitation is a key example of efforts by the Mayor and Council, and Housing and Community Development to increase the number of beds and apartments to the City's growing inventory of permanent supportive housing," said HCD Director Ann Chanecka. "HCD has been laser focused on collaborating with community partners to work with individuals experiencing homelessness and to ensure their paths to permanent supportive housing."

The future development project Amazon Flats is part of the HUD Choice Neighborhood Implementation Housing Strategy in the Thrive in the 05. In 2023, the City received a \$50 million Choice Neighborhoods Implementation grant from the U.S. Department of Housing and Urban Development. The eight-year grant is centered around residents, housing and neighborhoods in the Thrive in the 05, a neighborhood reinvestment initiative which began in 2018.

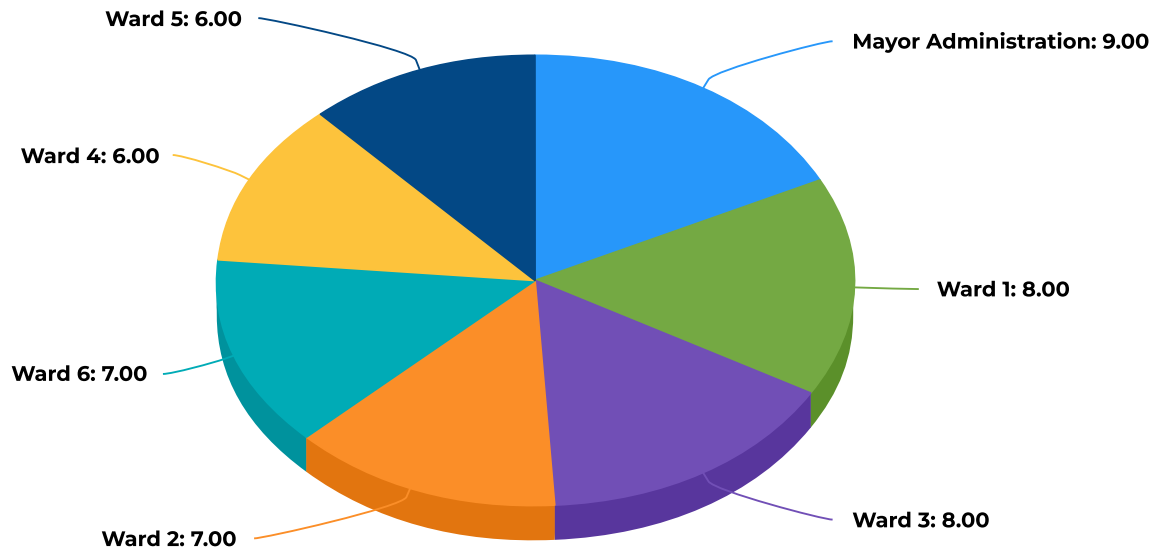
The bulk of the funds will be directed at rehabilitating Tucson House, and to create additional affordable and transitional housing. Other housing projects include Sugar Hill on Stone, 108 bedrooms in 66 affordable housing units under construction, and future developments at Stone and Speedway and South 10th Avenue.

The City purchased Amazon Motel in April 2023 and initially used the motel as a low-barrier shelter for 140 people during the development planning process. Of the 140 people who used the shelter, 86 found permanent housing.

Construction at Amazon Motel began in February 2025.

# Position Resources

### Fiscal Year 2026 Adopted FTE Count



# Business Services Department Overview



## Mission Statement

To partner with City departments and facilitate the development of a culture that attracts and retains an effective, engaged, and diverse workforce as well as to deliver high-quality business services that support customer departments, the City Manager's Office, Elected Officials, and the Tucson community.

The following divisions are included in this department:

The **Administration Division** provides strategic leadership and oversight for all city departments, ensuring effective and efficient service delivery across the organization. Key responsibilities include the oversight and management of essential business operations, including budgeting, finance, and procurement. These activities are carried out in compliance with all applicable laws, City Council policies, and under the guidance of the City Manager.

The **Budget and Financial Planning Division** provides the information and support necessary for the Mayor and Council to adopt a balanced budget, while ensuring compliance with federal, state, and local laws, including those related to the City's property tax levy. Key responsibilities include leading and coordinating citywide efforts in long-term financial planning and analysis to support responsible fiscal management and sustainable decision-making.

The **Procurement Operations Division** provides support to all City departments with their contracting and procurement needs, ensuring timely and efficient access to goods and services. Key responsibilities include ensuring compliance with federal and local regulations through programs such as Contract Administration, Small Business Enterprise (SBE), Disadvantaged Business Enterprise (DBE), and the Davis-Bacon and Related Acts. Responsibilities also include centralized management of surplus equipment, coordination of public auctions for unneeded assets, and oversight of inventory control.

The **Financial Operations Division** manages the City's accounts payable, ensures accurate financial reporting, and maintains transparency in the handling of public funds. This includes preparing key financial documents such as the Annual Comprehensive Financial Report (ACFR), Single Audit, and the Annual Expenditure Limitation Report. The division also operates cashier stations and manages the City's cash flow and investments—projecting cash needs, transferring funds as required, and investing surplus funds to achieve optimal returns within acceptable risk levels. Key responsibilities include the oversight of the City's debt obligations, managing all banking operations, and serving as the primary liaison with the City's banking services provider. Also Grants Division which oversees all City grants.

The **Taxpayer Assistance Division** supports businesses by providing guidance and assistance with City tax and licensing requirements. Key responsibilities include issuing business licenses, investigating unlicensed activity, and coordinating tax audits with the Arizona Department of Revenue. In addition, this division administers the City's Tax Code, ensuring updates to local tax laws are reflected on the State's tax collection platform, and educating the business community on tax compliance and licensing matters.

The **Satellite Shared Services Division** enhances service delivery by establishing satellite offices that provide direct support to City departments. Key responsibilities include serving as subject-matter experts in key operational areas, including budget, finance, payroll, and procurement, to ensure consistent and efficient departmental support across the organization.

The **Risk Management Division** manages the City's Self-Insurance Trust Fund, covering public liability claims, workers' compensation, employee safety (loss control), and subrogation efforts. Key responsibilities include reviewing and processing claims filed against the City, including payments for public liability. As well as evaluating contracts to ensure proper insurance and indemnification provisions are in place. An additional responsibility includes promoting a safe and healthy work environment by ensuring regulatory compliance and providing employee education on safety practices and procedures.

The **Treasury and Investments Division** provides strategic leadership and oversight for all City departments, ensuring alignment with the City's goals and priorities. The division manages the City's cash flow, banking relationships, and investment activities. Its responsibilities include collecting and processing City revenues, ensuring timely deposits, safeguarding funds, and overseeing investment of public money according to the City's cash management and investment policies.

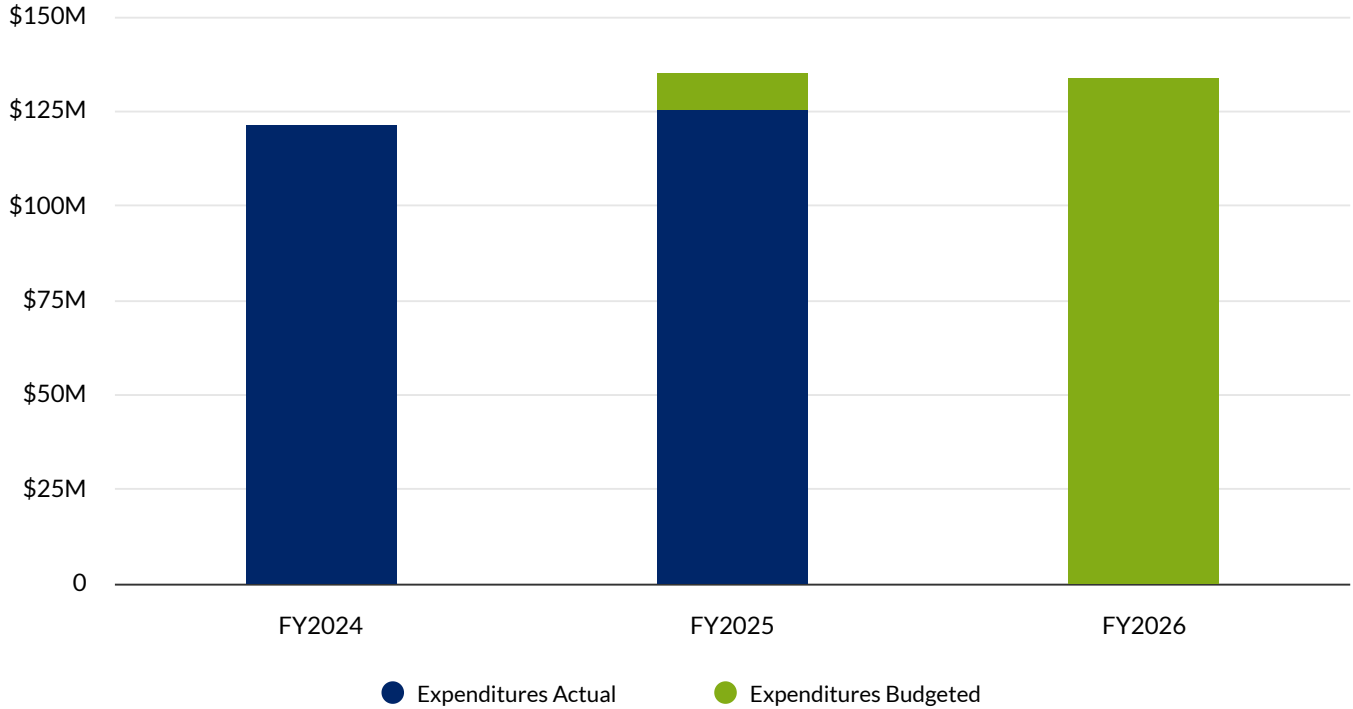
The **Employee Health Benefits** segment is also included in the Business Services Department. Its mission is to provide health-related benefits to City employees, City retirees, and qualified family members through various benefit plans administered by a combination of third-party administrators and contractors.

## Expenditure Summary

\$133,805,551

-\$1,498,798 / 1.11% Lower Than the Prior Year's Budget

### Historical Expenditures Across Department



#### Significant Changes

For Fiscal Year 2026, the City of Tucson's Business Services Department is budgeted at \$133.8 million, representing a 1.11% decrease compared to the Fiscal Year 2025 budget of \$135.3 million. This slight reduction follows the prior year's performance, when actual expenditures totaled \$125.0 million. That figure reflected a 3.2% increase from the prior period but amounted to only 92.4% of the Fiscal Year 2025 budgeted level.

#### Trends

The Business Services Department ensures the financial integrity of the City by providing core financial services and controls. Expenditures have remained relatively stable, reflecting efficient management and alignment with current spending patterns. The Fiscal Year 2026 budget continues this trend, supporting sustainable operations and strong financial stewardship.

*Note: Amounts shown in the graphs are rounded up.*

## Expenditures by Fund

This chart shows how spending was distributed across various funding sources for the City of Tucson's Business Services Department from Fiscal Year 2024 through Fiscal Year 2026.

In Fiscal Year 2026, total Business Services Department expenditures are budgeted at \$133.8 million, an increase of 7.02% compared to the prior year.

The largest category, Health Insurance, totals \$84.9 million, an increase of \$1.3 million (1.55%), and represents 63.43% of all departmental expenditures.

Risk Management / Self-Insurance saw a significant increase of \$5.2 million (22.22%), reaching \$28.7 million and accounting for 21.43% of the total. The General Fund also rose notably by \$3.8 million (23.91%) to \$19.7 million (14.72%).

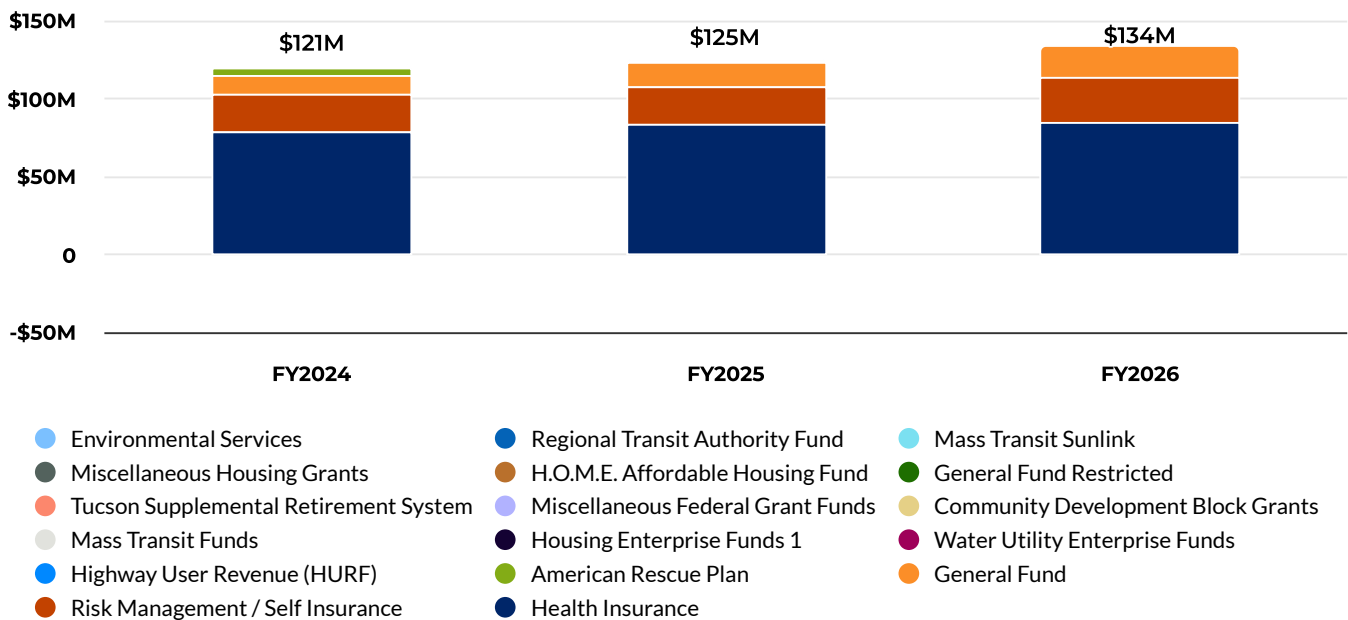
Conversely, several categories experienced decreases – the American Rescue Plan, Miscellaneous Federal Grant Funds, Tucson Supplemental Retirement System, Water Utility Enterprise Funds, and Mass Transit Sunlink all dropped to zero, reflecting 100% reductions. Housing Enterprise Funds 1 decreased by 22.21% to \$130,561, and Community Development Block Grants declined by 4.15% to \$102,079.

In Fiscal Year 2026, Miscellaneous Federal Grant Funds, Tucson Supplemental Retirement System, Water Utility Enterprise Funds, Highway User Revenue (HURF), Mass Transit Sunlink, and Miscellaneous Housing Grants. These reductions ranged from \$1,715 to over \$1.2 million (a 100% decrease).

The H.O.M.E. Affordable Housing Fund also declined by \$4,464 (-18.68%) to \$19,428, while the General Fund Restricted appeared as a new category at \$89,476 (0.07%).

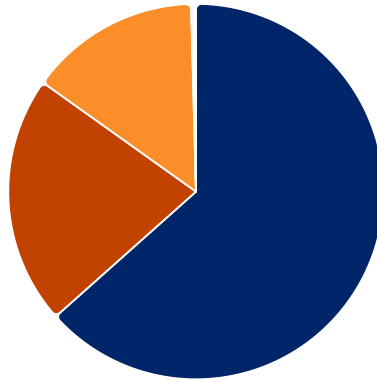
Overall, the Fiscal Year 2026 budget reflects continued dominance of Health Insurance and Risk Management / Self-Insurance, supported by growth in the General Fund.

Historical Expenditures by Fund



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Fund



● Health Insurance	<b>\$84,868,005</b>	63.43%
● Risk Management / Self Insurance	<b>\$28,670,206</b>	21.43%
● General Fund	<b>\$19,696,445</b>	14.72%
● Mass Transit Funds	<b>\$229,353</b>	0.17%
● Housing Enterprise Funds 1	<b>\$130,561</b>	0.10%
● Community Development Block Grants	<b>\$102,079</b>	0.08%
● General Fund Restricted	<b>\$89,476</b>	0.07%
● H.O.M.E. Affordable Housing Fund	<b>\$19,428</b>	0.01%

Note: Charts may not total 100% due to rounding.

## Expenditures by Type

This chart displays how expenditures were allocated by type from Fiscal Year 2024 through Fiscal Year 2026.

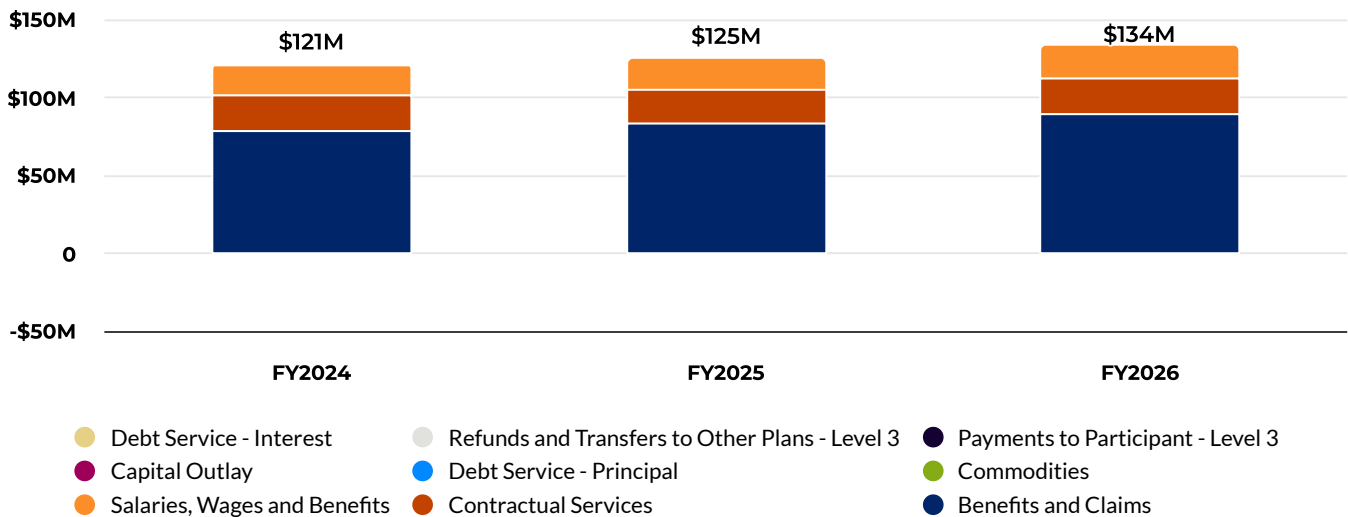
In Fiscal Year 2026, the Business Services Department's total expenditures increased by 7.02% to \$133.8 million compared to the previous year. Benefits and Claims remained the largest expenditure category, rising by \$5.3 million or 6.36% to \$88.8 million, representing 66.36% of the total budget, a slight decrease in percentage share from 66.77% the prior year.

Contractual Services saw a notable increase of \$2.1 million or 9.9%, reaching \$22.9 million and accounting for 17.09% of total expenditures, reversing the previous year's decline. Salaries, Wages and Benefits also increased by \$1.2 million or 5.75% to \$21.8 million, though its share of the total slightly decreased to 16.31% from 16.51%.

Commodities experienced a significant turnaround, increasing by \$291,508 to \$228,900, moving from a negative value in the prior year to a positive 0.17% of total expenditures. Debt Service – Interest had a marginal increase of \$2 to \$800, maintaining a negligible portion of the budget.

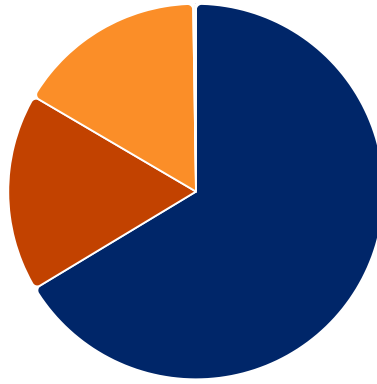
Conversely, Capital Outlay expenditures were eliminated entirely, decreasing by \$57,578 or 100% to zero. Refunds and Transfers to Other Plans - Level 3 also dropped to zero, a \$12,483 or 100% decrease. Debt Service – Principal remained virtually unchanged at \$91,130, a negligible decrease of \$2.

Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Expense Type



● Benefits and Claims	<b>\$88,788,730</b>	66.36%
● Contractual Services	<b>\$22,868,879</b>	17.09%
● Salaries, Wages and Benefits	<b>\$21,827,112</b>	16.31%
● Commodities	<b>\$228,900</b>	0.17%
● Debt Service - Principal	<b>\$91,130</b>	0.07%
● Debt Service - Interest	<b>\$800</b>	0.00%

Note: Charts may not total 100% due to rounding.

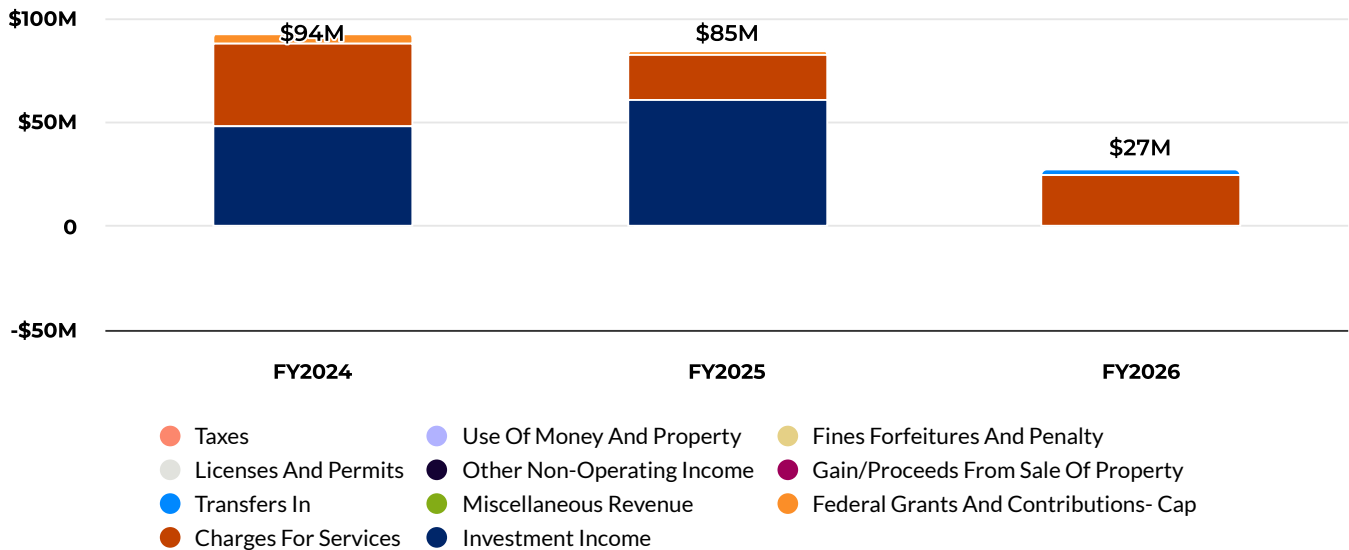
## Revenues by Type

In Fiscal Year 2026, the Business Services Department's total revenue decreased significantly to \$27.2 million, a 68.14% decline from the previous year's \$85.3 million. The largest revenue source shifted from Investment Income to Charges For Services. Charges For Services increased by \$2.3 million, or 10.68%, reaching \$24.1 million and representing 88.84% of the total revenue. Transfers In emerged as a new notable category, contributing \$2.3 million or 8.46% of total revenue.

Investment Income, which was the largest revenue source in the prior year at \$60.6 million (71.08% of total), dropped completely to \$0, a 100% decrease. Similarly, Federal Grants and Contributions-Cap and Other Non-Operating Income both fell to \$0, decreasing by 100% from \$1.6 million and \$75,223 respectively. Miscellaneous Revenue declined by \$498,243, or 40.49%, to \$732,190, now making up 2.69% of total revenue.

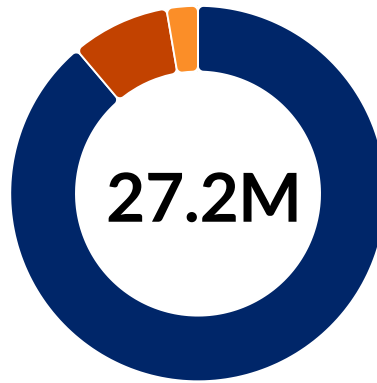
Additional categories such as Gain/Proceeds From Sale Of Property and Use Of Money and Property were also reduced to zero, each experiencing a 100% decrease. Fines, Forfeitures and Penalty showed a small increase to \$630, while Taxes and Licenses and Permits both returned to zero, reversing their previous negative values.

Historical Revenues by Revenue Type



Note: Amounts shown in the graphs are rounded up.

### FY26 Revenues by Revenue Type

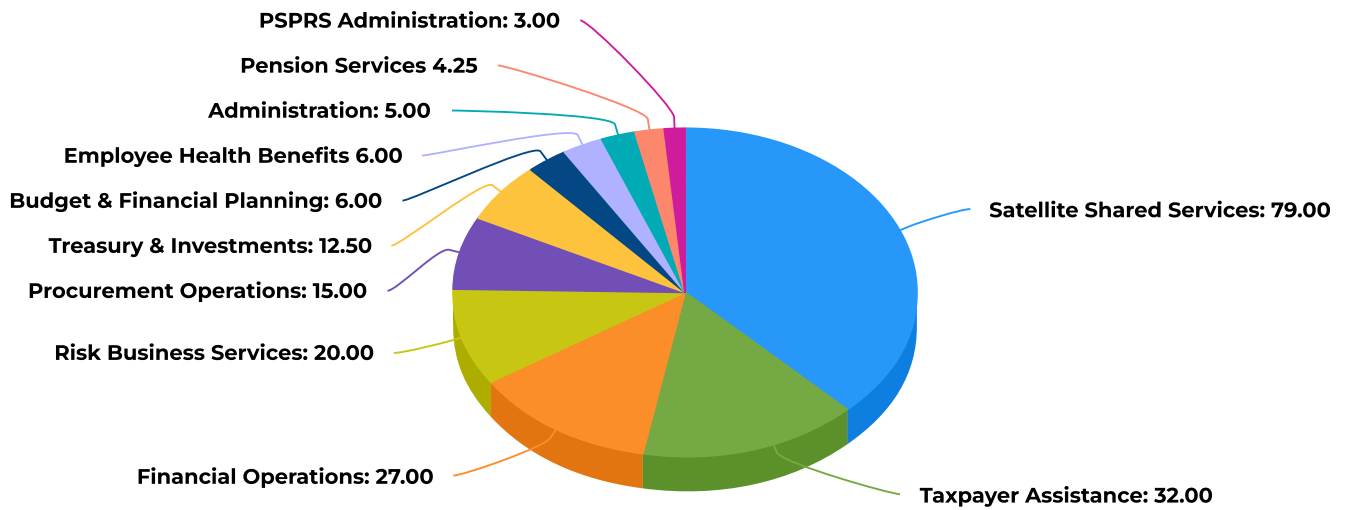


<ul style="list-style-type: none"> <li><span style="color: #003366;">●</span> Charges For Services</li> <li><span style="color: #CC6633;">●</span> Transfers In</li> <li><span style="color: #FF9933;">●</span> Miscellaneous Revenue</li> <li><span style="color: #99CC66;">●</span> Fines Forfeitures And Penalty</li> </ul>	<table border="0"> <tr> <td style="font-weight: bold;">\$24,141,800</td> <td style="font-weight: bold;">88.84%</td> </tr> <tr> <td style="font-weight: bold;">\$2,300,000</td> <td style="font-weight: bold;">8.46%</td> </tr> <tr> <td style="font-weight: bold;">\$732,190</td> <td style="font-weight: bold;">2.69%</td> </tr> <tr> <td style="font-weight: bold;">\$630</td> <td style="font-weight: bold;">0.00%</td> </tr> </table>	\$24,141,800	88.84%	\$2,300,000	8.46%	\$732,190	2.69%	\$630	0.00%
\$24,141,800	88.84%								
\$2,300,000	8.46%								
\$732,190	2.69%								
\$630	0.00%								

*Note: Amounts shown in the graphs are rounded up.*

## Position Resources

### Fiscal Year 2026 Adopted FTE Count



# City Attorney Department Overview



## Mission Statement

N/A

Programs within the City Attorney's Office:

The **Administration Division** provides administrative support for the City Attorney's Office. Key responsibilities include offering legal advice to the Mayor, Council, and City management, while providing professional leadership, guidance, and support to all program areas within the department.

The **Civil Division** provides legal advice and representation to the Mayor and Council, City Manager, and all City departments. Key responsibilities include representing the City in courts and administrative proceedings related to contracts, employment, environmental and land use issues, personal injury, property damage, wrongful death, and civil rights cases. This work helps ensure the City's official business is lawful and protects the City's interests by minimizing litigation risks.

The **Criminal Division** prosecutes misdemeanor and civil code violations, supports offender rehabilitation through specialty courts, provides victim assistance, and responds to citizen inquiries about City Court cases. Key responsibilities include handling prosecution of misdemeanor criminal offenses and civil infractions of the Tucson Code, and supporting code enforcement efforts. The Criminal team works collaboratively with City Court, the Public Defender, and other justice system partners to facilitate offender rehabilitation via specialty courts and diversion programs. In addition, they provide timely support and notifications to victims of crime and respond to public inquiries regarding City Court cases.

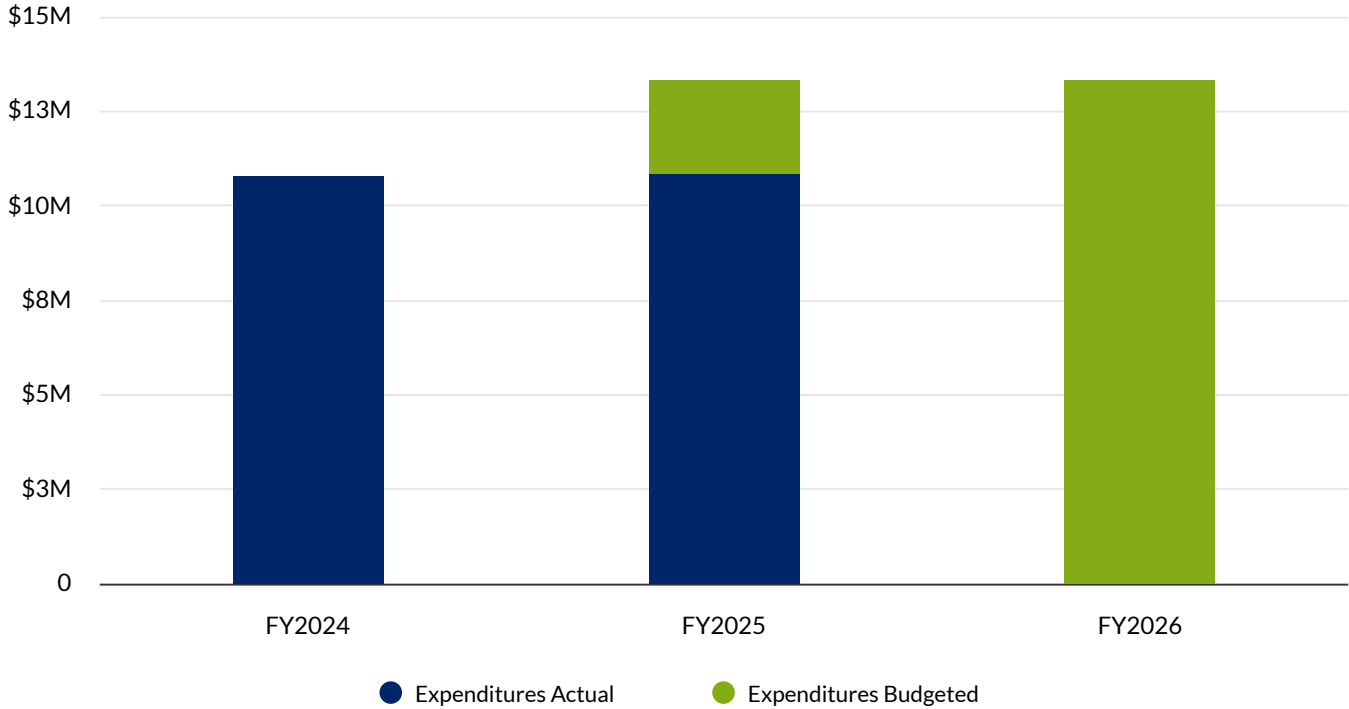
The **Internal Litigation Division** provides legal assistance to City departments and protects the City's interests in civil litigation. Key responsibilities include representing the City in state and federal civil lawsuits, including tort and civil rights claims (such as those under 42 U.S.C. §1983). The Internal Litigation team manages all phases of litigation from initial claims through trials and appeals. In addition, they coordinate with outside legal counsel when contracted to represent the City and support the City's Risk Management Division in evaluating legal claims and liaise with insurance providers.

## Expenditure Summary

\$13,331,199

\$33,171 – 0.25% Higher Than the Prior Year's Budget

### Historical Expenditures Across Department



*Note: Amounts shown in the graphs are rounded up.*

### Significant Changes

The City Attorney's total budgeted expenditures for Fiscal Year 2026 are \$13.3 million, representing a slight increase of 0.25% from the previous year's budgeted amount of \$13.3 million. This indicates a relatively stable budget allocation compared to Fiscal Year 2025.

In Fiscal Year 2025, actual expenditures were \$10.8 million, which was 81.5% of the budgeted amount and showed a modest increase of 0.42% from the prior period. The Fiscal Year 2026 budget maintains a similar level of funding, suggesting continuity in expenditure planning.

### Trends

Overall, the City Attorney's Office maintains a stable expenditure trend while reinforcing its role as a critical resource for criminal enforcement, diversion programs, and public access to legal information and community protections.

## Expenditures by Fund

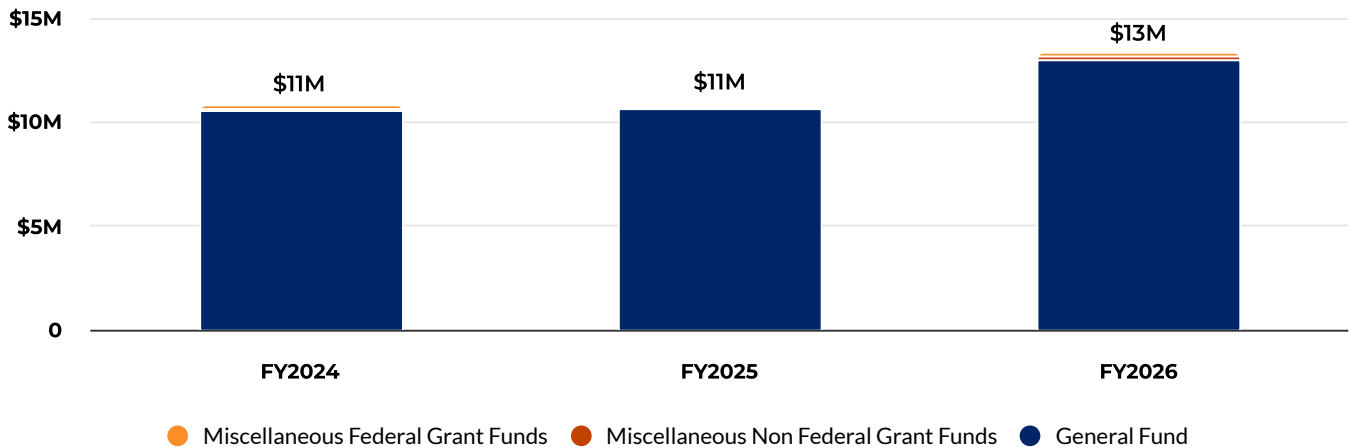
This chart illustrates the historical trend of expenditures by fund source over three fiscal years, with the General Fund serving as the primary funding source throughout.

Fiscal Year 2024: Expenditures totaled \$11 million, almost entirely funded by the General Fund.

Fiscal Year 2025: Spending increased to \$11 million, continuing to rely heavily on the General Fund.

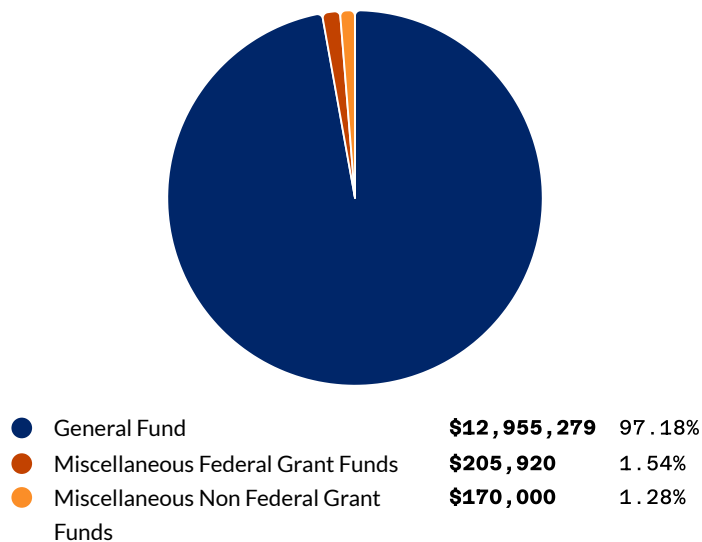
Fiscal Year 2026: Expenditures are projected to rise to \$13 million, with the General Fund still contributing the vast majority. Small but visible contributions from Miscellaneous Federal and Non-Federal Grant Funds begin to supplement core funding.

Historical Expenditures by Fund



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Expenditures by Fund



Notes: Charts may not total 100% due to rounding.

## Expenditures by Type

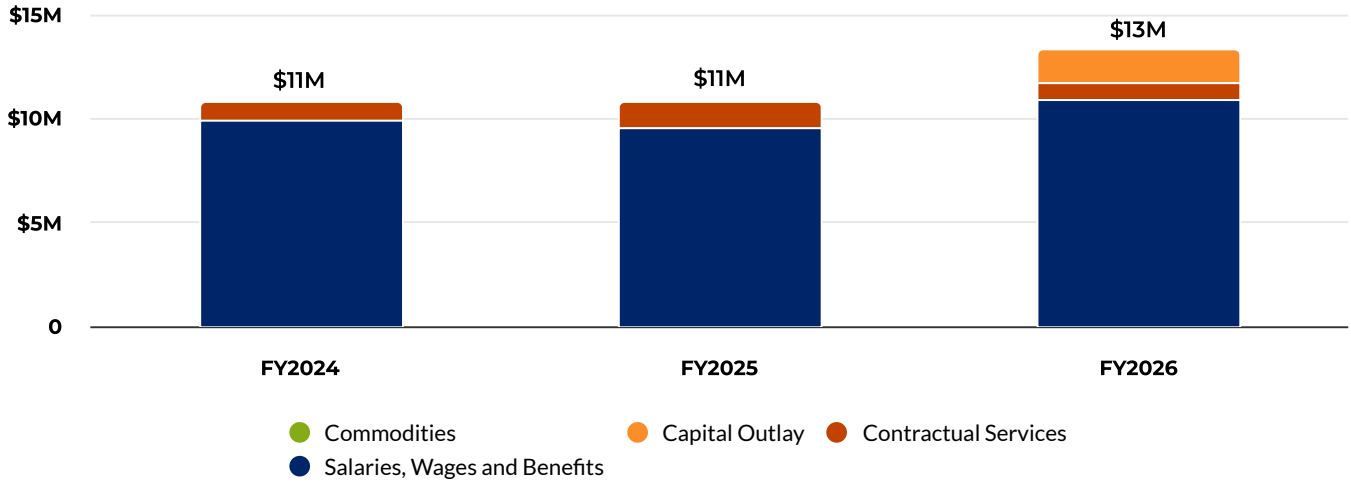
This chart shows how expenditures have changed across different spending categories over the past three fiscal years, with a strong focus on personnel costs.

In Fiscal Year 2026, the City Attorney's total expenditures increased by 23.01% to \$13.3 million compared to the previous year. The largest expenditure category remained Salaries, Wages and Benefits, which rose by 14.9% to \$10.9 million, representing 81.96% of the total budget. This category's share of the total decreased from 87.75% in the prior year despite the increase in dollar amount.

Capital Outlay saw a significant increase to \$1.6 million, accounting for 11.63% of the total budget, up from zero in the previous year. Contractual Services experienced the largest decrease, dropping by 36.8% to \$817,592 and comprising 6.13% of the total, down from 11.94%. Commodities increased modestly by 9.28% to \$36,800, making up 0.28% of the total budget.

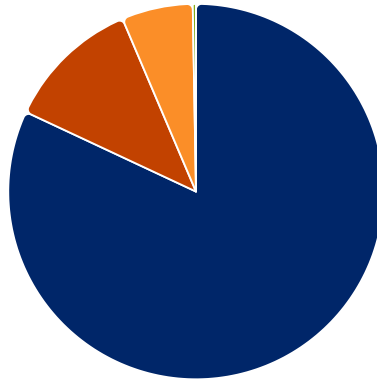
Overall, the budget growth was driven primarily by increases in Salaries, Wages and Benefits and the introduction of Capital Outlay expenditures, while Contractual Services declined notably in both dollar amount and percentage of the total budget.

### Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Type



● Salaries, Wages and Benefits	<b>\$10,926,808</b>	81.96%
● Capital Outlay	<b>\$1,550,000</b>	11.63%
● Contractual Services	<b>\$817,592</b>	6.13%
● Commodities	<b>\$36,800</b>	0.28%

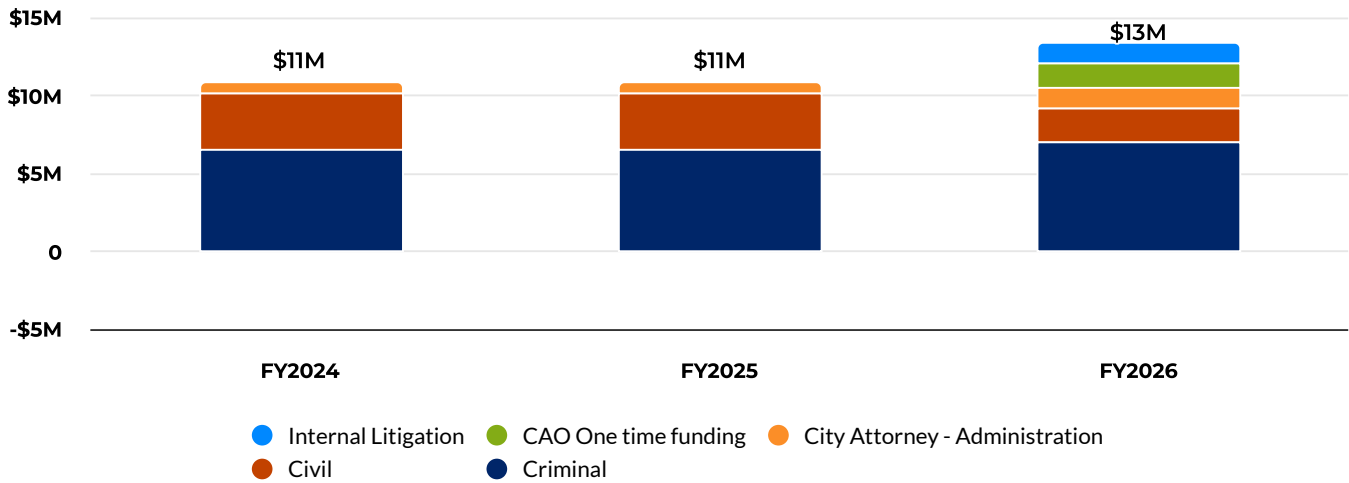
*Notes: Charts may not total 100% due to rounding.*

## Expenditures by Cost Center

This chart outlines the allocation of expenditures across different divisions within the City Attorney’s Office over the past three fiscal years. In Fiscal Year 2026, the City Attorney’s Office is budgeted at \$13.3 million in comparison to Fiscal Year 2025 actuals, need comparison to budget.

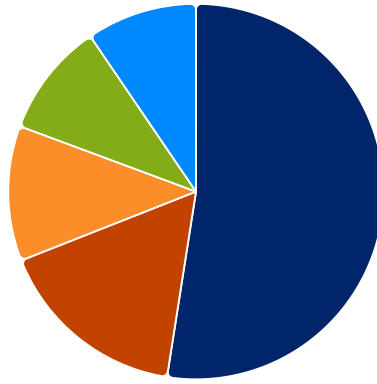
- In Fiscal Year 2026, the City Attorney's total expenditures increased by 23.01% to \$13.3 million compared to the previous year. The largest expenditure category remained Criminal, which rose by 7.37% to \$7 million, though its share of the total decreased from 60.12% to 52.48%.
- The Civil category experienced a significant decrease of 39.77%, dropping to \$2.2 million and reducing its portion of the total from 33.81% to 16.55%. This represents the largest decline among the categories.
- New to the budget were CAO One time funding and Internal Litigation, accounting for 11.63% and 9.84% of total expenditures respectively, with amounts of \$1.6 million and \$1.3 million. Internal Litigation had no prior year expenditures.
- City Attorney - Administration saw a substantial increase of 92.56%, rising to \$1.3 million and increasing its share from 6.07% to 9.5% of the total budget.

Historical Expenditures by Cost Center



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Cost Center



● Criminal	<b>\$6,995,747</b>	52.48%
● Civil	<b>\$2,206,735</b>	16.55%
● CAO One time funding	<b>\$1,550,000</b>	11.63%
● Internal Litigation	<b>\$1,312,282</b>	9.84%
● City Attorney - Administration	<b>\$1,266,435</b>	9.50%

*Notes: Charts may not total 100% due to rounding.*

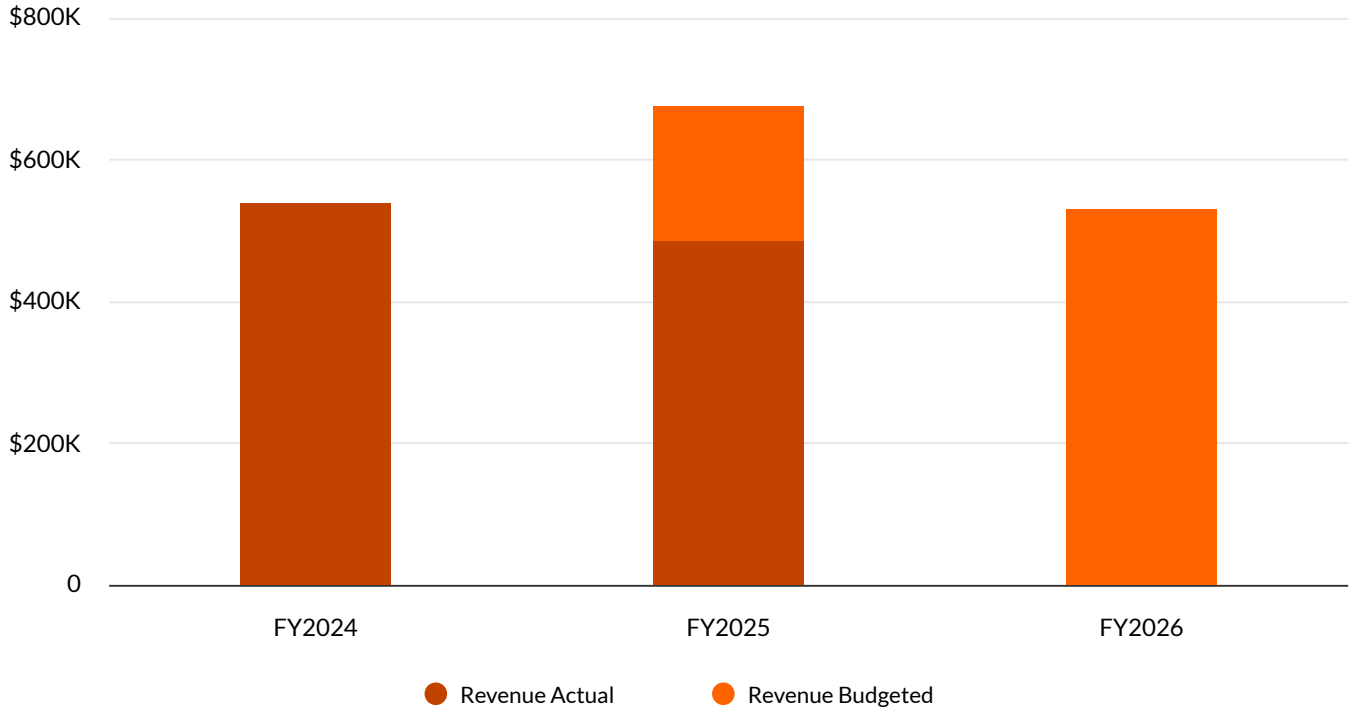
## Revenue Summary

**\$530,920**

Includes Transfers In and Out

-\$144,407 / 21.42% Lower Than the Prior Year's Budget

### Historical Revenues Across Department



In Fiscal Year 2026, the City Attorney’s Office revenue budget is set at \$530,920, reflecting a 21.42% decrease compared to the prior year’s budget of \$675,627. This reduction signals a more conservative outlook for departmental revenue generation.

In Fiscal Year 2025, actual revenues totaled \$484,567, representing 71.72% of the budgeted amount. While the Fiscal Year 2026 revenue budget is higher than the prior year’s actuals, it remains notably lower than the previously budgeted figure.

Overall, this trend reflects a downward adjustment in revenue expectations, aligning the Fiscal Year 2026 budget more closely with historical performance and ensuring that projections better reflect recent collection patterns.

*Note: Amounts shown in the graphs are rounded up.*

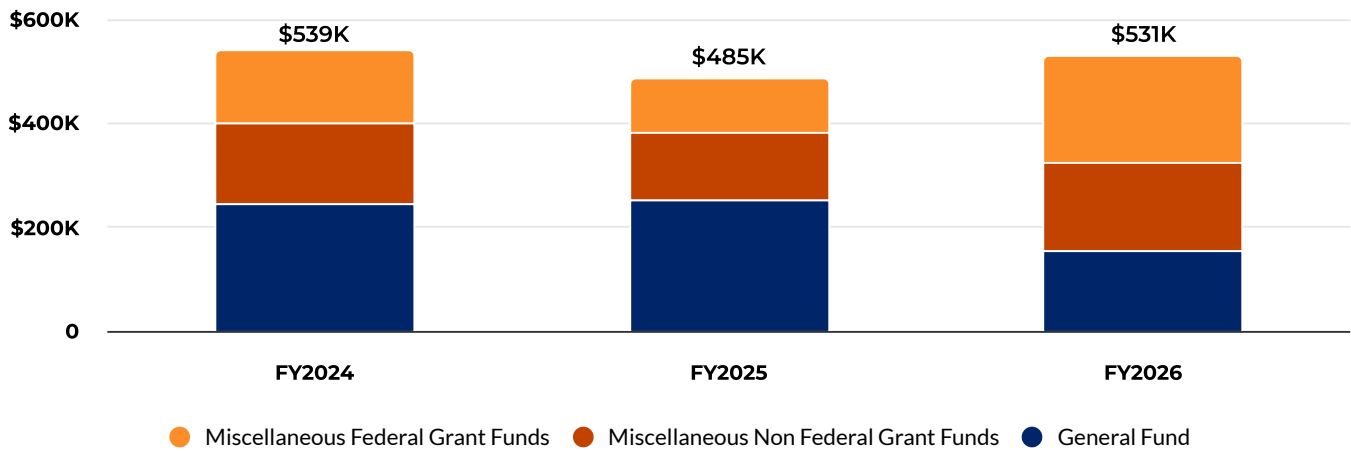
## Revenues by Fund

In Fiscal Year 2026, the City Attorney's total revenue by fund increased by 9.57% to \$530,920 compared to the previous year. The largest revenue source shifted from the General Fund to Miscellaneous Federal Grant Funds, which rose significantly by 100.63% to \$205,920, now representing 38.79% of the total revenue.

Miscellaneous Non Federal Grant Funds also saw a notable increase of 29.93%, reaching \$170,000 and accounting for 32.02% of total revenue. In contrast, the General Fund experienced a substantial decrease of 38.27%, dropping to \$155,000 and making up 29.19% of the total revenue.

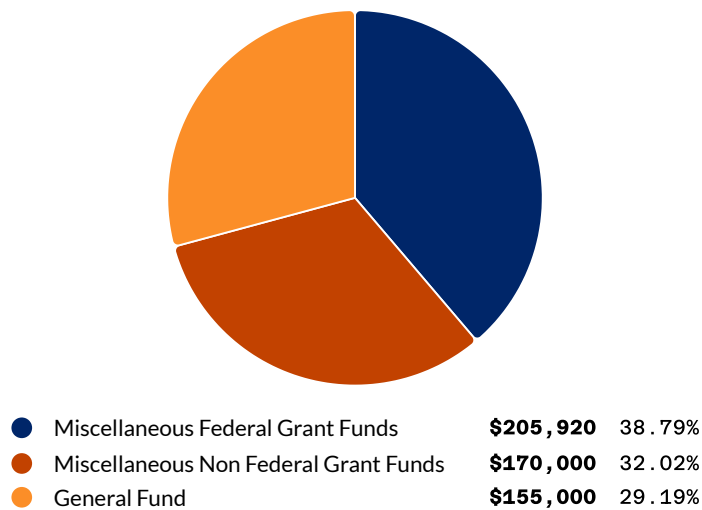
This shift highlights a major reallocation in funding sources, with grant funds collectively increasing their share of the total revenue while the General Fund's contribution declined significantly.

Historical Revenues by Fund



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Revenues by Fund



Notes: Charts may not total 100% due to rounding.

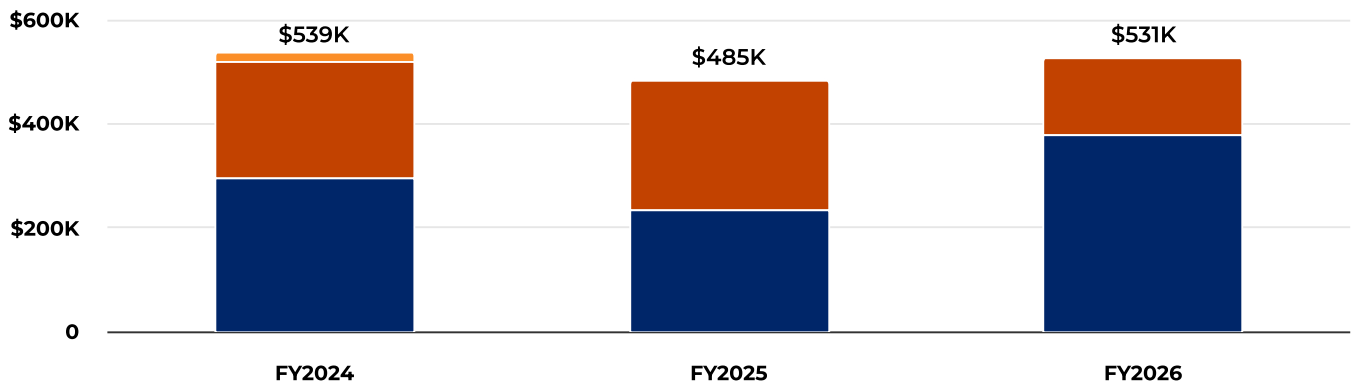
## Revenues by Funding Source

This chart illustrates how revenues for the City Attorney’s Office have been generated over the past three fiscal years, highlighting both the diversity and evolving composition of its funding sources.

In Fiscal Year 2026, the City Attorney’s total revenue increased by 9.57% to \$530,920 compared to the previous year. The largest revenue source shifted to Grant Income Earned-Operating, which rose significantly by 61.01% to \$375,920, now representing 70.81% of the total revenue.

Conversely, revenue from the City Prosecutor Diversion Program – Southwestern Intervention Services decreased by 39.86% to \$150,000 for Fiscal Year 2026 compared to \$249,427 from Fiscal Year 2025.

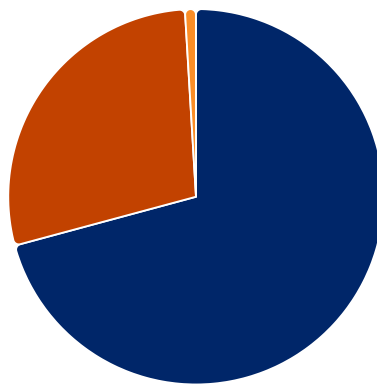
**Historical Revenues by Revenue Source**



- Employee Fees Collected
- Recovered Expnd/Other Misc Revn- Miscellaneous
- Sale Of Codes, Regs And Maps
- Time Payment Fee/JCEF
- City Prosecutor Diversion Prgm- Southwestern Intervention Services
- Grant Income Earned-Operating

*Note: Amounts shown in the graphs are rounded up.*

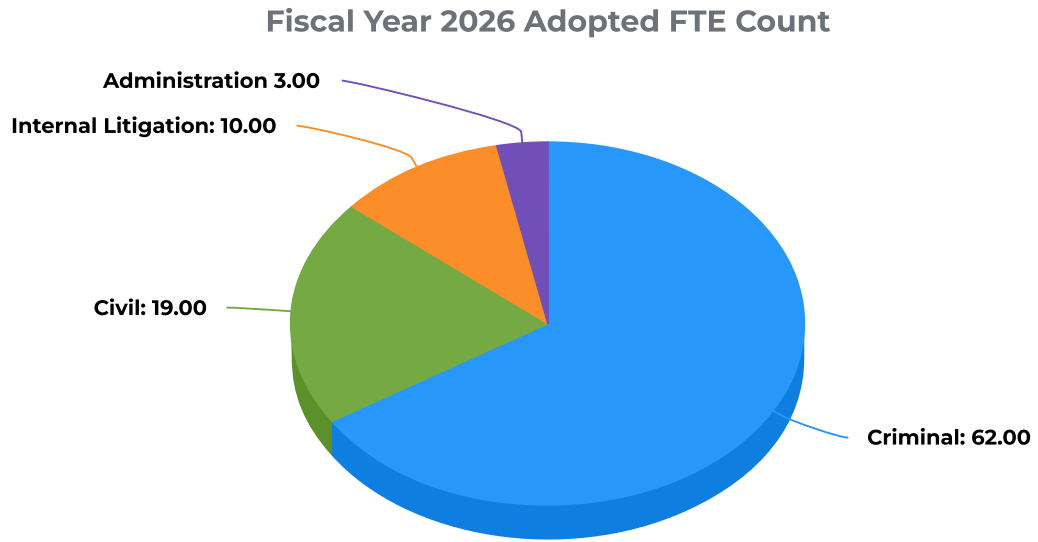
**Fiscal Year 2026 Revenues by Funding Source**



● Grant Income Earned-Operating	<b>\$375,920</b>	70.81%
● City Prosecutor Diversion Prgm- Southwestern Intervention Services	<b>\$150,000</b>	28.25%
● Sale Of Codes, Regs And Maps	<b>\$5,000</b>	0.94%

*Notes: Charts may not total 100% due to rounding.*

# Position Resources



# City Clerk Department Overview



## Mission Statement

It is the Mission of the Office of the City Clerk to enable the public to fully participate in the governmental process, by providing accurate information and services in a professional manner, enabling the public to make informed decisions affecting the quality of their lives.

The City Clerk's Office provides accurate, accessible and timely legislative information to various constituencies, including the Mayor and Council, city staff and the public. The primary function of the office is to provide administrative, clerical, and logistical support to the Mayor and Council; coordinate and administer records management throughout the city; conduct regular and special municipal elections in conformance with federal, state, and city laws and procedures; and administer the City of Tucson Campaign Finance Program.

The following divisions are included in this department:

**The Council** – General Administration division supports the administrative functions of the City Council offices. Key responsibilities include providing day-to-day administrative assistance to ensure the smooth operation of Council offices.

**The City Clerk** – Administration division provides leadership and administrative oversight to ensure all departmental programs operate in compliance with legal and City policy requirements. Key responsibilities include managing payroll for Mayor and Council offices, assisting with staff onboarding and separations, and serving as the department's liaison to Human Resources and Business Services. Also, the team is responsible for financial oversight and budget development for the department.

**The Legislative Management Division** documents and manages all legislative actions taken by the Mayor and Council and oversees records management across the city. Key responsibilities include processing and distributing agendas, minutes, contracts, resolutions, ordinances, and other official documents for the Mayor and Council and other public meetings. Also, the division manages appointments by City boards, committees, and commissions. In addition, the team oversees the liquor license application process in coordination with various departments, implements and manages citywide records policies and procedures, and responds to public records requests in accordance with legal requirements.

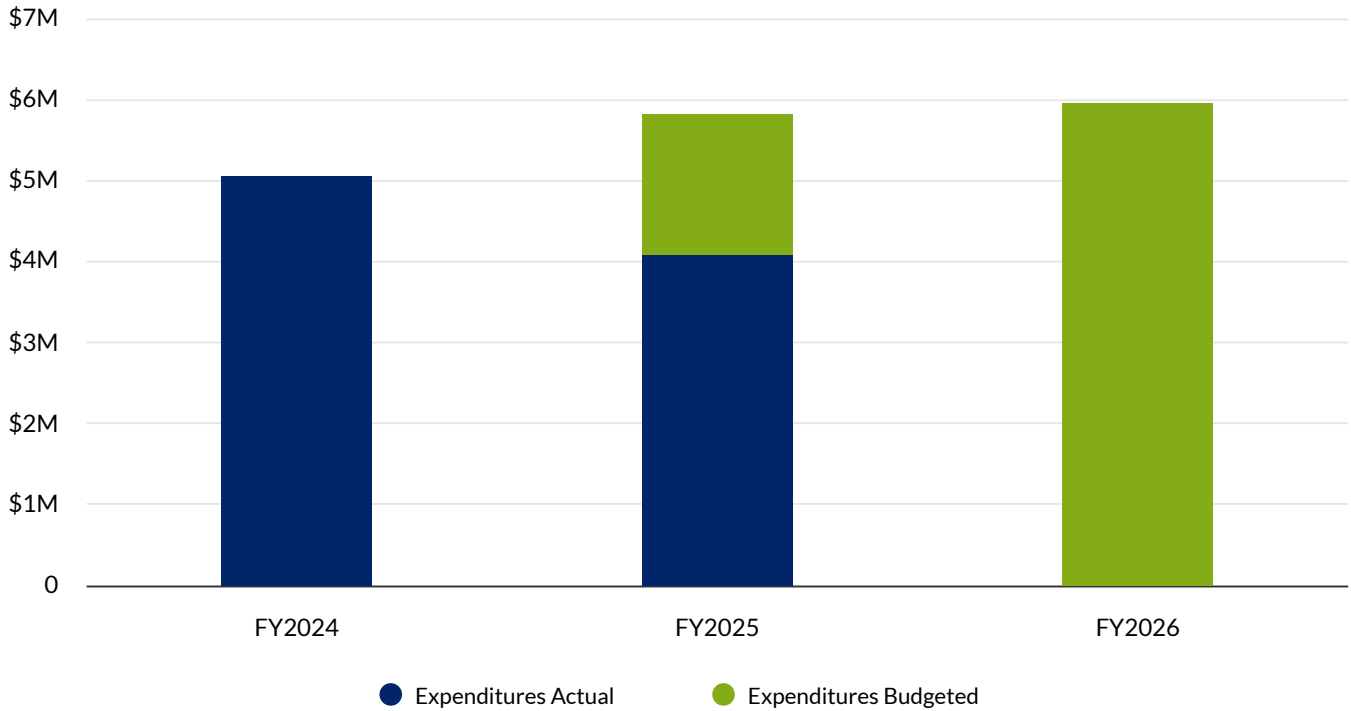
**The Elections Management Division** administers City elections in compliance with the Arizona State Constitution, City Charter, State Statutes, and City Code. Key responsibilities include managing elections for Mayor and Council offices, charter amendments, ballot measures, initiatives, and referenda, ensuring all processes follow legal guidelines to promote maximum voter participation. This team also oversees redistricting every four years and again two years after each census, as required.

The Department's **One-Time Funding** function manages and allocates one-time funding effectively. Key responsibilities include managing and allocating one-time funding, ensuring a clear separation from recurring operational funds. Central management of one-time funding can track, budget, and report on all one-time financial resources, supporting transparency and the strategic use of these funds for non-recurring initiatives and projects.

## Expenditure Summary

\$5,959,917  
 \$141,734 / 2.44% Higher Than the Prior Year's Budget

### Historical Expenditures Across Department



*Note: Amounts shown in the graphs are rounded up.*

#### Significant Changes

For Fiscal Year 2026, the City of Tucson's City Clerk's Office is budgeted at \$6.0 million, an increase of 2.44% compared to the prior year's budget of \$5.8 million. This reflects a continuation of gradual budget growth to support departmental responsibilities.

In Fiscal Year 2025, actual expenditures totaled \$4.1 million, which was 19.4% lower than the prior year and represented 69.99% of the budgeted amount. Despite this under-execution of budgeted resources, the Fiscal Year 2026 plan provides for a higher level of funding, indicating an expectation of greater operational needs and service demands in the upcoming year.

Overall, the Fiscal Year 2026 budget highlights a steady upward adjustment in planned spending, suggesting a proactive allocation of resources to strengthen the City Clerk's ability to meet statutory, administrative, and public service responsibilities.

#### Trends

Although the City Clerk's Office spent less than budgeted last year, the Fiscal Year 2026 budget is slightly higher. This increase ensures the Clerk's Office has enough resources to manage elections, maintain public records, and support the Mayor and Council effectively.

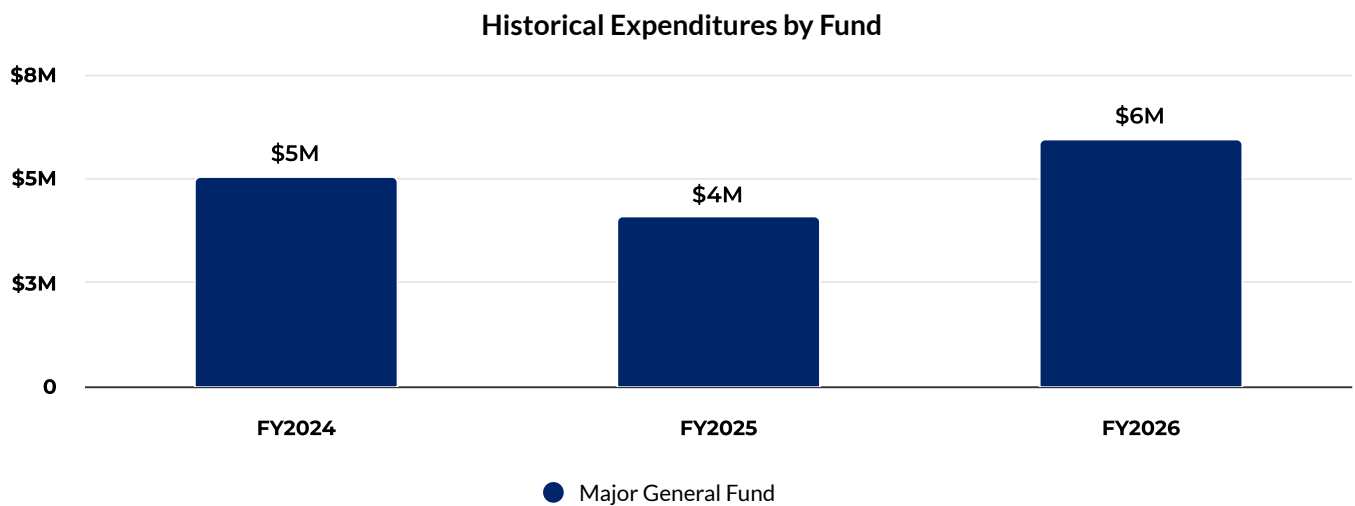
## Expenditures by Fund

This chart reflects the City of Tucson’s historical spending by funding category, showing a consistent reliance on the Major General Fund over the last three fiscal years.

In Fiscal Year 2026, the City Clerk’s Office is budgeted at \$6.0 million, compared to the Fiscal Year 2025 Adopted Budget. *(Note: The original comparison used Fiscal Year 2025 actuals; this should be a budget-to-budget comparison.)*

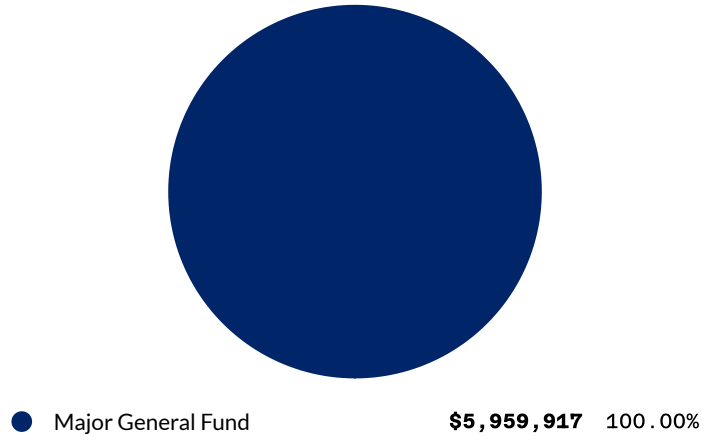
The Major General Fund continues to serve as the sole funding source, accounting for 100% of expenditures in both years. Within this fund, expenditures represent 46.37%, reversing the prior year’s decline of \$980,236 (-19.4%). *(Note: The prior comparison also referenced FY 2025 actuals and should instead use FY 2025 budget figures.)*

Overall, the Fiscal Year 2026 budget reflects a substantial upward adjustment in General Fund support, underscoring the City’s investment in the Clerk’s Office to strengthen its capacity for managing elections, maintaining official records, and supporting legislative processes.



*Note: Amounts shown in the graphs are rounded up.*

### Fiscal Year 2026 Expenditures by Fund



## Expenditures by Type

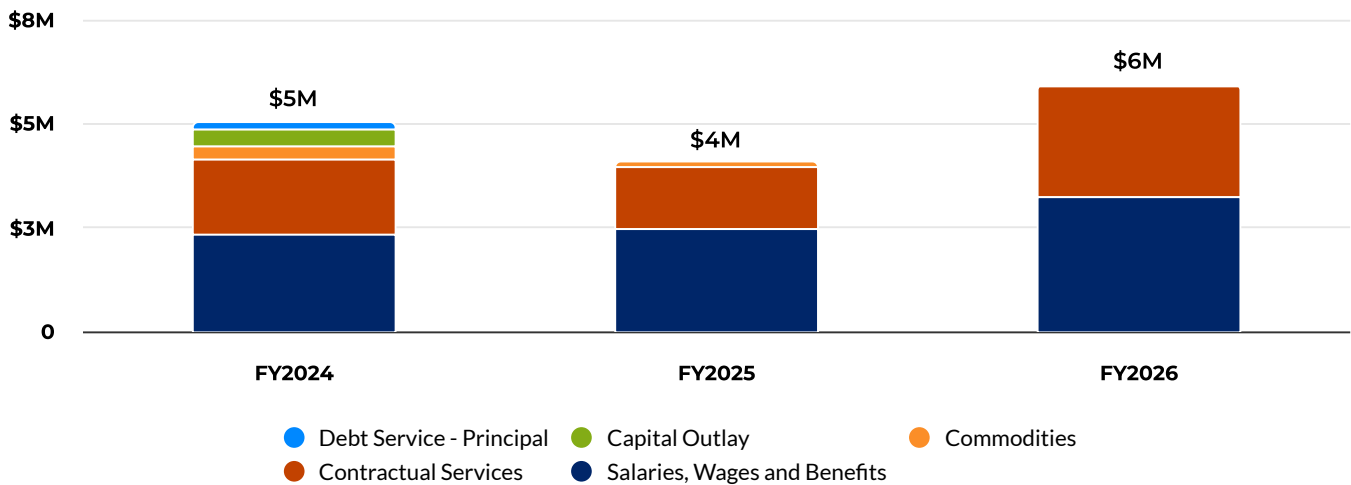
This chart displays the City of Tucson's distribution of spending by expense type over the past three fiscal years, emphasizing the consistent investment in personnel and service delivery.

In Fiscal Year 2026, the City Clerk's Office is budgeted at \$6.0 million, compared to the Fiscal Year 2025 Adopted Budget.

- **Salaries, Wages, and Benefits:**  
Remain the largest expenditure category at \$3.2 million (54.27%). *(Note: This comparison should reference FY 2025 budget figures, not actuals.)* This underscores the department's continued emphasis on personnel as its core resource.
- **Contractual Services:**  
Experienced the most substantial increase to \$2.7 million (44.83%), highlighting higher planned costs for elections, outside services, and specialized operational needs.
- **Commodities:**  
Fell to \$39,780 (0.67%), continuing the downward trend in supply-related costs.
- **Capital Outlay:**  
Newly introduced at \$13,670 (0.23%), signaling targeted investments in equipment and small capital items.
- **Debt Service - Principal:**  
Remained at \$0.

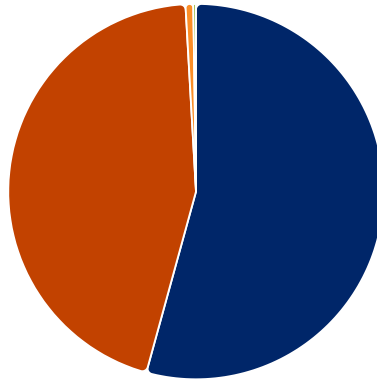
Overall, the Fiscal Year 2026 budget reflects substantial growth in staffing and contractual services, which together account for nearly 99% of total expenditures, while other categories remain minimal or continue to decline. This composition highlights the City's focused investment in personnel and essential service delivery within the City Clerk's Office.

Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Type



● Salaries, Wages and Benefits	<b>\$3,234,709</b>	54.27%
● Contractual Services	<b>\$2,671,758</b>	44.83%
● Commodities	<b>\$39,780</b>	0.67%
● Capital Outlay	<b>\$13,670</b>	0.23%

Note: Charts may not total 100% due to rounding.

## Expenditures by Cost Center

This chart displays how the City of Tucson’s expenditures have been distributed across legislative and administrative operations over the past three fiscal years, highlighting a continued focus on governance and recordkeeping support.

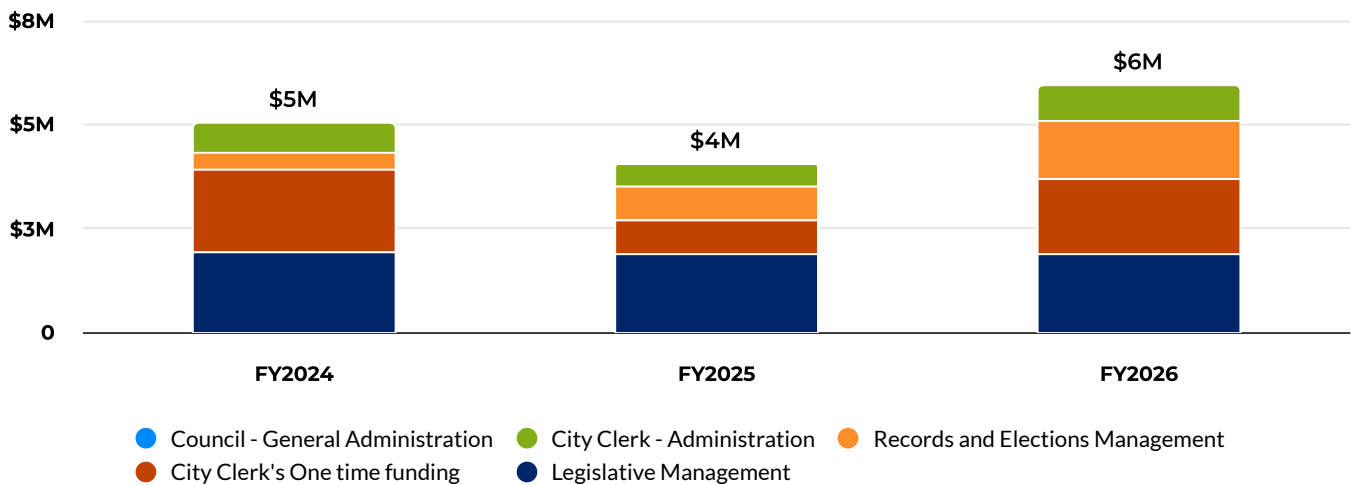
In Fiscal Year 2026, the City Clerk’s Office is budgeted at \$6.0 million, compared to the Fiscal Year 2025 Adopted Budget.

### Major Cost Centers

- Legislative Management:**  
 Remains the largest cost center at \$1.9 million (31.8%), reflecting a 1.58% change from the prior year. *(This comparison should reference FY25 budget figures.)*
- One-Time Funding:**  
 Saw the most significant growth, increasing to \$1.8 million (29.61%), reversing the prior year’s decrease and reflecting a renewed investment in special initiatives and election-related projects.
- Records and Elections Management:**  
 Reached \$1.4 million (23.53%), underscoring heightened election-related and records management needs.
- Administration:**  
 Increased to \$864,453 (14.5%), strengthening organizational and operational support functions within the department.
- Council – General Administration:**  
 Totaled \$32,840 (0.55%), maintaining its role as the smallest cost center but showing steady resource support for council-related activities.

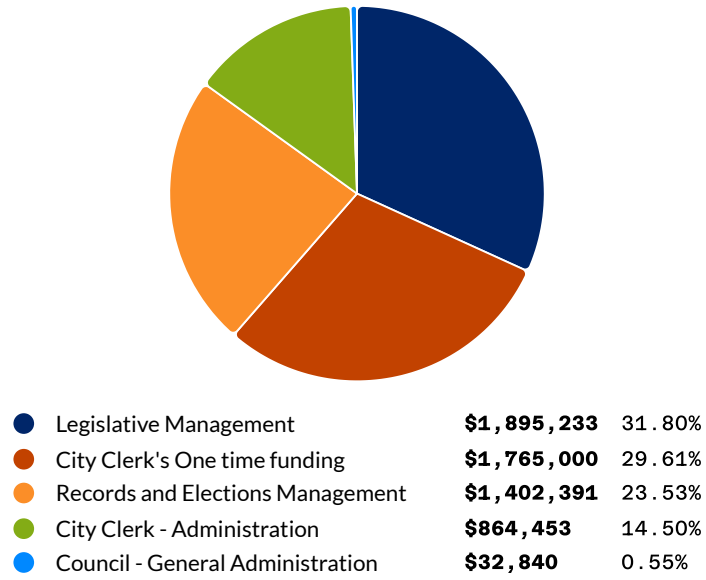
Overall, every major cost center within the City Clerk’s Office increased in Fiscal Year 2026, with particularly strong growth in one-time funding and elections management. This trend reflects a strategic expansion of resources to support legislative operations, records management, and election services, aligning with the City’s broader commitment to transparent governance and efficient administrative support.

Historical Expenditures by Cost Center



Note: Amounts shown in the graphs are rounded up.

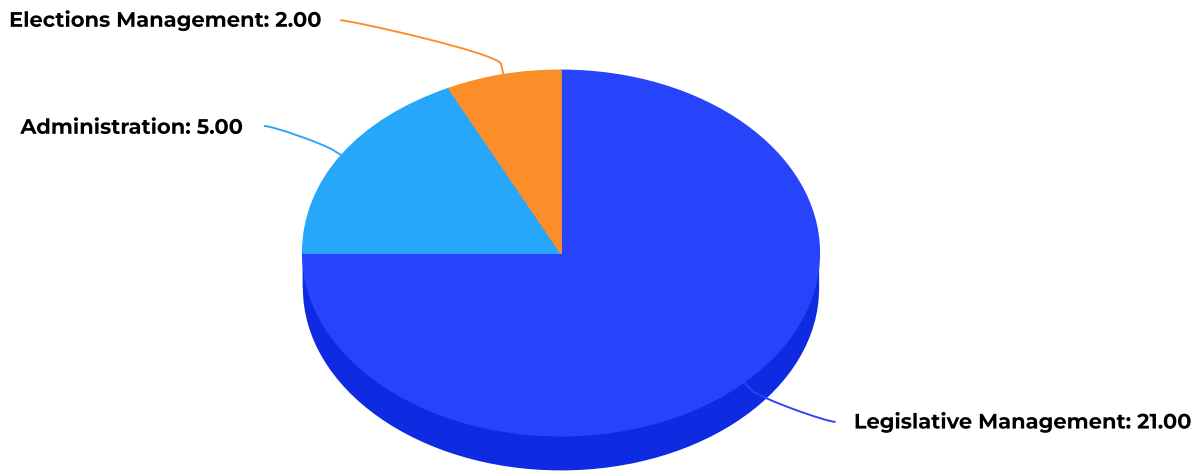
### Fiscal Year 2026 Expenditures by Cost Center



Note: Charts may not total 100% due to rounding.

## Position Resources

### Fiscal Year 2026 Adopted FTE Count



# City Court Department Overview



## Mission Statement

To serve the community and protect individual rights by providing fair and prompt administration of justice.

The following divisions are included in this department:

The **Judicial and Special Magistrates Division** adjudicates a range of legal cases, most of which do not require a jury trial. Key responsibilities include hearing and deciding cases involving traffic violations, DUIs, drug offenses, shoplifting, domestic violence, and other violations of the City code.

The **Administration Division** provides administrative leadership and operational support to ensure the effective functioning of the City Court. Key responsibilities include overseeing personnel, facilities, procurement, budgeting, contracts, and the court's technology infrastructure.

The **Judicial Support Services Division** provides clerical and logistical support to magistrates. Key responsibilities include assisting in courtroom operations, updating electronic case files, and managing the court's daily calendar.

The **Public Information Support Services Division** assists the public with processing and understanding court-related matters. Key responsibilities include offering information about court services, scheduling civil and parking hearings, processing court-ordered documents and payments, and supporting individuals seeking Orders of Protection or Injunctions Against Harassment.

The **Specialty and Problem-Solving Courts Division** manages and supports the court's Specialty and Problem-Solving Court programs while overseeing records management. Key responsibilities include assisting magistrates in courts focused on Domestic Violence, Homelessness, Mental Health, Community issues, and Veterans. The division also manages federal grants, handles record requests and appeals, and oversees digital case management processes.

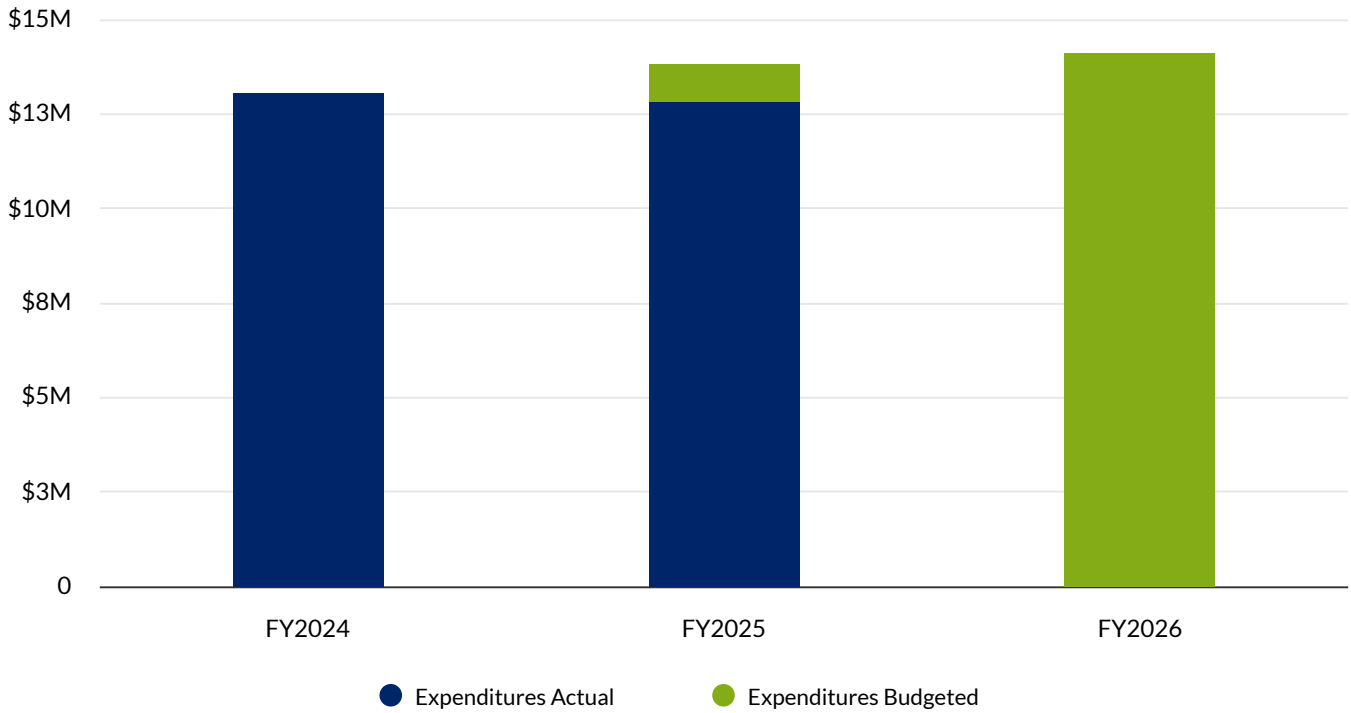
The **Grants Division** tracks and manages federal grants awarded to the court. Key responsibilities include maintaining a centralized location for monitoring grants supporting Specialty and Problem-Solving Courts.

# Expenditure Summary

\$14,110,099

\$313,814 / 2.27% Higher Than the Prior Year's Budget

## Historical Expenditures Across Department



Note: Amounts shown in the graphs are rounded up.

### Significant Changes

The City Court's budgeted expenditures for Fiscal Year 2026 are \$14.1 million, reflecting a 2.27% increase compared to the Fiscal Year 2025 budget of \$13.8 million.

In Fiscal Year 2025, actual expenditures totaled \$12.8 million, which was 2.05% lower than the prior period and represented 92.88% of the budgeted amount.

### Trends

This signals a steady approach to resource planning that aligns expenditures with operational needs while maintaining fiscal stability.

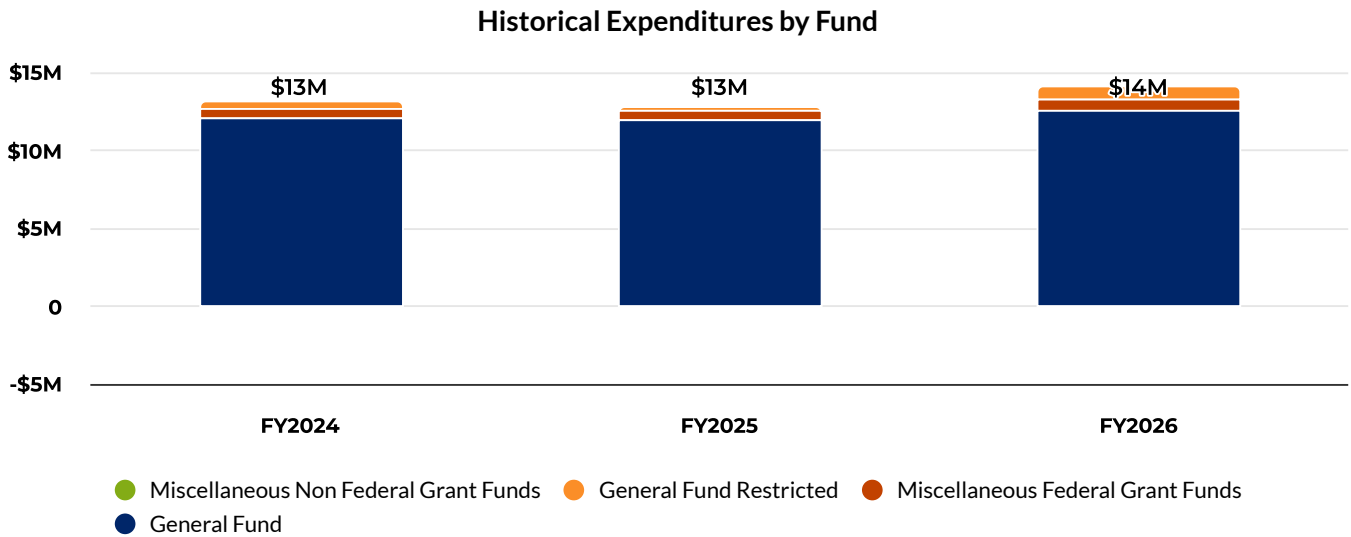
## Expenditures by Fund

This chart shows a steady increase in expenditures over the last three fiscal years, with the General Fund serving as the primary funding source across all periods.

Fiscal Year 2024: Expenditures totaled \$13 million, with the majority funded through the General Fund, and smaller contributions from Restricted General Fund and Federal Grant Funds.

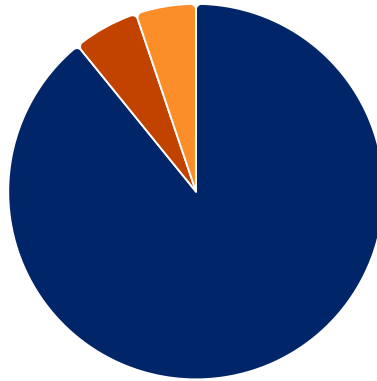
Fiscal Year 2025: Spending increased to \$13 million, reflecting a broader use of federal and non-federal grant funds, alongside continued support from the General Fund.

Fiscal Year 2026: Projected expenditures remain stable at \$14 million, maintaining similar proportions across the General Fund, Restricted Funds, and both federal and non-federal grants.



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year Expenditures by Fund



● General Fund	<b>\$12,579,595</b>	89.15%
● General Fund Restricted	<b>\$800,000</b>	5.67%
● Miscellaneous Federal Grant Funds	<b>\$730,504</b>	5.18%

*Notes: Charts may not total 100% due to rounding.*

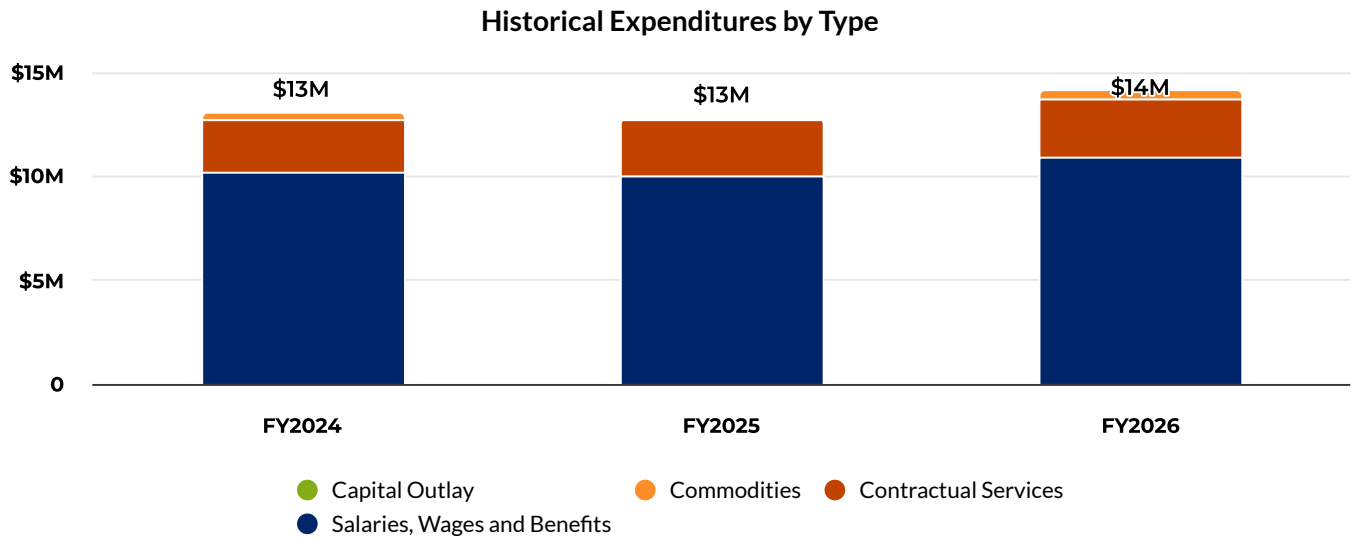
## Expenditures by Type

This chart highlights the City of Tucson's allocation of expenditures by category over the past three fiscal years, showing consistent investment in personnel and support services.

Fiscal Year 2024: Total expenditures were \$13 million, with the majority allocated to Salaries, Wages, and Benefits, followed by Contractual Services. Minimal funds were used for commodities.

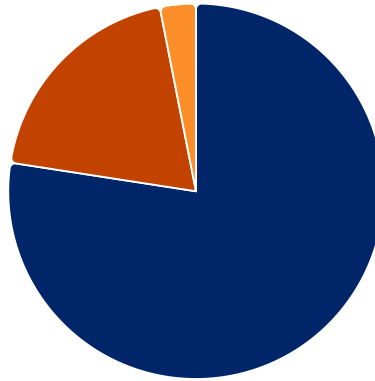
Fiscal Year 2025: Spending increased to \$13 million, reflecting growth in both personnel costs and Contractual Services, likely due to expanded program support or consulting needs.

Fiscal Year 2026: Expenditures are projected to remain at \$14 million, with a stable distribution—most funds continue to support staff compensation, followed by external service contracts and minor allocations to materials and equipment.



*Note: Amounts shown in the graphs are rounded up.*

### Fiscal Year 2026 Expenditures by Type



● Salaries, Wages and Benefits	<b>\$10,926,361</b>	77.44%
● Contractual Services	<b>\$2,747,628</b>	19.47%
● Commodities	<b>\$436,110</b>	3.09%

*Notes: Charts may not total 100% due to rounding.*

## Expenditures by Cost Center

This chart illustrates how City of Tucson funding has been distributed across court-related cost centers over the past three fiscal years, highlighting the City's ongoing commitment to equitable justice, accessibility, and efficient court operations.

For Fiscal Year 2026, the City Court's total adopted budget is \$14.1 million, reflecting a 10.11% increase from the Fiscal Year 2025 adopted budget of \$12.8 million.

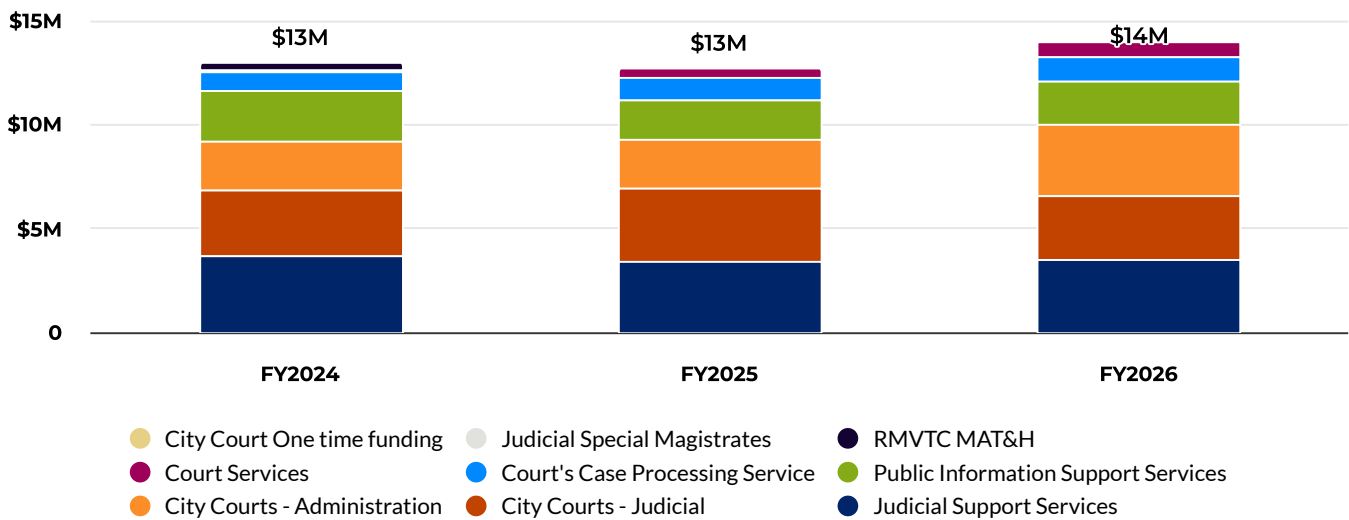
The total budget for City Court in Fiscal Year 2026 is \$14.1 million, reflecting a 10.11% increase from the previous year's \$12.8 million. The largest cost center by value is Judicial Support Services at \$3.4 million, which accounts for 24.44% of the total and shows a slight increase of \$23,561 or 0.69% compared to the prior year.

City Courts – Administration experienced the most significant growth, rising by \$1 million or 43.92% to \$3.4 million, representing 24.2% of the total budget. In contrast, City Courts - Judicial decreased by \$382,897 or 10.96% to \$3.1 million, now making up 22.06% of the total expenditures.

Public Information Support Services increased by \$216,842 or 11.67% to \$2.1 million, comprising 14.71% of the budget. Court's Case Processing Service also grew by \$155,464 or 14.82%, reaching \$1.2 million and 8.54% of the total. Court Services rose by \$196,789 or 36.87% to \$730,504, accounting for 5.18% of the budget.

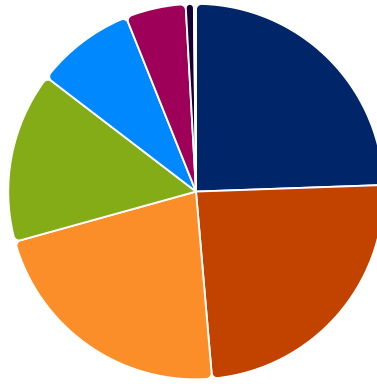
Judicial Special Magistrates increased by \$19,491 or 24.21% to \$100,000, representing 0.71% of the total. City Court One-time funding returned to \$25,000, after being zero in the previous year. RMVTC MAT&H remained at zero, continuing a 100% decrease from the prior year.

Historical Expenditures by Cost Center



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Cost Center



● Judicial Support Services	<b>\$3,448,354</b>	24.44%
● City Courts - Administration	<b>\$3,414,020</b>	24.20%
● City Courts - Judicial	<b>\$3,112,239</b>	22.06%
● Public Information Support Services	<b>\$2,075,160</b>	14.71%
● Court's Case Processing Service	<b>\$1,204,822</b>	8.54%
● Court Services	<b>\$730,504</b>	5.18%
● Judicial Special Magistrates	<b>\$100,000</b>	0.71%
● City Court One time funding	<b>\$25,000</b>	0.18%

*Notes: Charts may not total 100% due to rounding.*

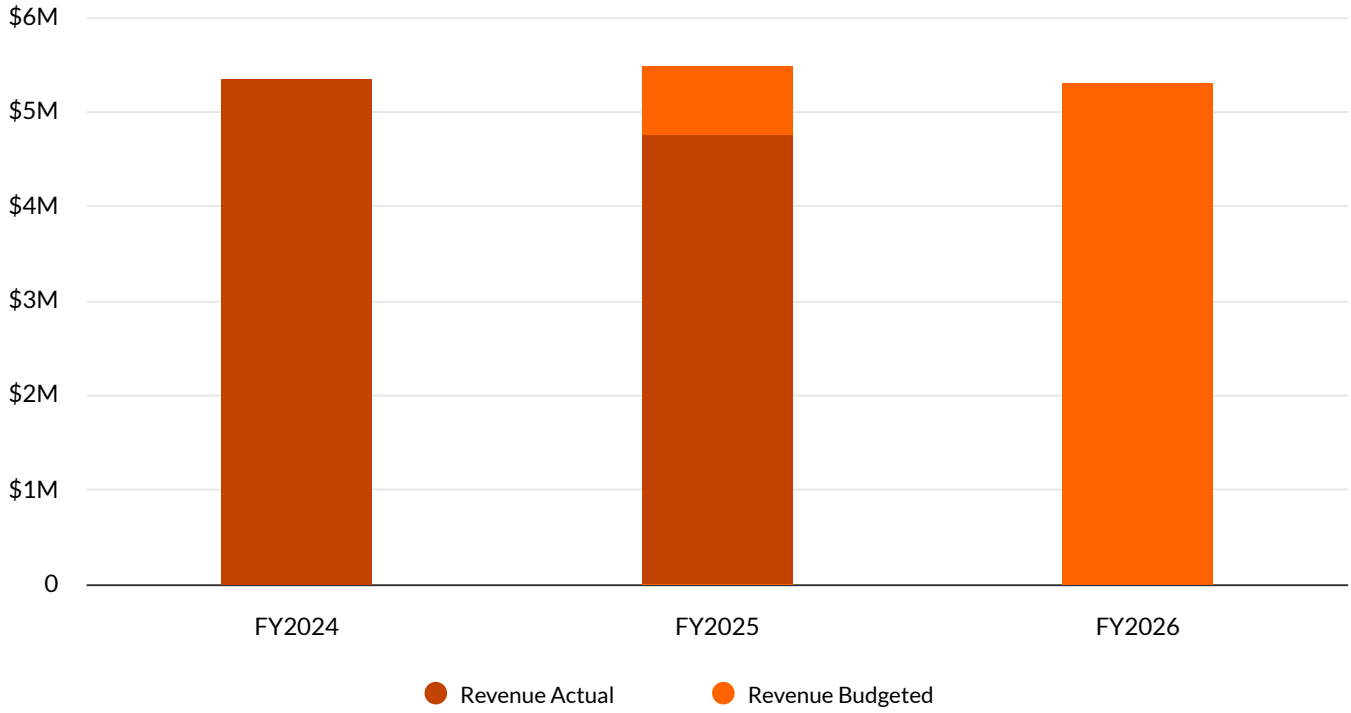
# Revenue Summary

\$5,312,700

Includes Transfers In and Out

\$-163,897 / 2.99% Less Than the Prior Year's Budget

## Historical Revenues Across Department



Note: Amounts shown in the graphs are rounded up.

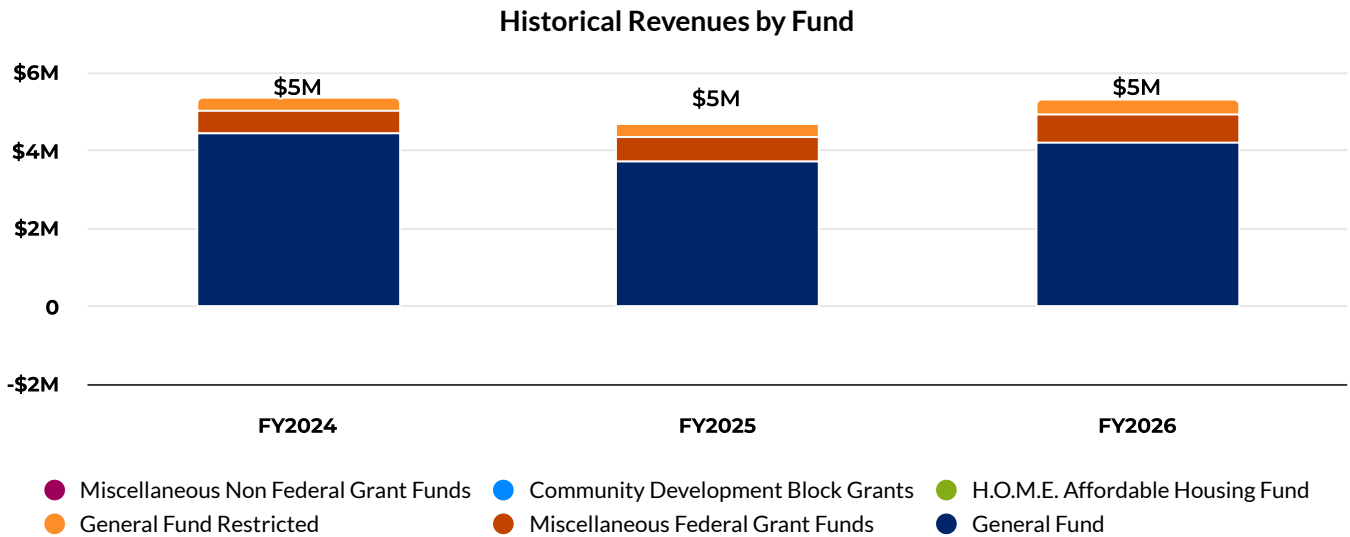
# Revenues by Fund

This chart illustrates the City of Tucson’s revenue changes by funding source over the past three fiscal years, demonstrating overall stability with modest growth and a continued reliance on core City and federal funding sources.

Fiscal Year 2024: Total revenue was approximately \$5 million, primarily funded through the General Fund, with smaller contributions from Federal Grant Funds, Restricted General Fund, and Non-Federal Grants.

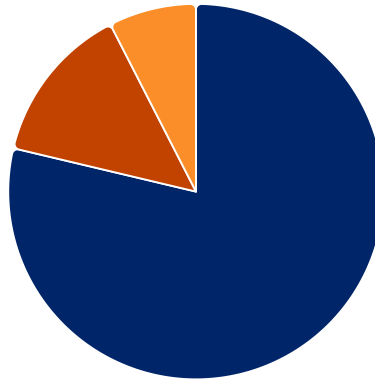
Fiscal Year 2025: Revenues stayed within \$5 million, largely due to reduced General Fund allocations, while grant funding levels remained relatively consistent.

Fiscal Year 2026: Revenues are projected to stay at \$5 million, driven by increased support from the General Fund and a noticeable rise in Federal Grant Funds, helping to support program stability and future needs.



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Fund



● General Fund	<b>\$4,182,200</b>	78.72%
● Miscellaneous Federal Grant Funds	<b>\$730,500</b>	13.75%
● General Fund Restricted	<b>\$400,000</b>	7.53%

*Notes: Charts may not total 100% due to rounding.*

## Revenues by Funding Source

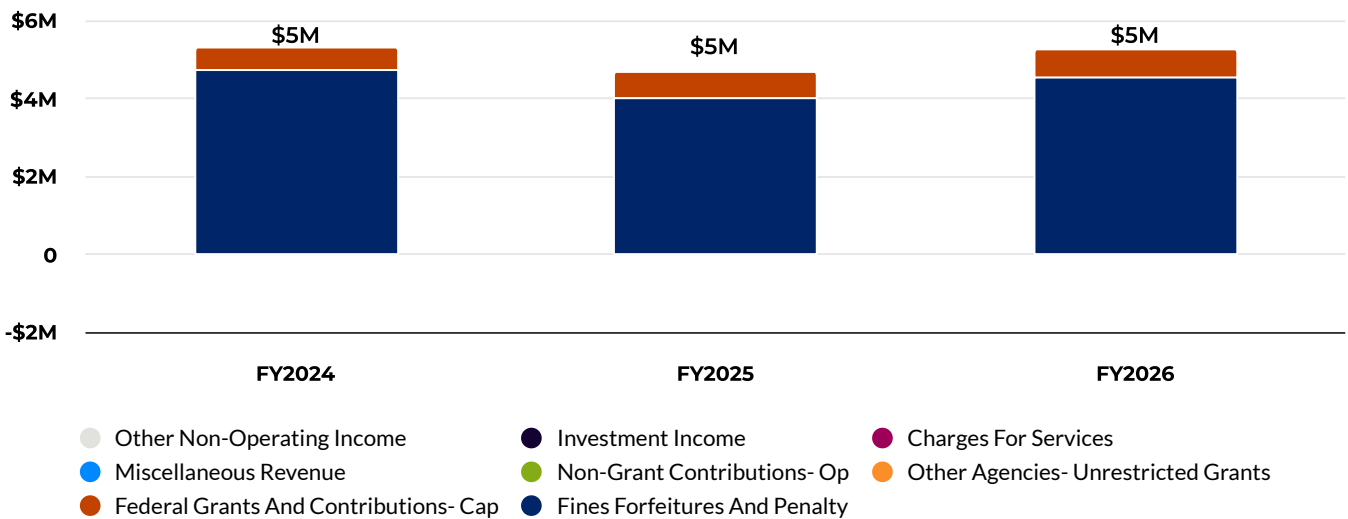
This chart highlights how the City Court's revenue sources have evolved over the past three fiscal years, maintaining a steady balance between General Fund support and federal funding while phasing out several one-time grant sources.

Fiscal Year 2024: Revenues totaled \$5 million, primarily driven by Fines, Forfeitures, and Penalties, with some additional support from Federal Capital Grants.

Fiscal Year 2025: Revenues stayed at \$5 million, with fines remaining the dominant source, and federal funding continuing to supplement core activities.

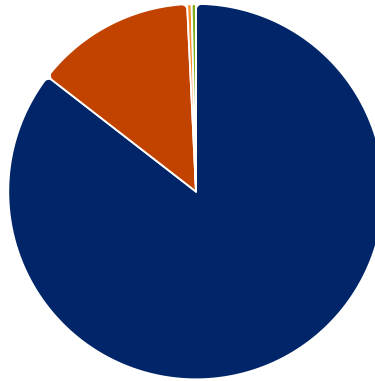
Fiscal Year 2026: Revenues are projected to stay at \$5 million, supported by a noticeable increase in Federal Grants and Contributions - Capital, helping to diversify funding sources while maintaining fines as a key contributor.

Historical Revenues by Revenue Type



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Funding Source

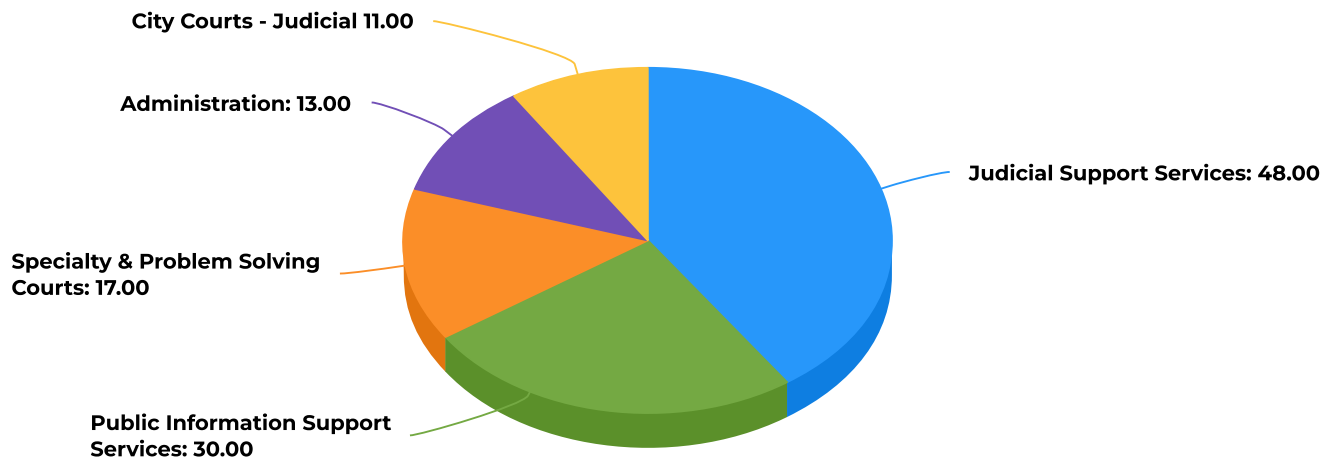


● Fines Forfeitures And Penalty	<b>\$4,542,200</b>	85.50%
● Federal Grants And Contributions- Cap	<b>\$730,500</b>	13.75%
● Miscellaneous Revenue	<b>\$20,000</b>	0.38%
● Other Agencies- Unrestricted Grants	<b>\$20,000</b>	0.38%

*Notes: Charts may not total 100% due to rounding.*

# Position Resources

Fiscal Year 2026 Adopted FTE Count



# City Manager's Department Overview



## Mission Statement

To foster trust and confidence in the City of Tucson's organization and management systems, enabling the delivery of the highest quality municipal services to Tucson residents.

The following divisions are included in this department:

The **Communications Division** manages and oversees communications from the City Manager's Office. Key responsibilities include disseminating information to all levels of government and the Tucson community. In addition, this division oversees media responses, public information, website content, email, and social media engagement.

The **City Manager's Division** implements policy decisions made by the Mayor and Council. Key responsibilities include providing executive oversight of City departments, developing programs responsive to community needs, and cultivating a culture of integrity, inclusivity, and trust.

The **Internal Audit Division** provides independent, objective insights into improving City operations. Key responsibilities include conducting departmental audits and reviews, performing cost allocation studies, and consulting on and managing special projects as assigned by the City Manager.

The **Zoning Examiner Division** conducts independent reviews and analyzes zoning and land use changes. Key responsibilities include participating in permit issuance, interpreting zoning ordinance amendments and evaluating liquor license extensions and stolen property dispositions.

The **Economic and Workforce Development (Office of Economic Initiatives) Division** coordinates economic development efforts to attract jobs, support small businesses, and enhance workforce sustainability. Key responsibilities include attracting and expanding business via the use of incentives to foster job creation and investment, especially in aerospace, optics, bioscience, and advanced manufacturing. Promoting small business programs to support underserved entrepreneurs and small business owners. In addition, the division seeks to increase international trade by building partnerships in Canada and Mexico to strengthen trade and supply chains. They also manage the City's external partnerships and relationships with Visit Tucson, Downtown Tucson Partnership, and grant-funded workforce programs.

The **Independent Police Auditor Division** promotes accountability in policing and accessibility for persons with disabilities. Key responsibilities include investigating citizen complaints of police misconduct and ensuring accessibility to City services and facilities for individuals with disabilities.

The **Equal Opportunity Division** ensures compliance with federal and local employment and discrimination policies. Key responsibilities include investigating discrimination and wrongful conduct claims, certifying EEO compliance in hiring and promotions, and coordinating ADA accommodations and supporting employee relations.

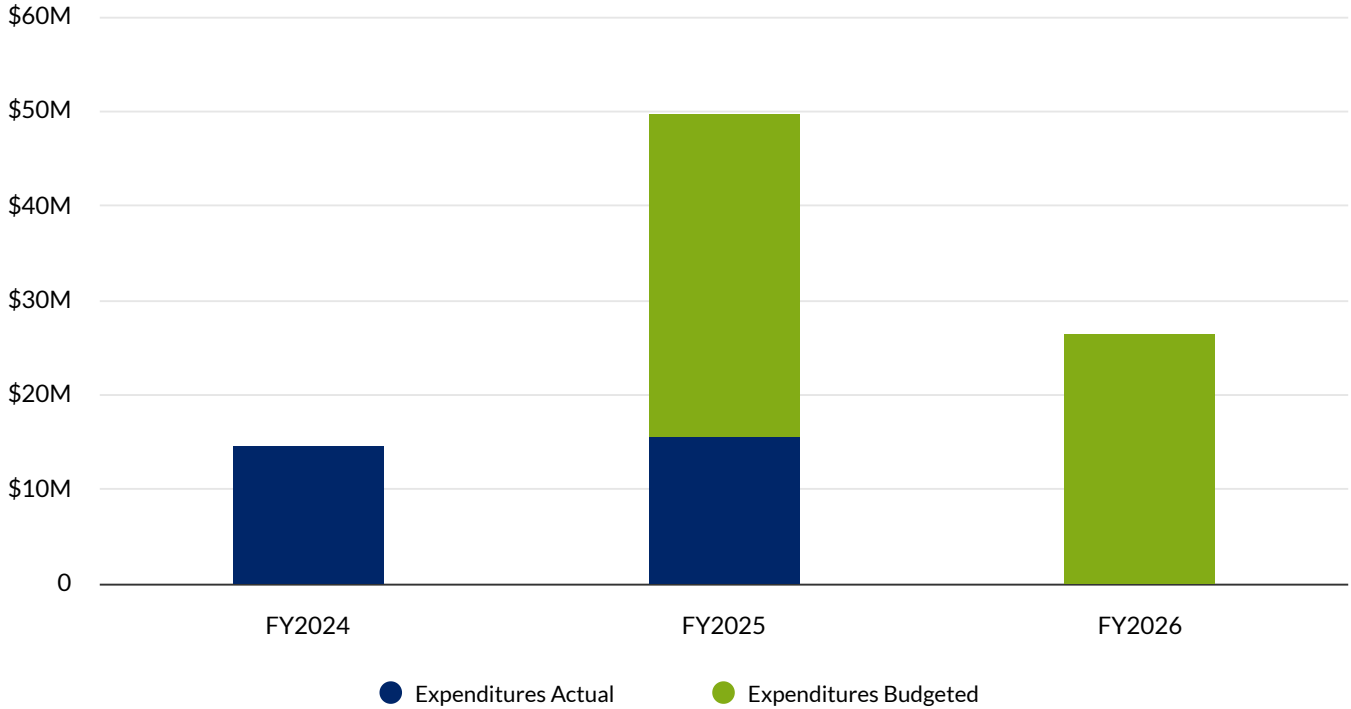
The **Equity Office Division** promotes equity across all City operations. Key responsibilities include ensuring all individuals have access to essential services, opportunities for well-being, and avenues for personal development.

# Expenditure Summary

\$26,468,701

-\$23,173,236 / 46.68% Less Than the Prior Year's Budget

## Historical Expenditures Across Department



Note: Amounts shown in the graphs are rounded up.

### Significant Changes

In Fiscal Year 2026, the City Manager's Office is budgeted at \$26.5 million, reflecting a 46.68% decrease compared to the Fiscal Year 2025 budget of \$49.6 million.

### Trends

The Fiscal Year 2026 budgeted expenditures of \$26.5 million remain higher than the Fiscal Year 2025 actual expenditures but are notably lower than the previous year's budgeted figure, indicating a tighter budget forecast for the City Manager's expenditures in Fiscal Year 2026.

## Expenditures by Fund

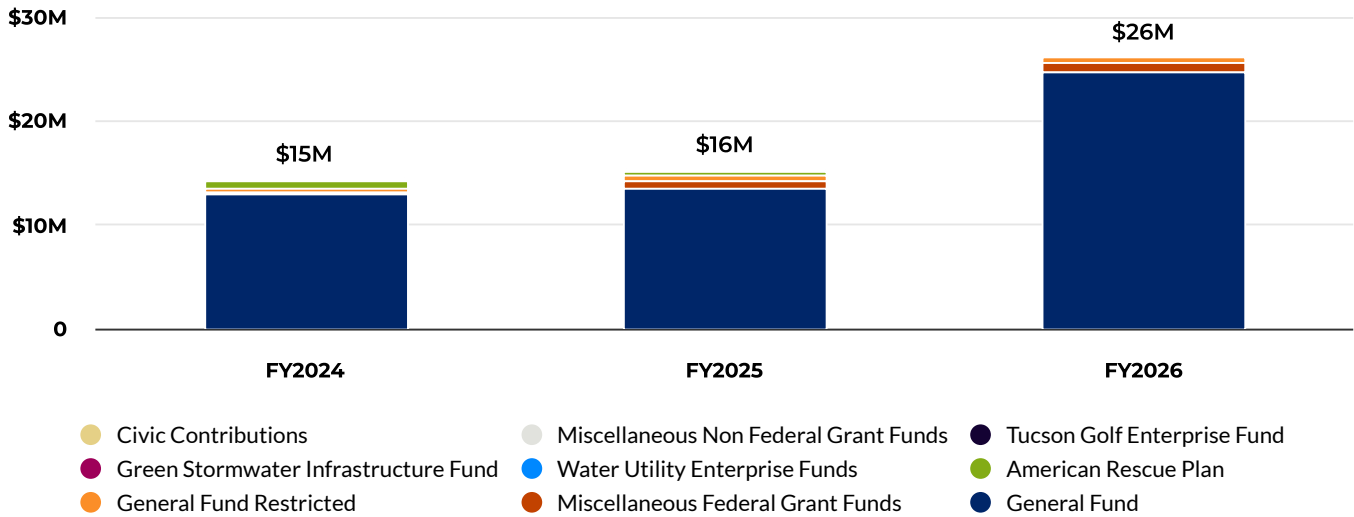
This chart shows the City of Tucson's notable increase in expenditures over the past three fiscal years, primarily driven by major investments funded through federal relief and expanded City initiatives.

In Fiscal Year 2026, the City Manager's total expenditures by fund increased significantly to \$26.5 million. The General Fund remained the largest category, growing by \$24.6 million.

Miscellaneous Federal Grant Funds also saw a notable increase, rising by \$326,183 or 53.41% to \$936,875, although its share of the total decreased slightly to 3.54%. Water Utility Enterprise Funds experienced a 44.54% increase, adding \$56,564 to reach \$183,561, accounting for 0.69% of the total. The Green Stormwater Infrastructure Fund and Tucson Golf Enterprise Fund had modest increases of 1.34% and 0.62%, reaching \$144,655 and \$52,657 respectively.

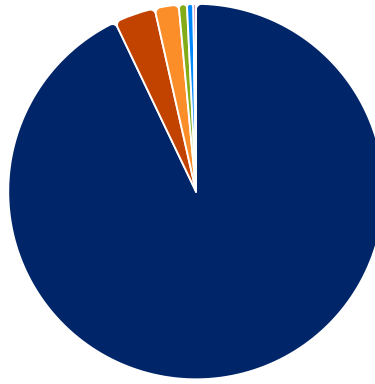
Conversely, some funds saw decreases or were eliminated. The American Rescue Plan fund dropped completely to \$0, a 100% decrease from \$462,695. General Fund Restricted declined by \$30,588 or 5.27% to \$550,000, and Civic Contributions decreased sharply by \$17,313 or 72.04% to \$6,720. Miscellaneous Non Federal Grant Funds were also reduced to \$0, a 100% decrease from the previous year.

Historical Expenditures by Fund



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Fund



● General Fund	<b>\$24,594,233</b>	92.92%
● Miscellaneous Federal Grant Funds	<b>\$936,875</b>	3.54%
● General Fund Restricted	<b>\$550,000</b>	2.08%
● Water Utility Enterprise Funds	<b>\$183,561</b>	0.69%
● Green Stormwater Infrastructure Fund	<b>\$144,655</b>	0.55%
● Tucson Golf Enterprise Fund	<b>\$52,657</b>	0.20%
● Civic Contributions	<b>\$6,720</b>	0.03%

Note: Charts may not total 100% due to rounding.

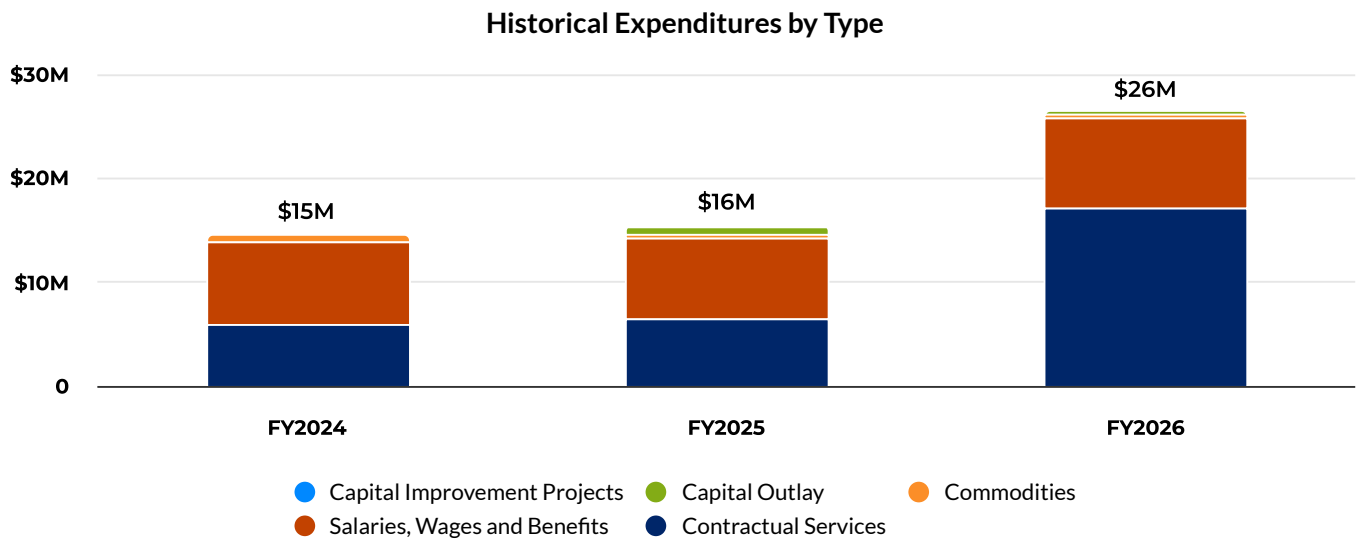
## Expenditures by Type

This chart highlights how the City of Tucson's City Manager's Office spending has evolved by expense category over three fiscal years, reflecting significant growth in project-related investments.

Fiscal Year 2024: Total expenditures were \$15 million, with most funds allocated to Salaries, Wages, and Benefits, followed by Contractual Services.

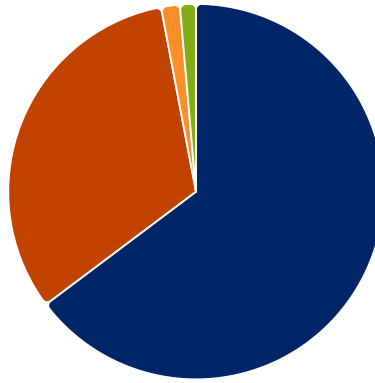
Fiscal Year 2025: Spending increased to \$16 million, continuing to support personnel and service contracts, with only minor changes to other expense categories.

Fiscal Year 2026: Expenditures are projected to jump to \$26 million, driven by a major increase in Contractual Services, indicating a ramp-up in outsourced work, consulting, or construction. Salaries and Benefits remain consistent.



*Note: Amounts shown in the graphs are rounded up.*

### Fiscal Year 2026 Expenditures by Type



● Contractual Services	<b>\$17,135,668</b>	64.74%
● Salaries, Wages and Benefits	<b>\$8,543,437</b>	32.28%
● Commodities	<b>\$423,640</b>	1.60%
● Capital Outlay	<b>\$365,956</b>	1.38%

Note: Charts may not total 100% due to rounding.

# Expenditures by Cost Center

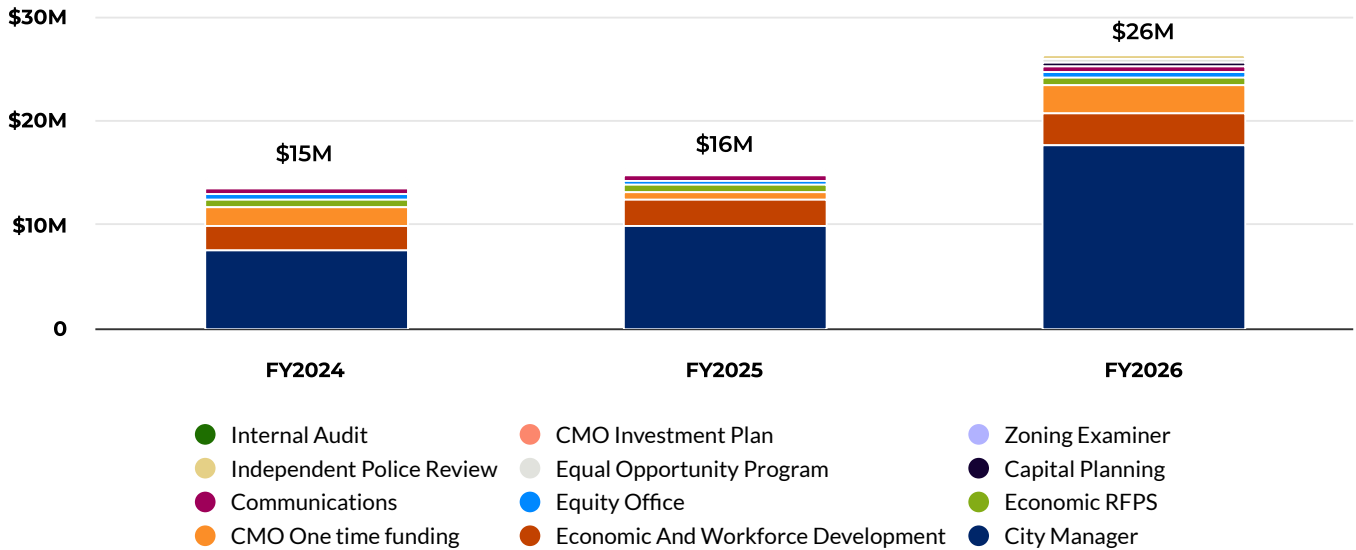
This chart reflects a significant increase in expenditures across City Manager’s Office (CMO) cost centers over the past three fiscal years, highlighting growth in both operational priorities and strategic initiatives.

Fiscal Year 2024: Expenditures totaled \$15 million, with the City Manager, Equity Office, Communications, and Economic and Workforce Development being the primary cost centers.

Fiscal Year 2025: Spending grew slightly to \$16 million, continuing to support the City’s internal operations and community initiatives such as the Equal Opportunity Program, Innovation Office, and Internal Audit.

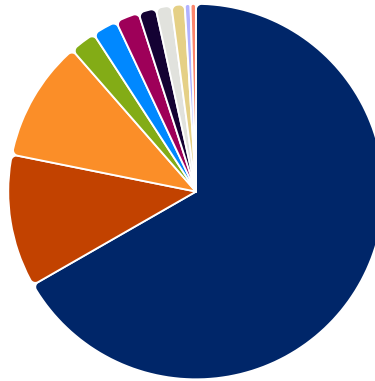
Fiscal Year 2026: A notable increase brings projected expenditures to \$26 million, primarily driven by a significant expansion in funding for the City Manager’s Office and one-time investments under the CMO Investment Plan (Climate Action) and CMO One-Time Funding categories. This reflects the City’s strategic focus on transformational initiatives, innovation, and public accountability (e.g., Independent Police Review).

Historical Expenditures by Cost Center



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Cost Center

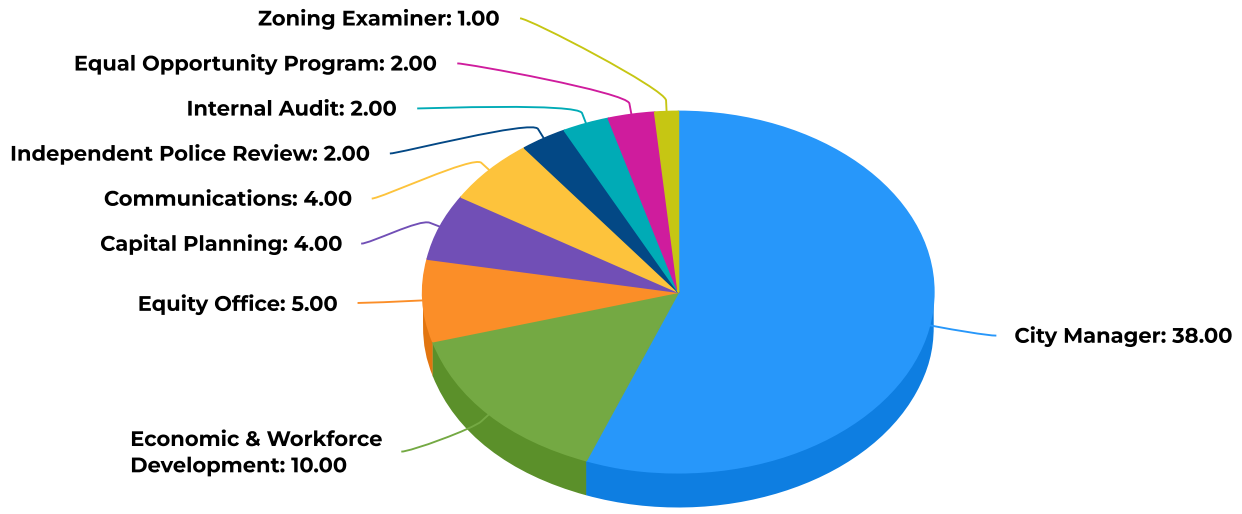


● City Manager	<b>\$17,660,471</b>	66.72%
● Economic And Workforce Development	<b>\$3,028,767</b>	11.44%
● CMO One time funding	<b>\$2,752,510</b>	10.40%
● Economic RFPS	<b>\$600,000</b>	2.27%
● Equity Office	<b>\$574,788</b>	2.17%
● Communications	<b>\$541,753</b>	2.05%
● Capital Planning	<b>\$398,994</b>	1.51%
● Independent Police Review	<b>\$356,994</b>	1.35%
● Equal Opportunity Program	<b>\$299,960</b>	1.13%
● Internal Audit	<b>\$131,631</b>	0.50%
● Zoning Examiner	<b>\$122,832</b>	0.46%

*Notes: Charts may not total 100% due to rounding.*

# Position Resources

Fiscal Year 2026 Adopted FTE Count



# Office of The Public Defender Overview



## Mission Statement

To provide highly skilled and competent legal representation to protect the fundamental rights of all individuals by vigorously and effectively representing indigent persons who have been determined by the Court to be eligible for our services.

Mary Trejo

Chief Public Defender

Public Defender's related link:

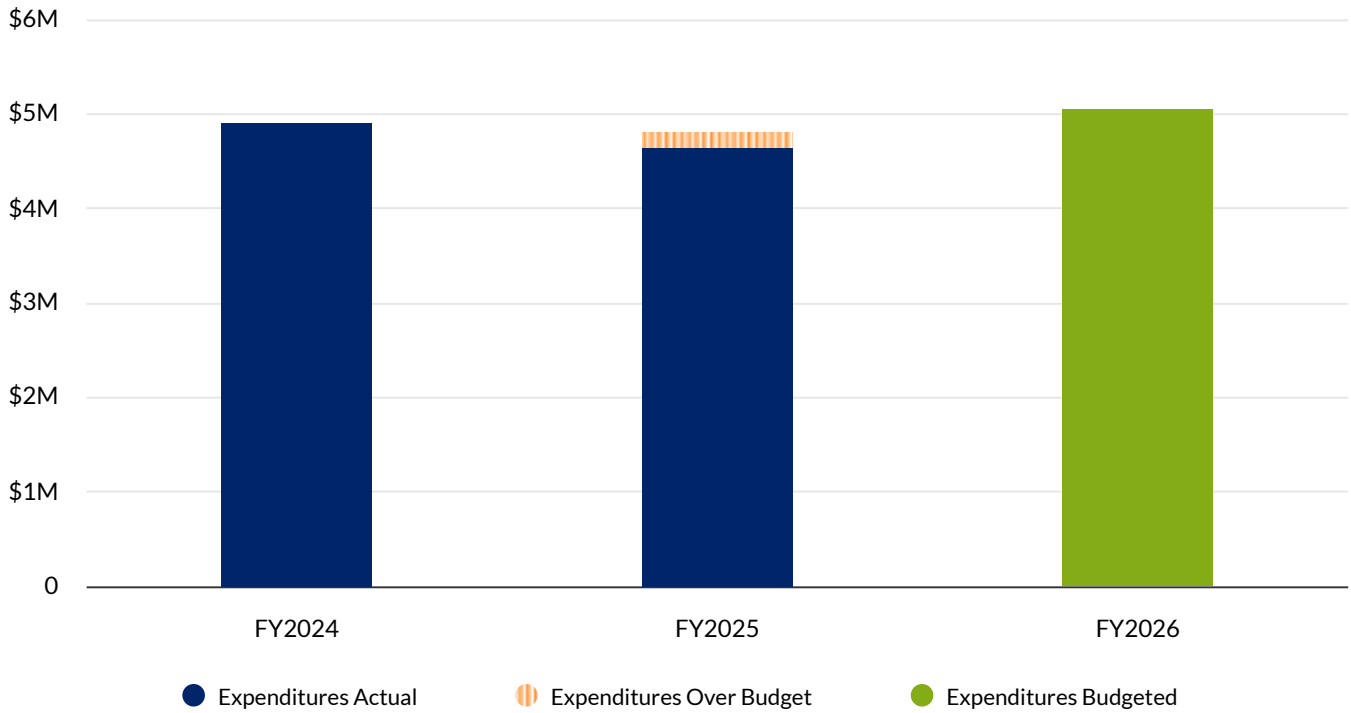
- [Tucson City Codes and Ordinances](#)
- [Public Access to Court Information – Case Search](#)
- [Sentence Enforcement](#)
- [Diversion Programs](#)
- [Mental Health Diversion Program](#)
- [Fines/Fees and Restitution Enforcement Program \(FARE\)](#)
- [Misdemeanor Compromises](#)
- [Appearing on Active Warrants](#)
- [City of Tucson Legal Information](#)
- [Pima County Adult Detention Center](#)
- [Arizona Department of Corrections](#)
- [Tucson City Court](#)
- [Defendant Court Calendar](#)
- [Pima County Justice Court Calendar](#)
- [Pima County Superior Court](#)
- [City of South Tucson Municipal Court](#)
- [Marana Municipal Court](#)
- [United States District Court \(Federal\)](#)
- [Pima County Public Defender's Office](#)
- [Pima County Legal Defender's Office](#)

# Expenditure Summary

\$5,054,274

\$415,012/ 8.95% Higher Than the Prior Year's Budget

## Historical Expenditures Across Department



Note: Amounts shown in the graphs are rounded up.

### Significant Changes

For Fiscal Year 2026, the City of Tucson's City Public Defender's Office is budgeted at \$5 million, an 8.95% increase compared to the Fiscal Year 2025 budget of \$4.6 million.

### Trends

The department continues to advance a holistic approach to Criminal Justice, focusing on individualized support for clients while also addressing their legal matters. This person-centered model aims to improve outcomes by considering the broader needs of each client, such as behavioral health, housing, and rehabilitation, alongside their criminal charges.

## Expenditures by Fund

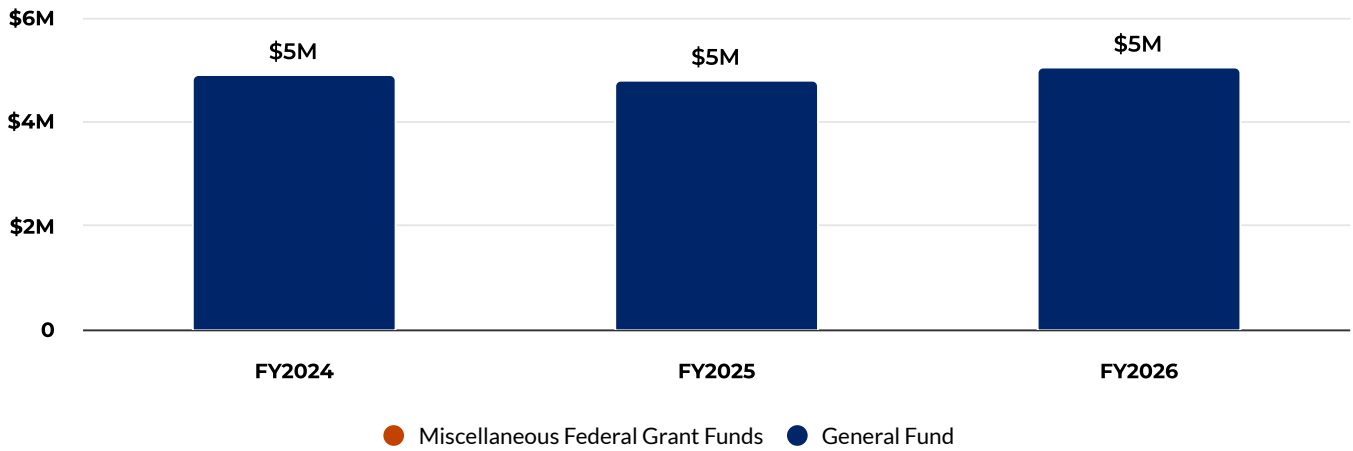
This chart shows a steady increase in General Fund spending over the past three fiscal years, reflecting continued investment in personnel, services, and program support.

Fiscal Year 2024: Expenditures were approximately \$5 million, supporting core operations and staff.

Fiscal Year 2025: Spending remained consistent, with the slightly same amount of \$5 million to maintain service levels and address inflation-related costs.

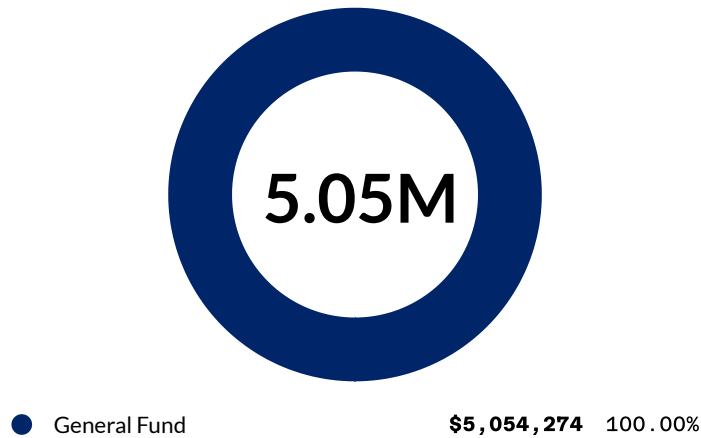
Fiscal Year 2026: Expenditures are projected to grow to \$5 million, reflecting a planned increase in staffing costs, program expansion, and other operational needs.

### Historical Expenditures by Fund



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Fund



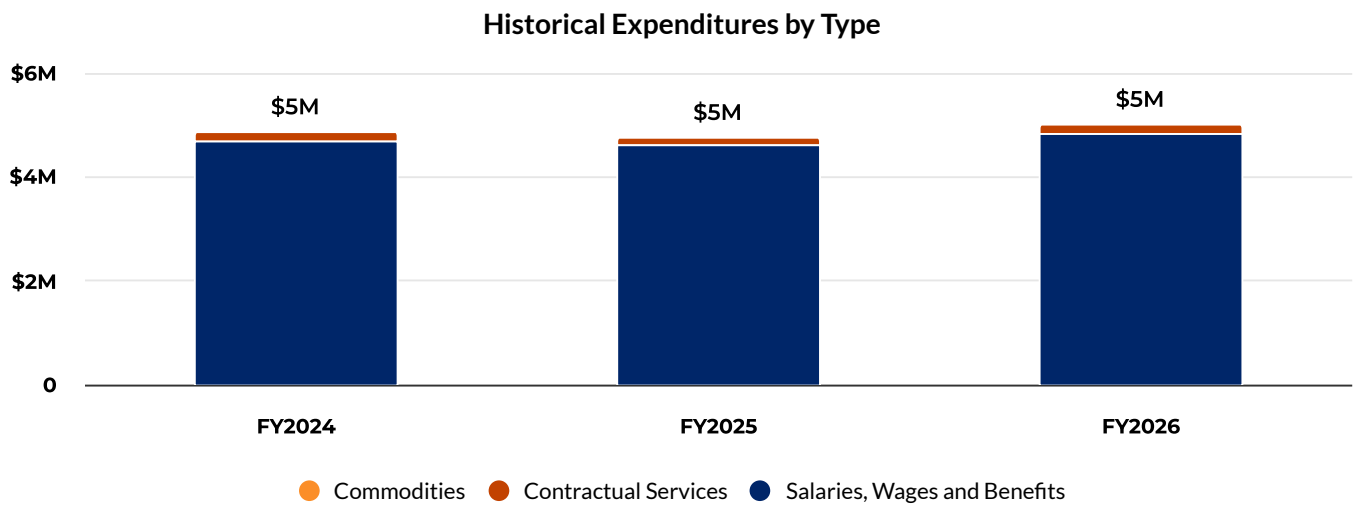
## Expenditures by Type

This chart illustrates how the City of Tucson’s City Public Defender’s Office spending has been allocated across key expense categories over the last three fiscal years, with a consistent emphasis on personnel costs.

Fiscal Year 2024: Total expenditures were \$5 million, with the majority spent on Salaries, Wages, and Benefits. Smaller portions supported Contractual Services and Commodities.

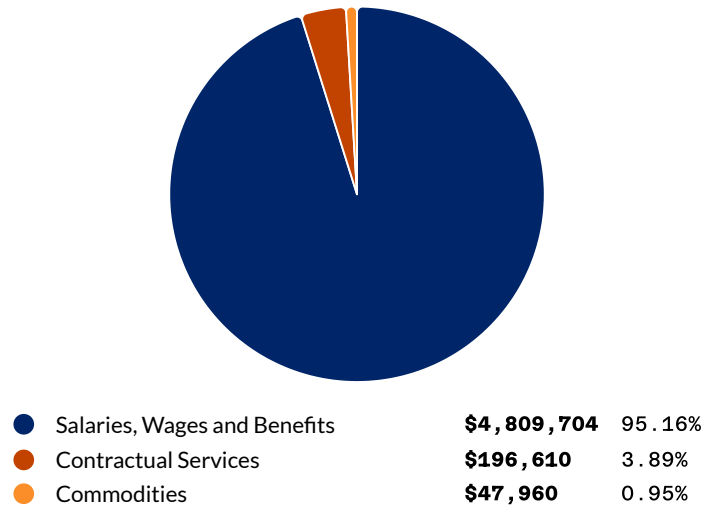
Fiscal Year 2025: Spending remained consistent at \$5 million, maintaining the same proportional distribution, with most funding dedicated to staff compensation.

Fiscal Year 2026: Expenditures are projected to rise to \$5 million, primarily due to increased costs in Salaries and Benefits, reflecting investments in workforce retention, recruitment, and adjustments for inflation. Contractual Services and Commodities remain a minor share of total expenses.



*Note: Amounts shown in the graphs are rounded up.*

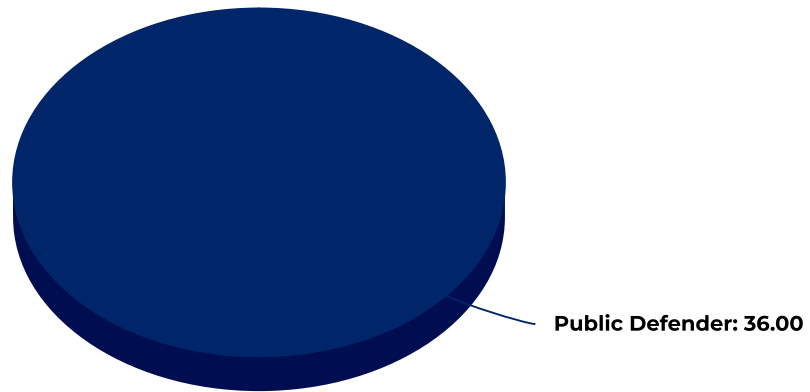
### Fiscal Year 2026 Expenditures by Type



Notes: Charts may not total 100% due to rounding.

## Position Resources

### Fiscal Year 2026 Adopted FTE Count



# Department of Transportation and Mobility Overview



## Mission Statement

To create and maintain a safe, efficient, equitable, financially sustainable, and resilient transportation system for connecting and moving all people and goods throughout our community.

The following divisions and functions are included in this department:

The **Management Services** division coordinates, supervises, and performs administrative functions to ensure the efficient and successful operation of the department. Key responsibilities include analyzing operations, disseminating information, and supporting the strategic planning process.

The **Transportation Services** division supports sustainable growth through the planning, design, and funding of complete and equitable transportation networks and mobility options. Key responsibilities include implementing community-reflective programs (e.g., Complete Streets, Move Tucson, micromobility), conducting equitable community engagement, and utilizing data for informed decision-making and compliance.

The **Engineering** division regulates and manages the use of public rights-of-way and mitigates flood hazards. Key responsibilities include design, construction, and maintenance of transportation and drainage infrastructure. The team also manages capital projects.

The **Real Estate** division provides comprehensive real estate services for all City departments. Key responsibilities include handling rights-of-way acquisitions, certifications, relocations, leases, disposals, and property management, including GIS mapping.

The **Street Maintenance** division oversees and maintains arterial and residential roadways. Key responsibilities include maintaining asphalt surfaces, medians, landscaping, drainage systems, and performing cleanup and emergency response activities.

The **Traffic Engineering** division designs and manages traffic systems to ensure safe and efficient travel. Key responsibilities include maintaining traffic signals, street lighting, signage, and pavement markings; improving safety through data-driven project development.

The **Traffic Maintenance** division maintains traffic control infrastructure. Key responsibilities include ensuring the functionality of traffic signals, signs, and road markings.

The **Stormwater Quality** section regulates stormwater discharges and protects public and environmental health. Key responsibilities include supporting floodplain management, overseeing drainage projects, and managing Community Rating System compliance.

The **Mass Transit Administration** division coordinates the operations of Sun Link, Sun Tran, and Sun Van. Key responsibilities include providing administrative support and oversight of public transit systems.

The **Mass Transit** division maintains sufficient reserves for uninsured losses related to public transit. Key responsibilities include reviewing and managing financial reserves through actuarial assessments.

The **Sun Tran** division delivers a high-performance, sustainable fixed-route bus service. Key responsibilities include operating fixed-route services throughout the Tucson metropolitan area with a focus on reliability and customer service.

The **Sun Link** division provides efficient, sustainable modern streetcar service. Key responsibilities include operating services through key business and university districts with a focus on seamless travel and real-time service updates.

The **Sun Van** division provides accessible transit for individuals with disabilities. Key responsibilities include operating paratransit services to ensure community access to jobs, services, and activities.

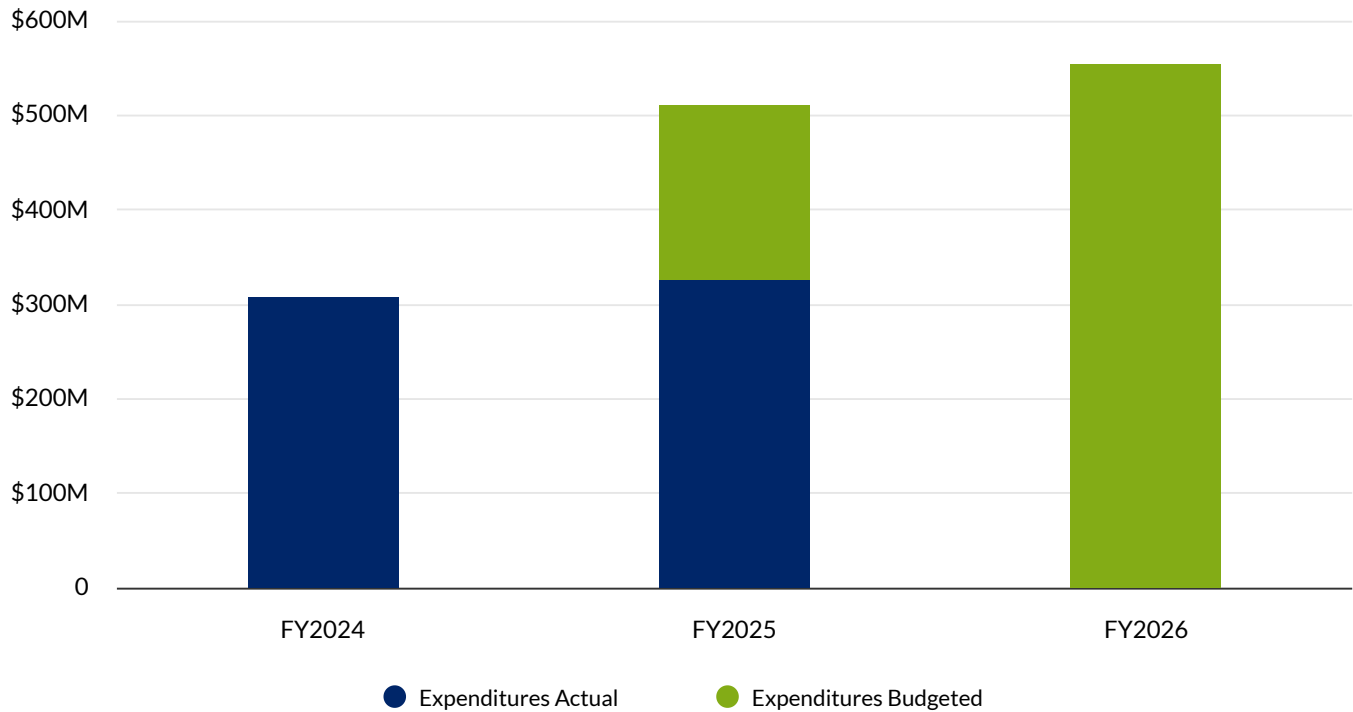
The **Park Tucson** division provides accessible parking solutions downtown and along the streetcar corridor. Key responsibilities include operating parking facilities, enforcing ordinances, managing neighborhood parking programs, and ensuring financial sustainability in operations.

## Expenditure Summary

\$552,788,129 (per State Form)

\$43,836,725/ 8.61% Higher Than the Prior Year's Budget

### Historical Expenditures Across Department



*Note: Amounts shown in the graphs are rounded up.*

### Significant Changes

The Department of Transportation and Mobility's expenditures budgeted for Fiscal Year 2026 amount to \$552 million, (per submitted State Form) increase from the previous year's budgeted amount of \$510.7 million. This increase indicates a planned expansion in spending compared to Fiscal Year 2025.

### Trends

The Fiscal Year 2026 budgeted expenditures exceed both the previous year's budgeted and actual expenditures, highlighting a significant upward adjustment in planned spending for the department.

## Expenditures by Fund

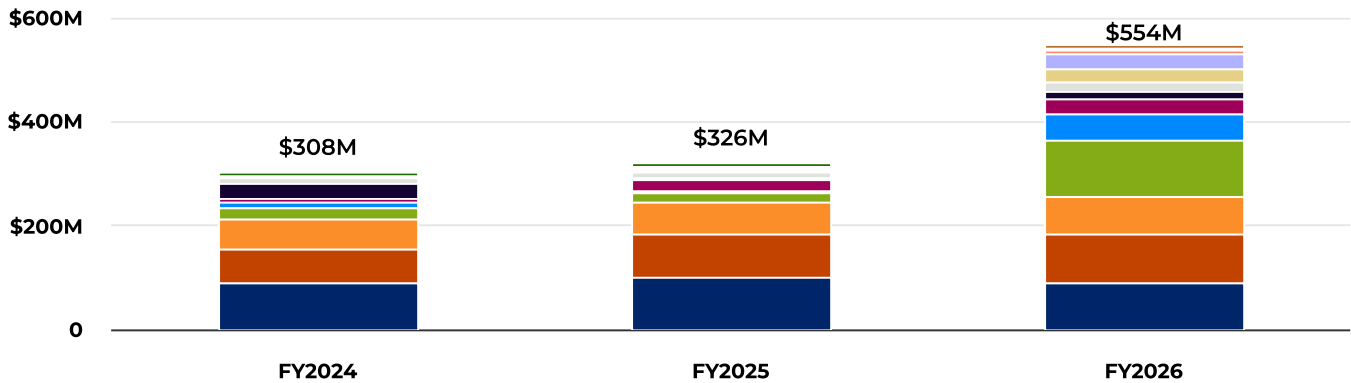
The chart illustrates a strong upward trend in City expenditures over the last three fiscal years, reflecting increased investment in infrastructure, transit, and community improvements:

Fiscal Year 2024: Total expenditures were approximately \$308 million. Spending was primarily focused on transportation (Mass Transit Funds and Highway User Revenue) and capital projects.

Fiscal Year 2025: Expenditures increased significantly to \$326 million, supported by a mix of Capital Improvement Funds, grants, and targeted programs like the American Rescue Plan and Better Streets initiative.

Fiscal Year 2026: Projected expenditures reach \$522 million, marking the largest annual investment in recent years.

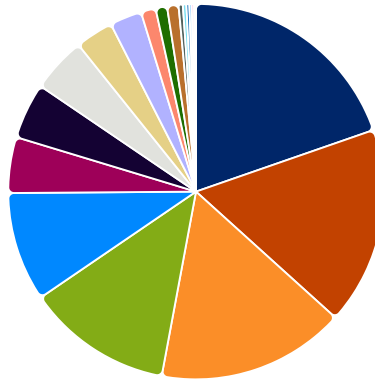
### Historical Expenditures by Fund



- East District Impact Fees (Post 12/31/2011)
- Impact Fees 2020 - Citywide
- West District Impact Fees (Post 12/31/2011)
- Southeast District Impact Fees (Post 12/31/2011)
- Risk Management / Self Insurance
- Federal Highway Grants
- Better Streets
- Regional Transit Authority Fund
- Mass Transit Funds
- Gene Reid Park Zoo Capital Improvement
- General Fund Restricted
- Capital Proposition: Parks And Connections Bond Series 2020
- Miscellaneous Non Federal Grant Funds
- Park Tucson
- Capital Proposition: Parks And Connections Bond Series 2023
- Capital Improvement Fund
- Highway User Revenue (HURF)
- Impact Fees 2020 - Area B
- Impact Fees 2020 - Area A
- Impact Fees 2020 - Area C
- Central District Impact Fees (Post 12/31/2011)
- Mass Transit Sunlink
- General Fund
- Mass Transit Grant Fund
- Street Improvement - Prop 411 Fund

Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Fund



Regional Transit Authority Fund	<b>\$109,172,300</b>	19.69%
Street Improvement - Prop 411 Fund	<b>\$94,300,000</b>	17.01%
Mass Transit Funds	<b>\$89,971,518</b>	16.23%
Highway User Revenue (HURF)	<b>\$69,527,818</b>	12.54%
Mass Transit Grant Fund	<b>\$52,187,800</b>	9.41%
Capital Improvement Fund	<b>\$26,662,900</b>	4.81%
Capital Proposition: Parks And Connections Bond Series 2023	<b>\$26,573,100</b>	4.79%
Federal Highway Grants	<b>\$26,459,000</b>	4.77%
General Fund	<b>\$18,011,970</b>	3.25%
Better Streets	<b>\$15,320,800</b>	2.76%
Mass Transit Sunlink	<b>\$6,999,900</b>	1.26%
Park Tucson	<b>\$5,481,600</b>	0.99%
Risk Management / Self Insurance	<b>\$5,457,230</b>	0.98%
Southeast District Impact Fees (Post 12/31/2011)	<b>\$2,082,000</b>	0.38%
Miscellaneous Non Federal Grant Funds	<b>\$1,700,000</b>	0.31%
West District Impact Fees (Post 12/31/2011)	<b>\$1,331,200</b>	0.24%
Impact Fees 2020 - Area C	<b>\$1,200,000</b>	0.22%
Central District Impact Fees (Post 12/31/2011)	<b>\$1,088,000</b>	0.20%
Impact Fees 2020 - Area A	<b>\$701,500</b>	0.13%
General Fund Restricted	<b>\$175,500</b>	0.03%

Note: Charts may not total 100% due to rounding.

## Expenditures by Type

This chart shows how City expenditures are distributed across different categories of spending and how those allocations have shifted over time:

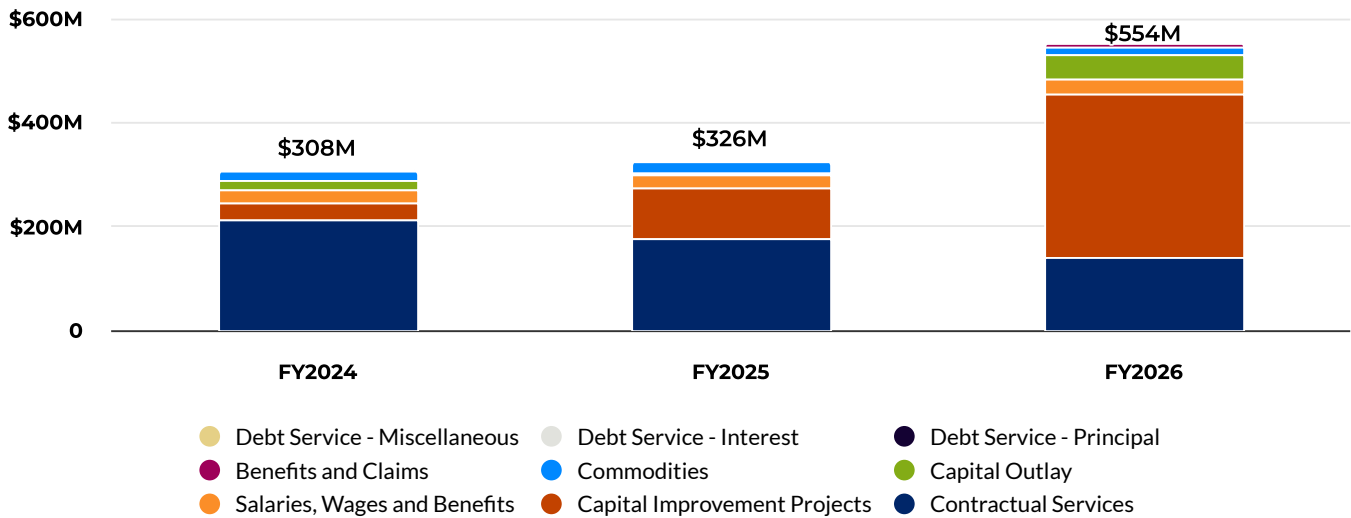
Fiscal Year 2024: Total expenditures were approximately \$308 million, with the largest shares going to:

- Contractual Services
- Capital Improvement Projects
- Salaries, Wages, and Benefits

Fiscal Year 2025: Spending increased to \$326 million, driven by expanded contractual services and additional investments in capital projects. Other categories, like capital outlay, debt service, and employee benefits, remained consistent.

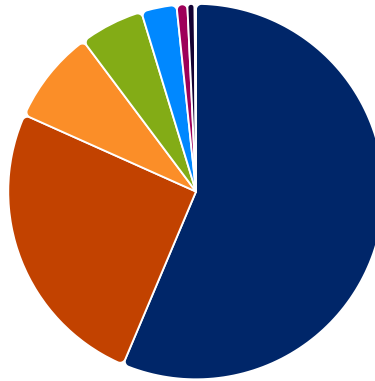
Fiscal Year 2026: Expenditures are projected to reach \$552 million (per State Form), with a major increase in Capital Improvement Projects, which make up the largest portion of the budget. This growth reflects substantial infrastructure development and investment in long-term community assets. Contractual Services remain the second-largest expense, while spending on debt service, salaries, and benefits holds steady.

Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Type



● Capital Improvement Projects	<b>\$312,455,270</b>	56.36%
● Contractual Services	<b>\$140,412,285</b>	25.33%
● Capital Outlay	<b>\$44,890,096</b>	8.10%
● Salaries, Wages and Benefits	<b>\$30,587,312</b>	5.52%
● Commodities	<b>\$16,806,307</b>	3.03%
● Benefits and Claims	<b>\$5,185,700</b>	0.94%
● Debt Service - Principal	<b>\$3,427,829</b>	0.62%
● Debt Service - Interest	<b>\$638,137</b>	0.12%
● Debt Service - Miscellaneous	<b>\$1,200</b>	0.00%

# Expenditures by Cost Center

This chart shows how City funds have been allocated across different transportation and mobility-related cost centers over the past three fiscal years:

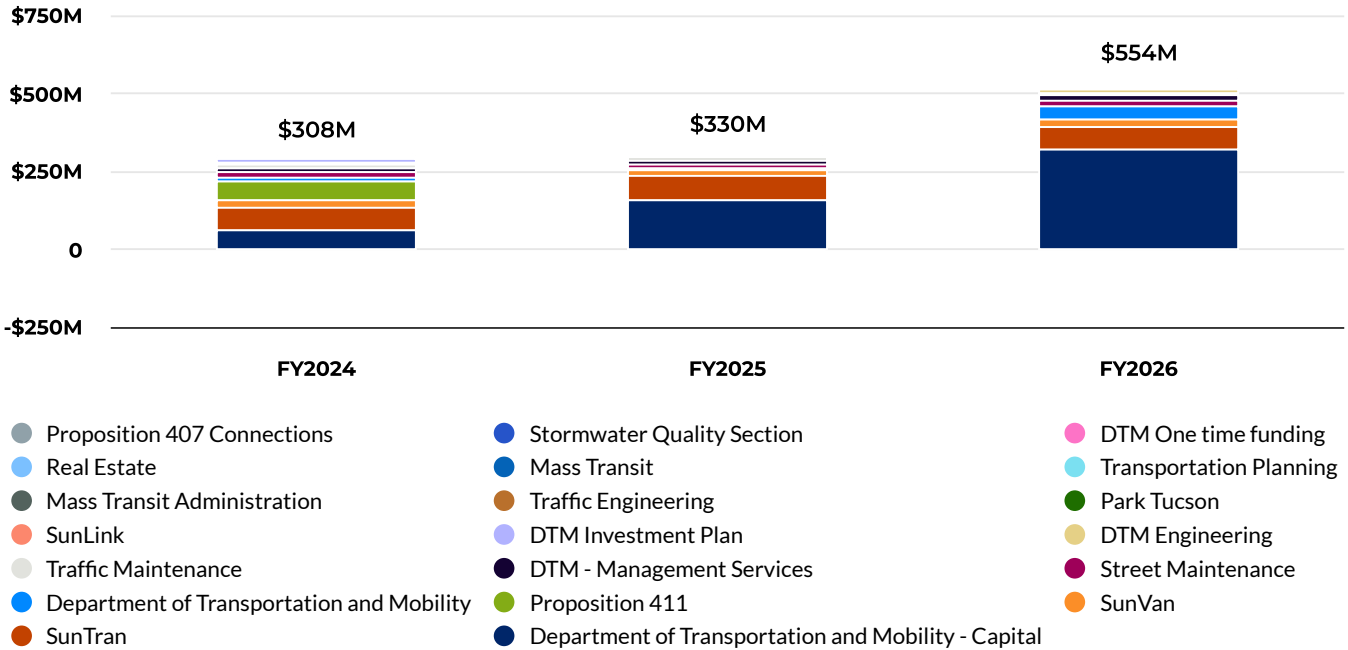
Fiscal Year 2024: Total expenditures were \$308 million, with most spending concentrated in capital investments through the Department of Transportation and Mobility (DTM), as well as in SunTran, Street Maintenance, and Mass Transit operations.

Fiscal Year 2025: Spending rose to \$330 million, reflecting expanded investments across multiple areas, Traffic Maintenance, and Park Tucson. These increases supported both operational upgrades and capital infrastructure enhancements.

Fiscal Year 2026: Projected expenditures jump to \$552 million, (per State Form) with major investments planned in:

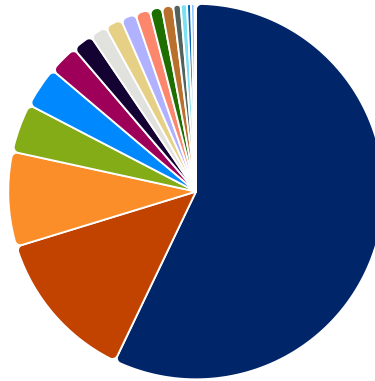
- DTM Capital Projects
- SunTran and SunLink transit services
- DTM Engineering and Stormwater Quality

Historical Expenditures by Cost Center



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Cost Center



● Department of Transportation and Mobility - Capital	<b>\$316,560,400</b>	57.10%
● SunTran	<b>\$72,973,211</b>	13.16%
● Department of Transportation and Mobility	<b>\$45,231,696</b>	8.16%
● SunVan	<b>\$23,374,110</b>	4.22%
● Street Maintenance	<b>\$19,609,696</b>	3.54%
● DTM - Management Services	<b>\$14,247,230</b>	2.57%
● DTM Engineering	<b>\$9,859,616</b>	1.78%
● Traffic Maintenance	<b>\$8,261,269</b>	1.49%
● DTM Investment Plan	<b>\$8,000,000</b>	1.44%
● Traffic Engineering	<b>\$7,196,265</b>	1.30%
● SunLink	<b>\$6,999,900</b>	1.26%
● Mass Transit	<b>\$5,857,208</b>	1.06%
● Park Tucson	<b>\$5,441,880</b>	0.98%
● Transportation Planning	<b>\$3,524,450</b>	0.64%
● Mass Transit Administration	<b>\$3,035,158</b>	0.55%
● DTM One time funding	<b>\$1,935,970</b>	0.35%
● Real Estate	<b>\$1,616,007</b>	0.29%
● Stormwater Quality Section	<b>\$680,070</b>	0.12%

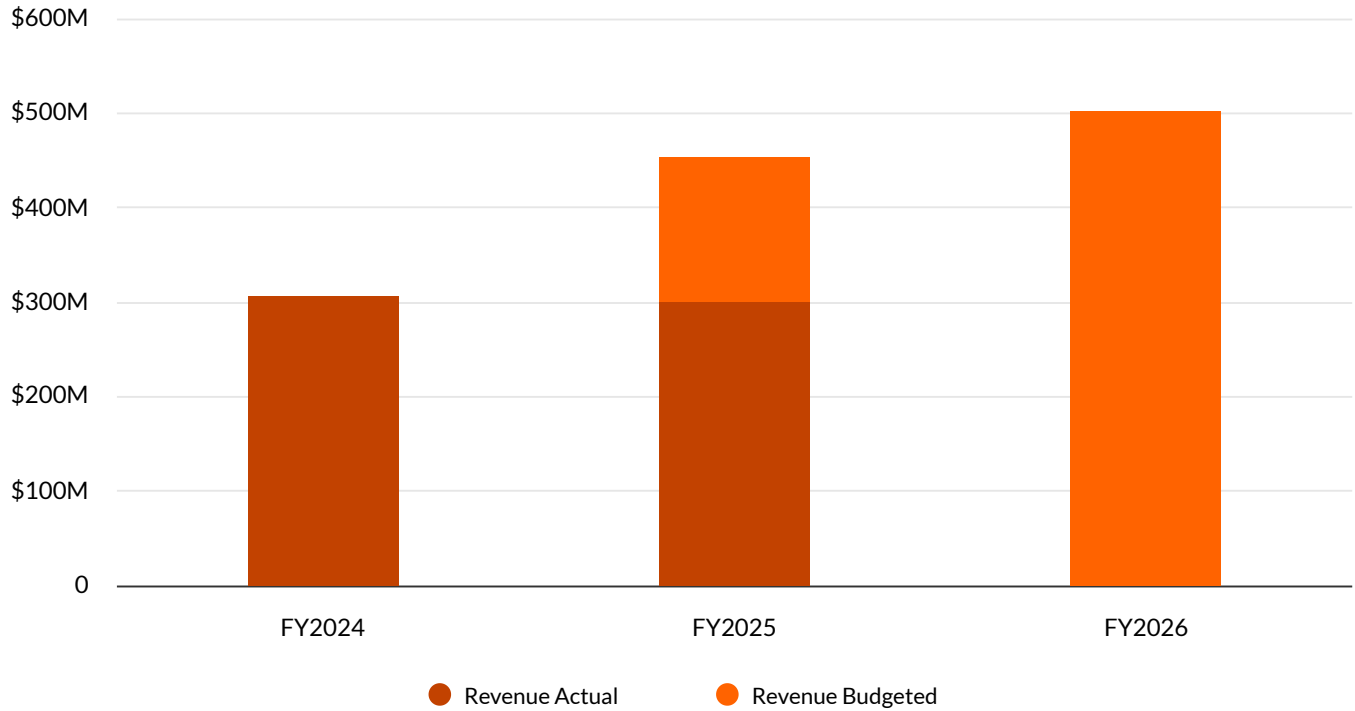
Note: Charts may not total 100% due to rounding.

## Revenue Summary

**\$502,454,487 (per State Form)**

\$50,463,895 / 11.15% Higher Than the Prior Year's Budget

### Historical Revenues Across Department



*Note: Amounts shown in the graphs are rounded up.*

# Revenues by Fund

The City of Tucson's Department of Transportation and Mobility revenue outlook shows a strong and steady increase across the past three fiscal years, reflecting expanded funding sources and strategic planning.

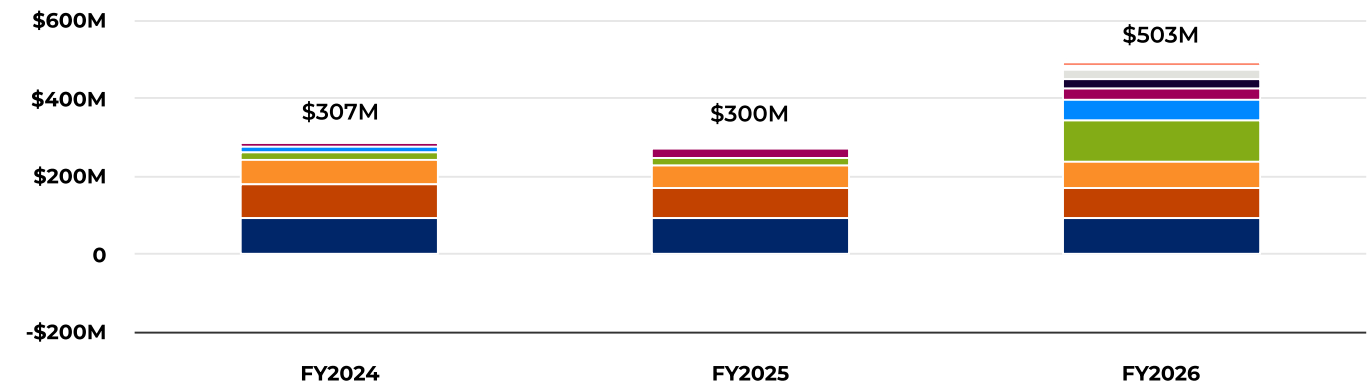
Fiscal Year 2024: Total revenues reached \$307 million.

Fiscal Year 2025: Revenues declined slightly to \$300 million.

Fiscal Year 2026: Revenues are projected to reach \$502 million (per State Form), the highest over the past three years.

- Continued strength in grant funding
- Expansion of Impact Fee collections across multiple districts
- Increased allocations to transit, capital improvements, and street infrastructure

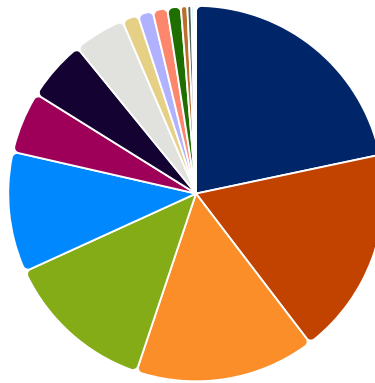
Historical Revenues by Fund



- Civic Contributions
- Gene Reid Park Zoo Capital Improvement
- Southlands District Impact Fees 2
- Impact Fees 2020 - Citywide
- Impact Fees 2020 - Area A
- Impact Fees 2020 - Area C
- Park Tucson
- Federal Highway Grants
- Regional Transit Authority Fund
- Mass Transit Funds
- Capital Proposition: Parks And Connections Bond Series 2020
- SOUTHLANDS DISTRICT IMPACT FEES
- East District Impact Fees (Post 12/31/2011)
- West District Impact Fees (Post 12/31/2011)
- Risk Management / Self Insurance
- Central District Impact Fees (Post 12/31/2011)
- Mass Transit Sunlink
- Capital Improvement Fund
- Highway User Revenue (HURF)
- General Fund Restricted
- Better Streets
- Impact Fees 2020 - Area B
- Miscellaneous Non Federal Grant Funds
- General Fund
- Southeast District Impact Fees (Post 12/31/2011)
- Capital Proposition: Parks And Connections Bond Series 2023
- Mass Transit Grant Fund
- Street Improvement - Prop 411 Fund

Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Fund



Regional Transit Authority Fund	<b>\$109,172,300</b>	21.69%
Mass Transit Funds	<b>\$90,200,870</b>	17.92%
Street Improvement - Prop 411 Fund	<b>\$78,120,884</b>	15.52%
Highway User Revenue (HURF)	<b>\$65,686,860</b>	13.05%
Mass Transit Grant Fund	<b>\$52,187,800</b>	10.37%
Capital Improvement Fund	<b>\$26,662,900</b>	5.30%
Federal Highway Grants	<b>\$26,459,000</b>	5.26%
Capital Proposition: Parks And Connections Bond Series 2023	<b>\$22,431,610</b>	4.46%
Mass Transit Sunlink	<b>\$6,999,900</b>	1.39%
Southeast District Impact Fees (Post 12/31/2011)	<b>\$6,636,100</b>	1.32%
Central District Impact Fees (Post 12/31/2011)	<b>\$6,287,800</b>	1.25%
Park Tucson	<b>\$5,842,043</b>	1.16%
West District Impact Fees (Post 12/31/2011)	<b>\$2,843,800</b>	0.57%
Miscellaneous Non Federal Grant Funds	<b>\$1,700,000</b>	0.34%
East District Impact Fees (Post 12/31/2011)	<b>\$1,000,000</b>	0.20%
Impact Fees 2020 - Area A	<b>\$701,500</b>	0.14%
General Fund	<b>\$155,000</b>	0.03%
Better Streets	<b>\$125,000</b>	0.02%
SOUTHLANDS DISTRICT IMPACT FEES	<b>\$6,120</b>	0.00%

Note: Charts may not total 100% due to rounding.

# Revenues by Funding Source

This chart illustrates how the City’s revenue sources have grown and diversified over the last three fiscal years:

Fiscal Year 2024: Total revenues were approximately \$307 million. Key revenue sources include:

- Taxes
- Charges for Services
- Operating Grants from Other Agencies

Fiscal Year 2025: Revenues climbed to \$300 million, supported by growth in:

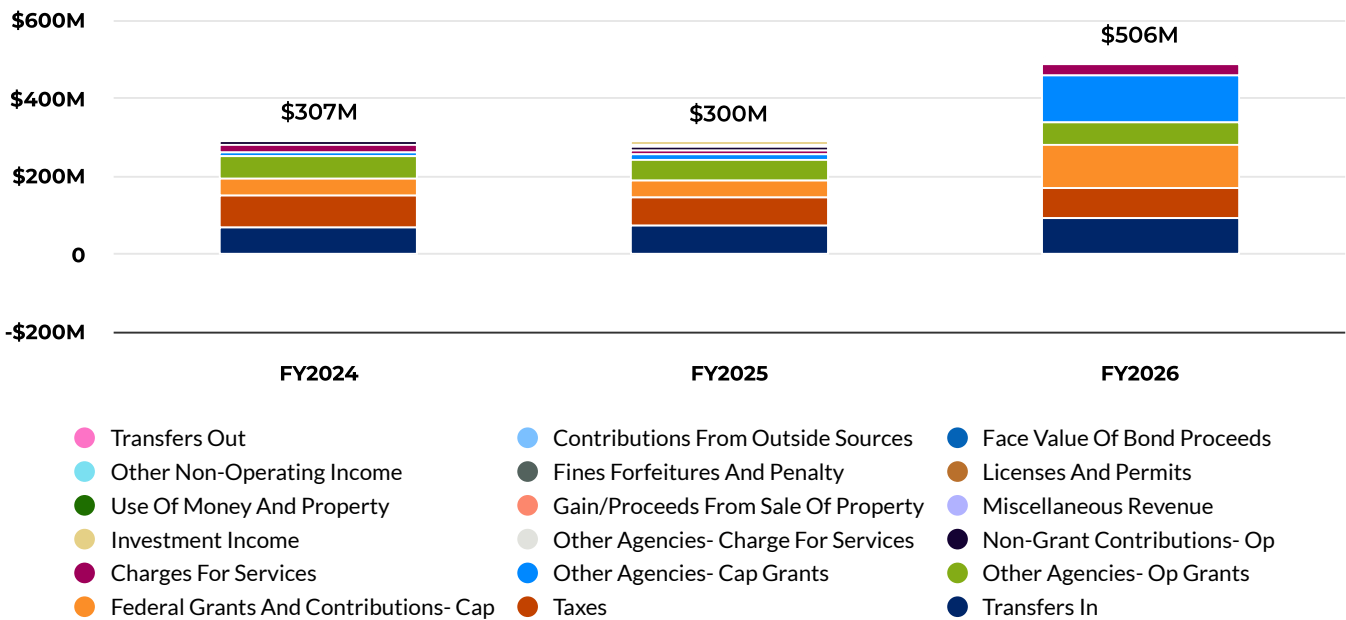
- Federal Capital Grants
- Transfers In from other funds
- A continued strong showing from service charges and investment income

Fiscal Year 2026: Projected revenues are \$502 million (per State Form), driven by a significant rise in:

- Federal Grants and Contributions – Capital
- Operational and Capital Grants from Other Agencies
- Sustained performance in taxes, service fees, and miscellaneous revenues

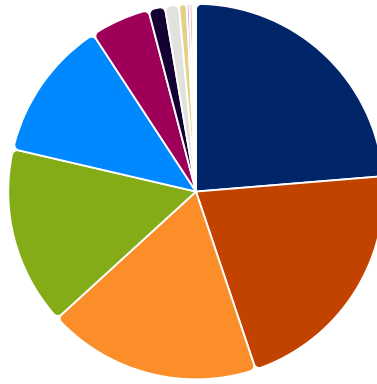
This trend reflects successful efforts to secure diverse funding streams – including grants, service charges, and intergovernmental contributions – while maintaining consistent revenue from traditional sources like taxes and permits.

**Historical Revenues by Revenue Type**



Notes: Fiscal Year 2024 (-\$165,061), Fiscal Year 2025 (-\$528,851) and Fiscal Year 2026 (-\$2,718,487) indicate transfer out.

### Fiscal Year 2026 Revenues by Fund Source

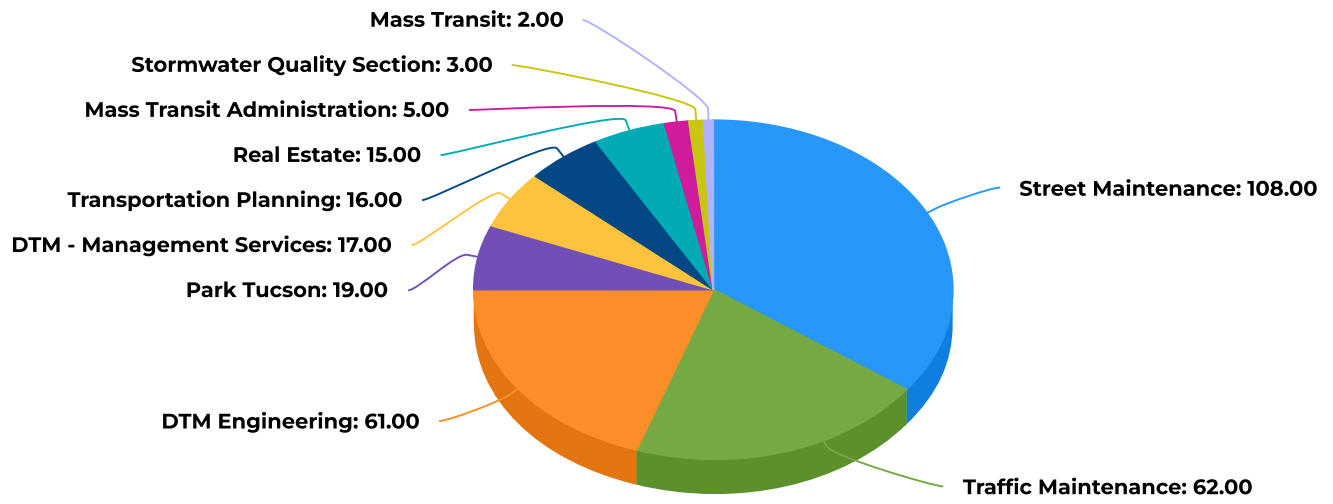


Other Agencies- Cap Grants	<b>\$119,868,200</b>	23.82%
Federal Grants And Contributions- Cap	<b>\$107,009,700</b>	21.27%
Transfers In	<b>\$92,911,080</b>	18.46%
Taxes	<b>\$78,049,820</b>	15.51%
Other Agencies- Op Grants	<b>\$61,412,960</b>	12.20%
Charges For Services	<b>\$26,026,330</b>	5.17%
Other Agencies- Charge For Services	<b>\$7,153,400</b>	1.42%
Non-Grant Contributions- Op	<b>\$6,132,200</b>	1.22%
Miscellaneous Revenue	<b>\$3,298,500</b>	0.66%
Licenses And Permits	<b>\$1,319,000</b>	0.26%
Use Of Money And Property	<b>\$1,189,600</b>	0.24%
Investment Income	<b>\$722,184</b>	0.14%
Fines Forfeitures And Penalty	<b>\$645,000</b>	0.13%
Gain/Proceeds From Sale Of Property	<b>\$200,000</b>	0.04%
Transfers Out	<b>-\$2,718,487</b>	-0.54%

Note: Charts may not total 100% due to rounding.

# Position Resources

### Fiscal Year 2026 Adopted FTE Count



# Environmental and General Services Department Overview



## Mission Statement

To support a healthy, safe, and clean Tucson by providing reliable waste and recycling services, enforcing environmental and property maintenance codes, and maintaining City vehicles, buildings, and communications systems.

The Environmental and General Services Department (EGSD) supports Tucson's residents, businesses, and City departments by managing trash and recycling collection, landfills, City vehicle fleets, buildings, and environmental compliance. We also oversee programs like graffiti removal, code enforcement, and long-term environmental protection.

The following divisions and functions are included in this department:

The **Administration** division sets the department's direction, manages budgets, rates, and staffing, and ensures excellent customer service. Key responsibilities include creating fair and sustainable rates, engaging the community, maintaining and upgrading facilities and fleets, and supporting well-trained staff.

The **Facilities Management** division keeps City buildings safe, clean, and energy efficient for employees and the public. Key responsibilities include planning and managing repairs, new construction, maintenance, and energy-saving upgrades.

The **Fleet Services** division involves providing and maintaining vehicles and equipment for all City departments. Key responsibilities include buying, repairing, fueling, and replacing vehicles while ensuring safety and efficiency.

The **Landfill Operations** division provides safe, environmentally responsible disposal of waste and encourages recycling. Key responsibilities include operating clean, compliant landfill services while protecting community health.

The **Code Enforcement** division enforces city codes that protect property maintenance and housing safety standards. Key responsibilities include educating the public and improving code enforcement based on recent recommendations to enhance service.

The **Graffiti Abatement** division quickly removes graffiti and prevents its spread. Key responsibilities include partnering with the public to report and remove graffiti across Tucson.

The **Environmental Compliance** division ensures City operations meet environmental regulations and pursue green energy initiatives. Key responsibilities include overseeing permits, supporting clean-up projects, and managing federal environmental grants.

The **Groundwater Protection** division monitors and manages former landfill sites to prevent contamination and protect public health. Key responsibilities include addressing issues with groundwater, stormwater, and gas emissions at closed landfill sites.

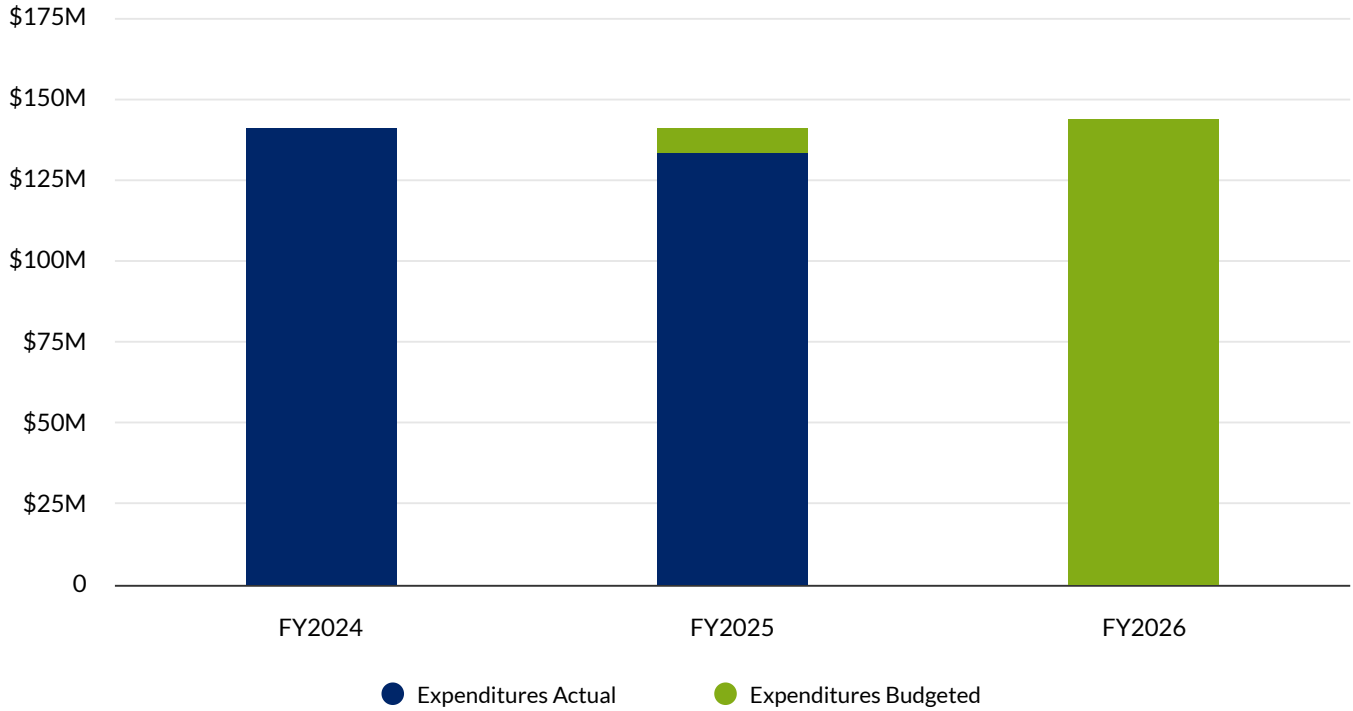
The **Collection Services** division provides reliable trash and recycling pickup for homes and businesses. Key responsibilities include offering safe, efficient collection of trash, brush and bulk items, and hazardous household materials.

## Expenditure Summary

**\$143,956,706**

**\$2,883,142 / 2.04% Higher Than the Prior Year's Budget**

### Historical Expenditures Across Department



*Note: Amounts shown in the graphs are rounded up.*

### Significant Changes

For Fiscal Year 2026, the Environmental and General Services Department is budgeted at \$144 million, a slight increase over the Fiscal Year 2025 budget of \$141.1 million. This modest growth indicates a slight expansion in planned expenditures to support departmental operations.

### Trends

Overall, this trend highlights steady investment in the department, ensuring continued support for essential environmental services, fleet operations, and facility maintenance across the City of Tucson.

## Expenditures by Fund

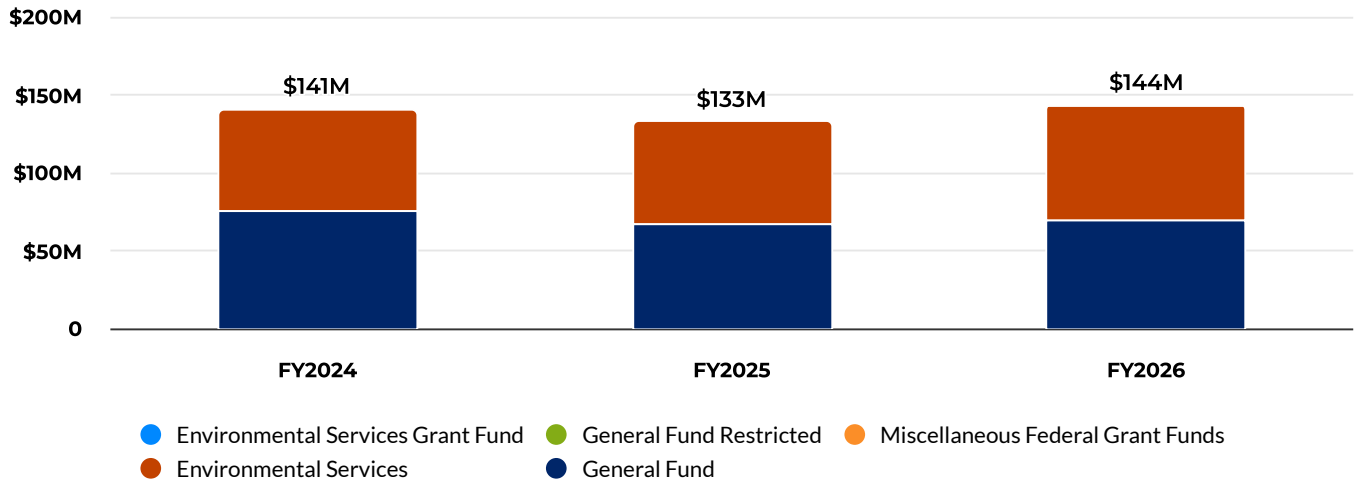
This chart shows how spending was distributed across various funding sources from Fiscal Year 2024 through Fiscal Year 2026.

Fiscal Year 2024: Total expenditures were \$141 million, primarily funded by the General Fund and Environmental Services.

Fiscal Year 2025: Spending increased to \$133 million, reflecting greater reliance on both the General Fund and Environmental Services.

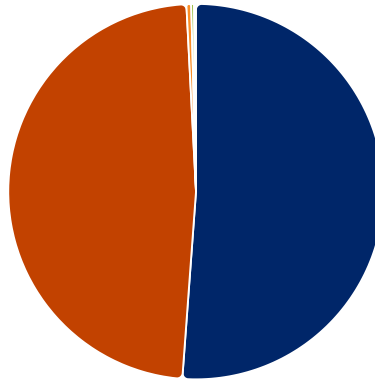
Fiscal Year 2026: Expenditures are projected to decline by \$144 million, with a slight increase expected in both the General Fund and Environmental Services.

### Historical Expenditures by Fund



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Fund



● Environmental Services	<b>\$73,652,020</b>	51.16%
● General Fund	<b>\$69,128,986</b>	48.02%
● Miscellaneous Federal Grant Funds	<b>\$600,000</b>	0.42%
● General Fund Restricted	<b>\$330,000</b>	0.23%
● Environmental Services Grant Fund	<b>\$245,700</b>	0.17%

*Notes: Charts may not total 100% due to rounding.*

## Expenditures by Type

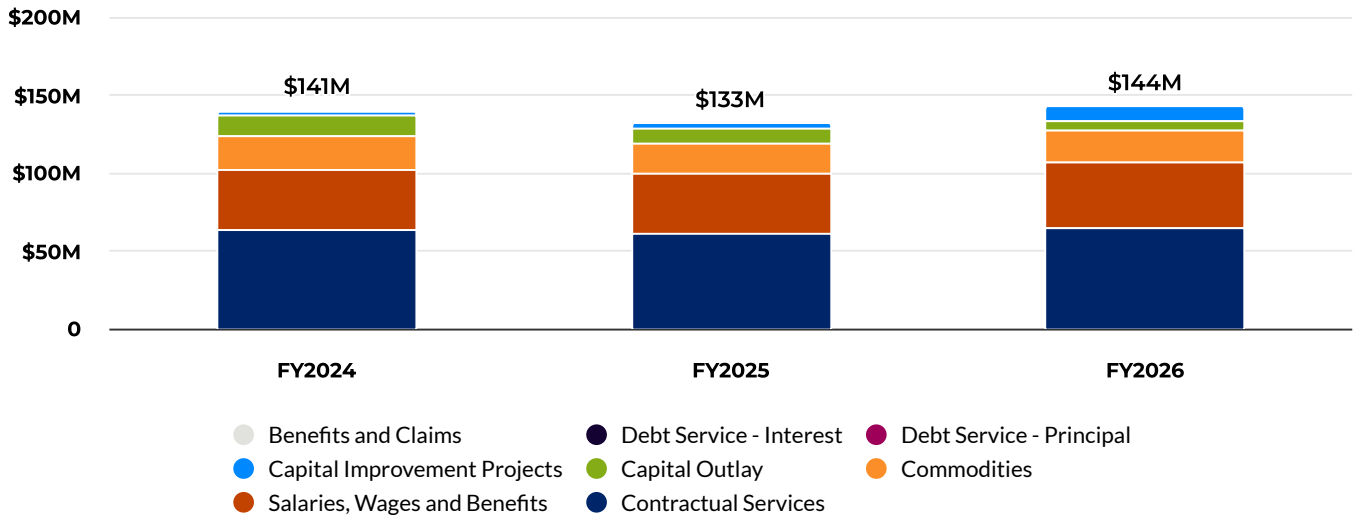
This chart shows how the City expenditures are distributed across different categories of spending and how those allocations have shifted over time:

Fiscal Year 2024: Total expenditures amounted to \$141 million, with the largest allocations directed toward contractual services, salaries, wages and benefits, and commodities.

Fiscal Year 2025: Spending rose to \$133 million, primarily driven by increases in contractual services, salaries, wages and benefits, and commodities.

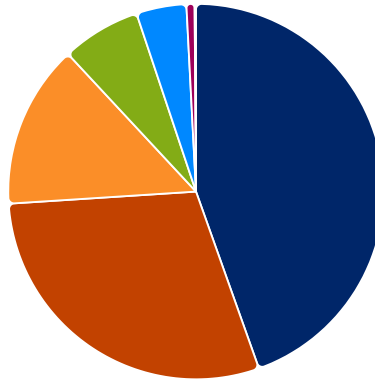
Fiscal Year 2026: Expenditures are projected at \$144 million, with modest increase anticipated across contractual services, salaries, wages and benefits, and commodities.

Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Type



● Contractual Services	<b>\$64,153,780</b>	44.56%
● Salaries, Wages and Benefits	<b>\$42,340,491</b>	29.41%
● Commodities	<b>\$20,284,810</b>	14.09%
● Capital Improvement Projects	<b>\$9,794,000</b>	6.80%
● Capital Outlay	<b>\$6,202,094</b>	4.31%
● Debt Service - Principal	<b>\$1,022,245</b>	0.71%
● Debt Service - Interest	<b>\$159,286</b>	0.11%

*Note: Amounts shown in the graphs are rounded up.*

## Expenditures by Cost Center

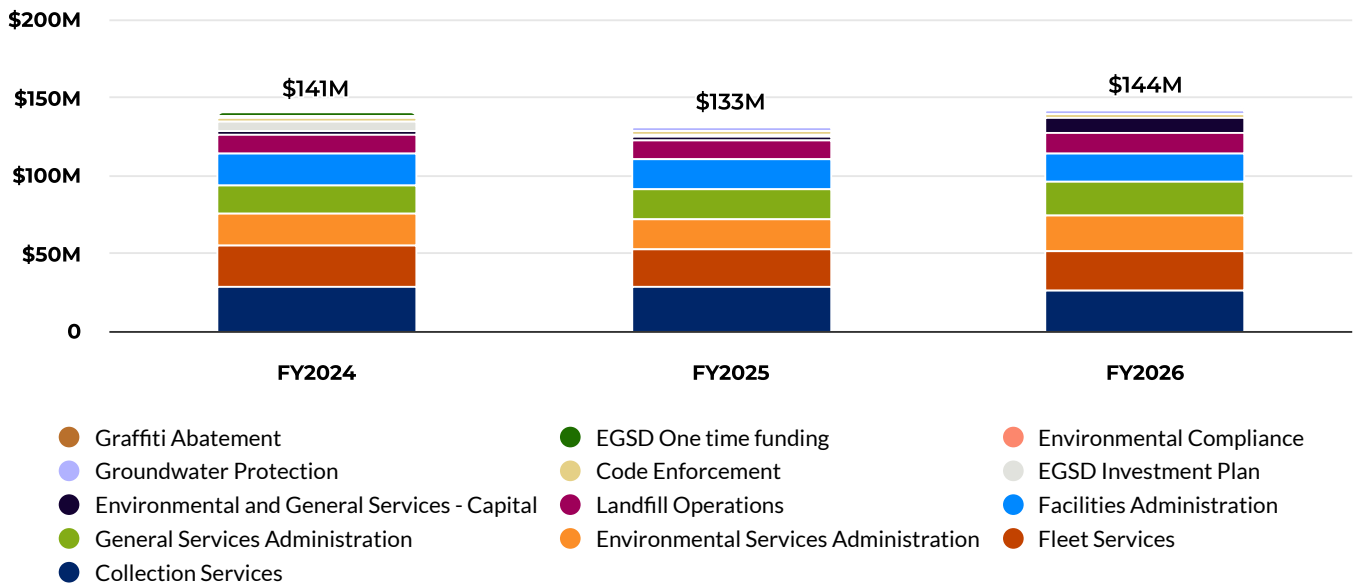
This chart illustrates the distribution of departmental expenditures by cost center over three fiscal years, highlighting both growth and shifts in budget priorities.

Fiscal Year 2024: Total expenditures were \$141 million, with major spending focused on Collection Services, Fleet Services, and Landfill Operations. These cost centers represent the department's core service delivery areas, including waste collection and vehicle management.

Fiscal Year 2025: Expenditures decrease significantly to \$133 million, reflecting inflationary cost pressures and expansion of services. Notable decreases are seen in Fleet Services, Facilities Administration, and Environmental Services Administration, driven by investments in zero-emission fleet conversion, facility upgrades, and new sustainability programs.

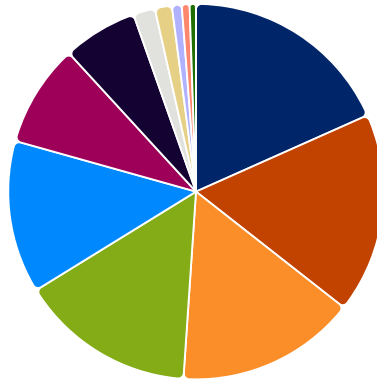
Fiscal Year 2026: Expenditures are projected to increase to \$144 million. Continued collections and investments in Environmental Compliance, Code Enforcement, and Groundwater Protection reflect ongoing efforts to support the City's Climate Action Plan and public health initiatives.

Historical Expenditures by Cost Center



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Cost Center



Collection Services	<b>\$26,380,011</b>	18.32%
Fleet Services	<b>\$24,851,255</b>	17.26%
Environmental Services Administration	<b>\$22,286,824</b>	15.48%
General Services Administration	<b>\$21,777,951</b>	15.13%
Facilities Administration	<b>\$18,943,253</b>	13.16%
Landfill Operations	<b>\$12,714,252</b>	8.83%
Environmental and General Services - Capital	<b>\$9,225,000</b>	6.41%
Code Enforcement	<b>\$2,714,012</b>	1.89%
Groundwater Protection	<b>\$2,105,062</b>	1.46%
Environmental Compliance	<b>\$1,215,972</b>	0.84%
EGSD One time funding	<b>\$954,000</b>	0.66%
Graffiti Abatement	<b>\$789,115</b>	0.55%

Notes: Charts may not total 100% due to rounding.

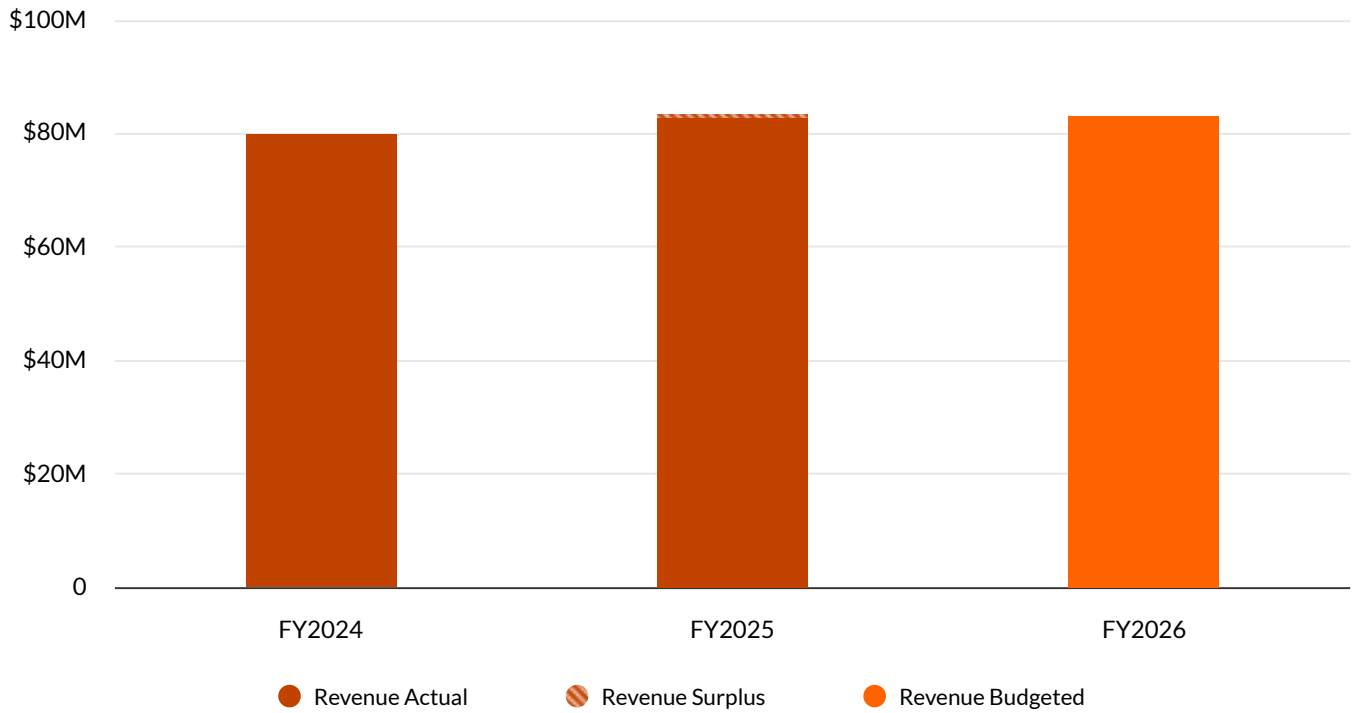
# Revenue Summary

\$83,275,090

With Transfers In and Out Included

\$479,551 / 0.58% Higher Than the Prior Year's Budget

## Historical Revenues Across Department



Note: Amounts shown in the graphs are rounded up.

## Revenues by Fund

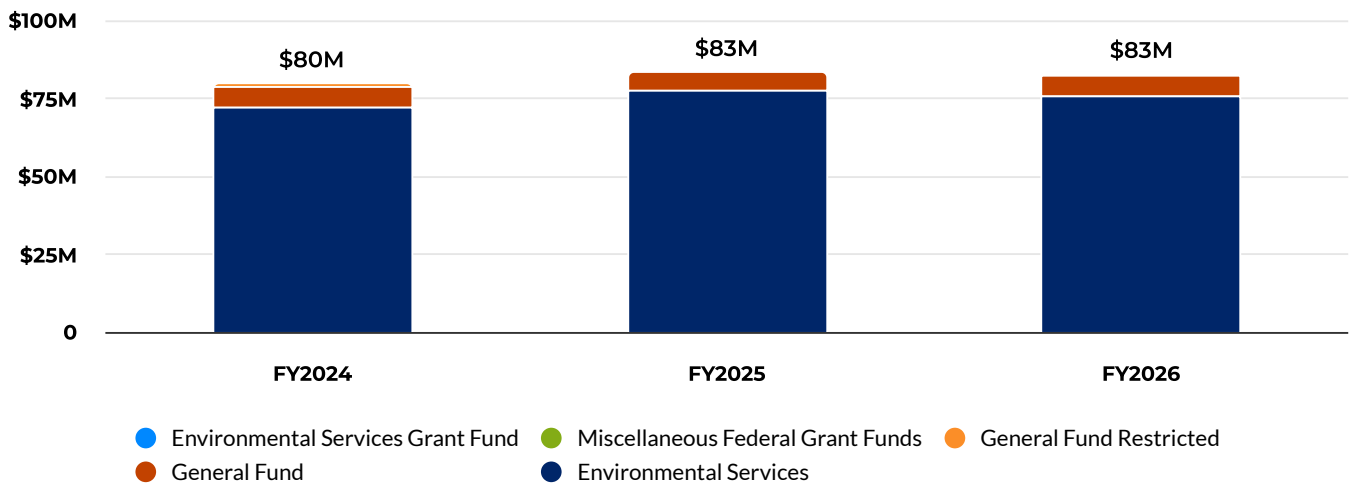
This chart shows revenue trends by funding source over three fiscal years, highlighting the department's reliance on its core funds.

Fiscal Year 2024: Total revenues were \$80 million, primarily made up of the Environmental Services Fund, with a significant contribution from the General Fund. This year reflects higher-than-average General Fund support.

Fiscal Year 2025: Revenues increased to \$83 million, driven largely by a reduction in General Fund contributions. The Environmental Services Fund remained the dominant funding source.

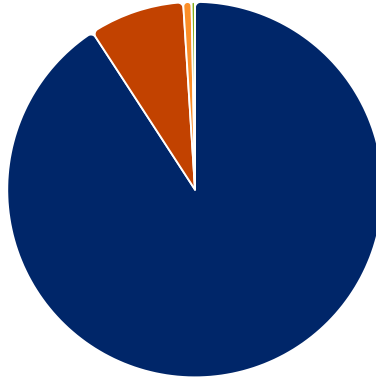
Fiscal Year 2026: Revenues are projected to stay the same at \$83 million, with the Environmental Services Fund continuing as the primary source. The General Fund contribution also increased modestly, indicating renewed support for department operations.

Historical Revenues by Fund



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Fund



● Environmental Services	<b>\$75,618,670</b>	90.81%
● General Fund	<b>\$6,810,720</b>	8.18%
● Miscellaneous Federal Grant Funds	<b>\$600,000</b>	0.72%
● Environmental Services Grant Fund	<b>\$245,700</b>	0.30%

*Notes: Charts may not total 100% due to rounding.*

## Revenues by Funding Source

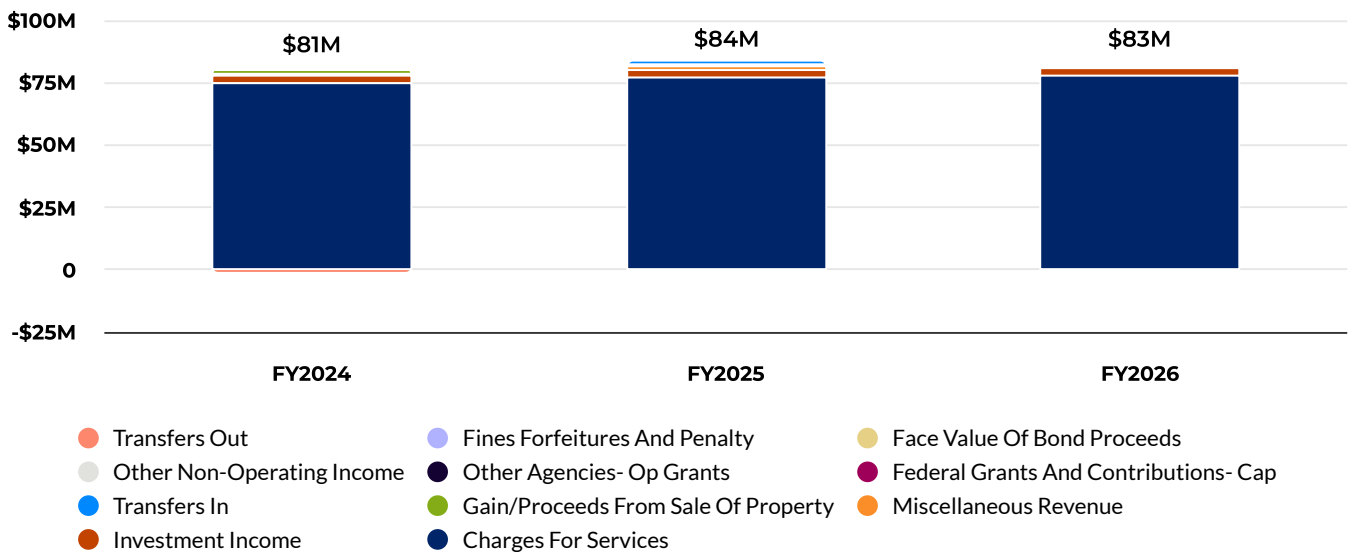
The Department's total revenue is projected to fluctuate moderately over the three fiscal years, reflecting changes in service demand, economic conditions, and one-time transfers.

Fiscal Year 2024: Total revenues were \$81 million, with Charges for Services representing the largest funding source. The year also shows a net negative transfer of approximately at \$1.2 million.

Fiscal Year 2025: Revenues increased to \$84 million, primarily due to Charges for Services.

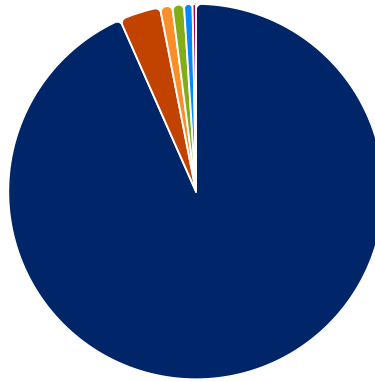
Fiscal Year 2026: The total revenue for Environmental and General Services is \$83.3 million, representing a slight decrease of 0.26% from the previous year's \$84 million. Charges For Services remain the largest revenue source, increasing by \$848,346 or 1.1% to \$77.8 million, now comprising 93.37% of the total revenue, up from 92.11% the prior year.

Historical Revenues by Revenue Type



Notes: Fiscal Year 2024 (-\$1,277,990), Fiscal Year 2025 (-\$113,200) and Fiscal Year 2026 (None) indicate transfer out.

### Fiscal Year 2026 Revenues by Revenue Type

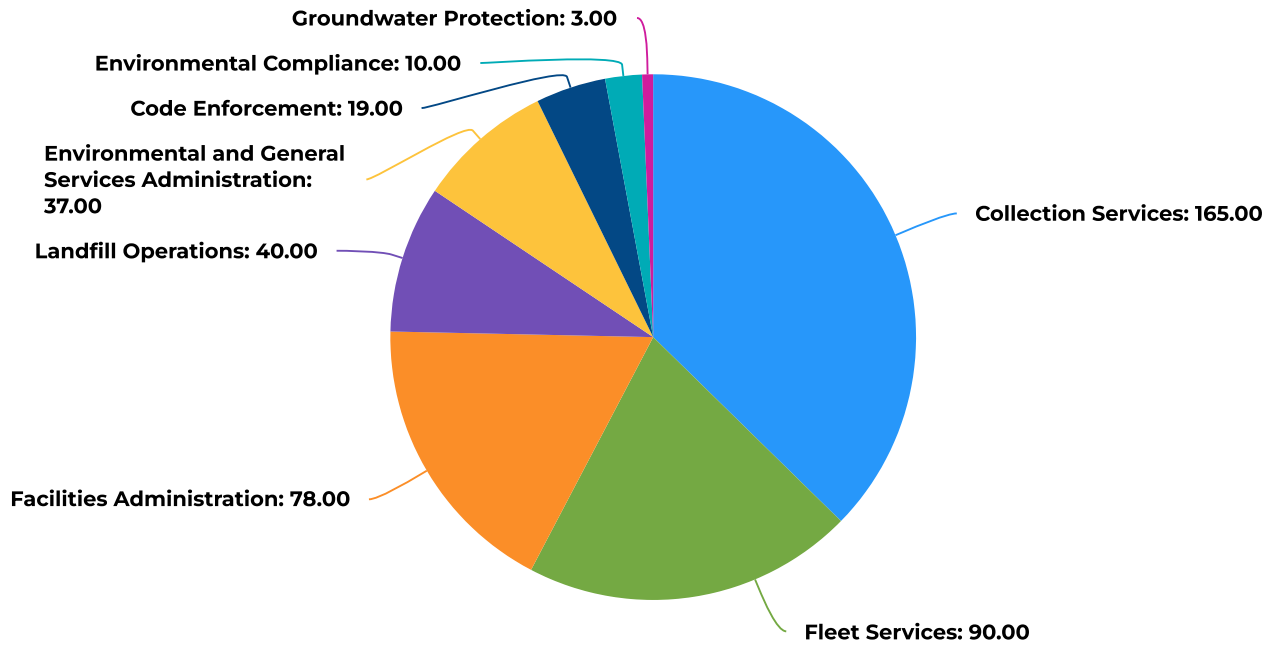


● Charges For Services	<b>\$77,752,370</b>	93.37%
● Investment Income	<b>\$2,965,000</b>	3.56%
● Gain/Proceeds From Sale Of Property	<b>\$875,000</b>	1.05%
● Miscellaneous Revenue	<b>\$835,000</b>	1.00%
● Federal Grants And Contributions- Cap	<b>\$600,000</b>	0.72%
● Other Agencies- Op Grants	<b>\$245,700</b>	0.30%
● Fines Forfeitures And Penalty	<b>\$2,020</b>	0.00%

Notes: Charts may not total 100% due to rounding.

# Position Resources

Fiscal Year 2026 Adopted FTE Count



# General Government Overview



## Mission Statement

The General Government category encompasses program budgets not affiliated with a specific City department. It includes General Expense, Debt Repayments, and Contracts for Services or Funding Support. These programs are essential to maintaining centralized budget control and financial stewardship across the City.

This section provides centralized budget capacity and accounting oversight for expenditures that fall outside individual City departments. This structure ensures consistent financial management, reporting, and strategic use of resources across the organization. Key responsibilities include administering centralized operations and budgets, maintaining active communication and coordination with internal departments and external partners and supporting citywide financial planning, compliance, and strategic initiatives.

The following divisions and functions are included in this department:

The **Outside Agencies** function funds external organizations that align with the Mayor and Council's strategic priorities. Key responsibilities include overseeing the renewal and execution of Intergovernmental Agreements (IGAs) and Financial Participation Agreements (FPAs), ensuring accountability and alignment with City objectives.

The **General Government** division manages centralized financial operations and controls non-departmental expenditures. Key responsibilities include coordinating department-wide budgeting processes and engaging with stakeholders to support efficient and compliant financial management.

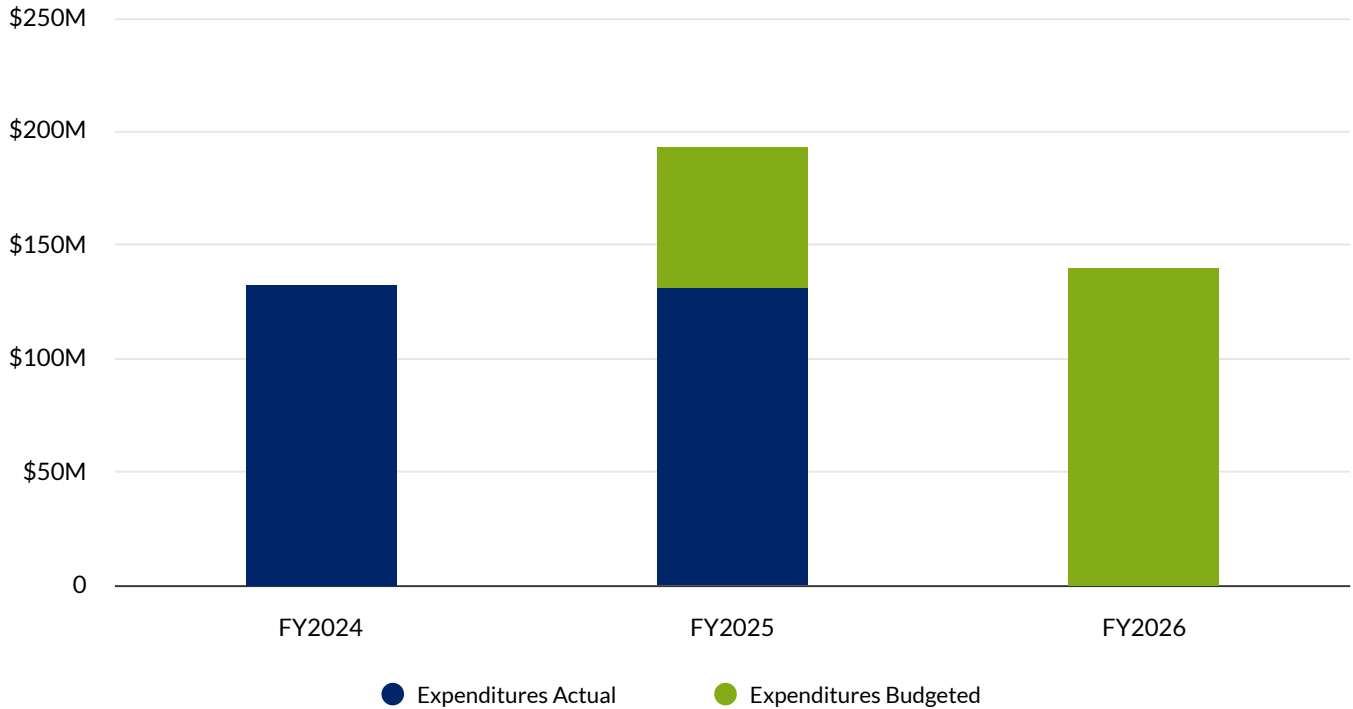
The **Debt Services** function manages the City's debt portfolio for capital financing related to equipment, vehicles, and facilities. Key responsibilities include administering repayments and financing mechanisms, including General Obligation Bonds, Street and Highway User Revenue Bonds, leases, and Certificates of Participation.

## Expenditure Summary

\$140,173,370

\$-52,444,100 / 27.23% Less Than the Prior Year's Budget

### Historical Expenditures Across Department



Note: Amounts shown in the graphs are rounded up.

### Significant Changes

In the target budget Fiscal Year 2026, General Government expenditures are budgeted at \$140.2 million, reflecting a 27.23% decrease compared to the Fiscal Year 2025 budget of \$192.6 million.

This reduction follows a prior year in which actual expenditures totaled \$130.6 million, a modest 1.42% decline from the previous period and equal to 67.78% of the Fiscal Year 2025 budgeted amount.

### Trends

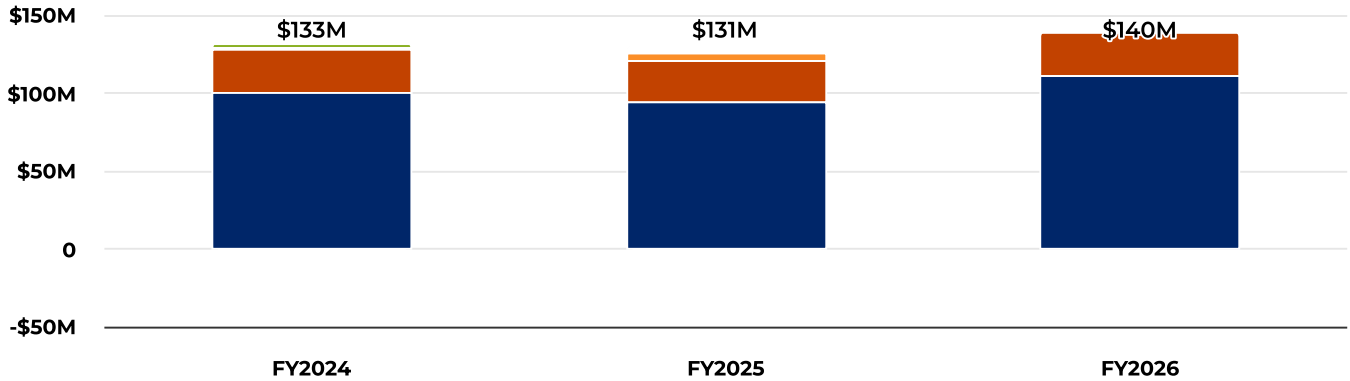
Overall, the Fiscal Year 2026 budget reflects a recalibration—reducing allocations compared to the prior year's plan, while still providing for a slightly higher level of funding than actual spending in Fiscal Year 2025.

# Expenditures by Fund

This chart shows how the City has spent money from various funding sources over the past three fiscal years:

- Fiscal Year 2024: Expenditures totaled approximately \$133 million, primarily funded through the General Fund, with smaller contributions from the American Rescue Plan Fund and Debt Services Bond.
- Fiscal Year 2025: Spending decreased to \$131 million, driven by a significant reduction in allocations from the General Fund and Debt Service – General Obligation Bond and Interest, and removal of the American Rescue Plan.
- Fiscal Year 2026: Spending is projected to rise to \$140 million, reflecting the anticipated General Fund.

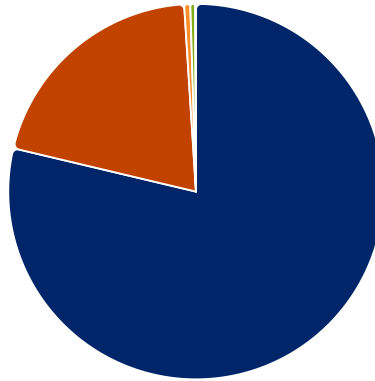
**Historical Expenditures by Fund**



- Safer City
- Hcd Housing Zone 6 Amp
- Hcd Housing Zone 4 Amp
- Hcd Housing Mlk 68 Amp
- Hcd Housing Silverbell 28 Amp
- Miscellaneous Non Federal Grant Funds
- Pima County Housing Fund
- Water Utility Enterprise Funds
- Capital Proposition: Parks And Connections Bond Series 2020
- Highway User Revenue (HURF)
- General Fund
- Mass Transit Funds
- Hcd Housing Posadas Sentinel 140 Amp
- Hcd Housing Zone 3 Amp
- Hcd Housing Tucson House Amp
- Water Conservation Program
- Hcd Housing Lander Amp
- Housing Enterprise Funds 1
- Park Tucson
- General Fund Restricted
- American Rescue Plan
- Environmental Services
- Hcd Non-Pha Asset Management
- Hcd Housing South Park 28 Amp
- Hcd Housing Zone 5 Amp
- Risk Management / Self Insurance
- Section 8 Housing Fund
- Community Development Block Grants
- Capital Proposition: Parks And Connections Bond Series 2023
- Mass Transit Sunlink
- Debt Service: General Obligaiton Bond & Interest

*Note: Amounts shown in the graphs are rounded up.*

### Fiscal Year 2026 Expenditures by Fund



● General Fund	<b>\$110,336,174</b>	78.71%
● Debt Service: General Obligation Bond & Interest	<b>\$28,421,350</b>	20.28%
● Capital Proposition: Parks And Connections Bond Series 2020	<b>\$727,634</b>	0.52%
● General Fund Restricted	<b>\$579,351</b>	0.41%
● American Rescue Plan	<b>\$108,861</b>	0.08%

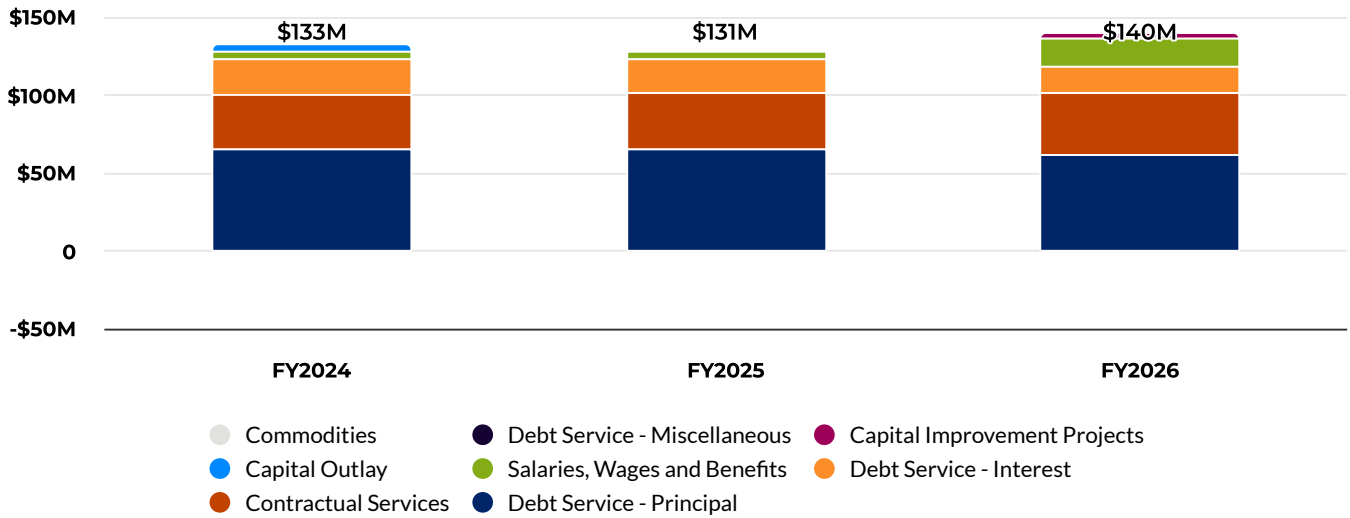
Notes: Charts may not total 100% due to rounding.

## Expenditures by Type

This chart shows how the City has spent money from various funding sources over the past three fiscal years:

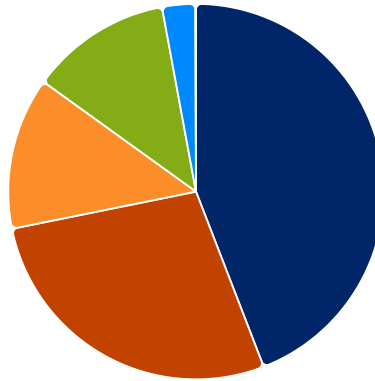
- Fiscal Year 2024: Expenditures totaled approximately \$133 million, Debt Services. Contractual Services and Debt Services Interest.
- Fiscal Year 2025: Spending decreased to \$131 million, Debt Services. Contractual Services and Debt Services Interest.
- Fiscal Year 2026: Spending is projected to rise to \$140 million, primarily due to the increase in Contractual Services and Debt Services Interest.

Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Type



● Debt Service - Principal	<b>\$61,862,716</b>	44.13%
● Contractual Services	<b>\$38,822,880</b>	27.70%
● Salaries, Wages and Benefits	<b>\$18,374,806</b>	13.11%
● Debt Service - Interest	<b>\$17,033,138</b>	12.15%
● Capital Improvement Projects	<b>\$4,000,000</b>	2.85%
● Debt Service - Miscellaneous	<b>\$76,000</b>	0.05%
● Commodities	<b>\$3,830</b>	0.00%

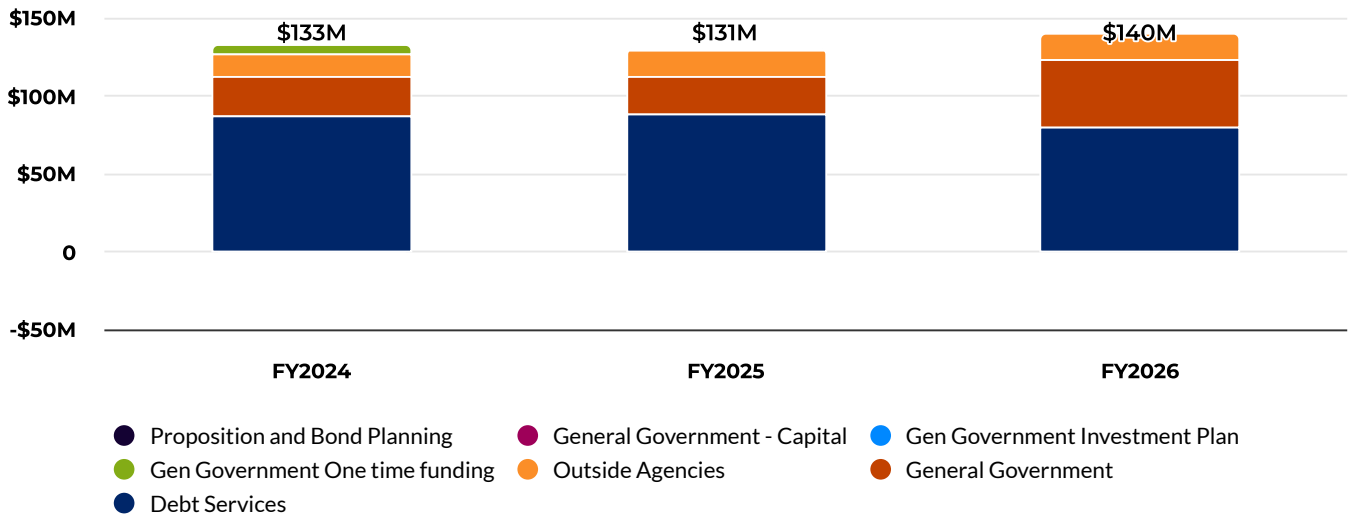
*Notes: Charts may not total 100% due to rounding.*

# Expenditures by Cost Center

This chart shows how the City has allocated funds across major areas over the past three fiscal years:

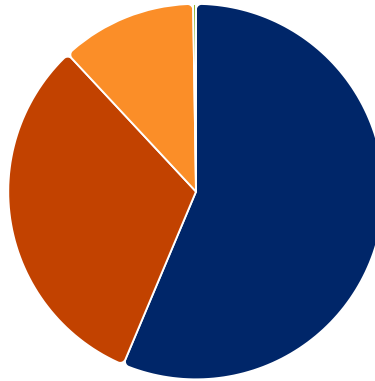
- Fiscal Year 2024: Total expenditures were \$133 million.
- Fiscal Year 2025: Spending decreased to \$131 million.
- Fiscal Year 2026: Expenditures are projected to rise to \$140million, with all major allocations to the following:
  - Debt Services – Used to repay loans and bonds for items such as vehicles, buildings, and infrastructure.
  - General Government – Covers citywide expenses not tied to a specific department.
  - Outside Agencies – Supports community partners aligned with City priorities.

### Historical Expenditures by Cost Center



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Cost Center



● Debt Services	<b>\$78,971,854</b>	56.34%
● General Government	<b>\$44,461,540</b>	31.72%
● Outside Agencies	<b>\$16,389,976</b>	11.69%
● Gen Government One time funding	<b>\$350,000</b>	0.25%

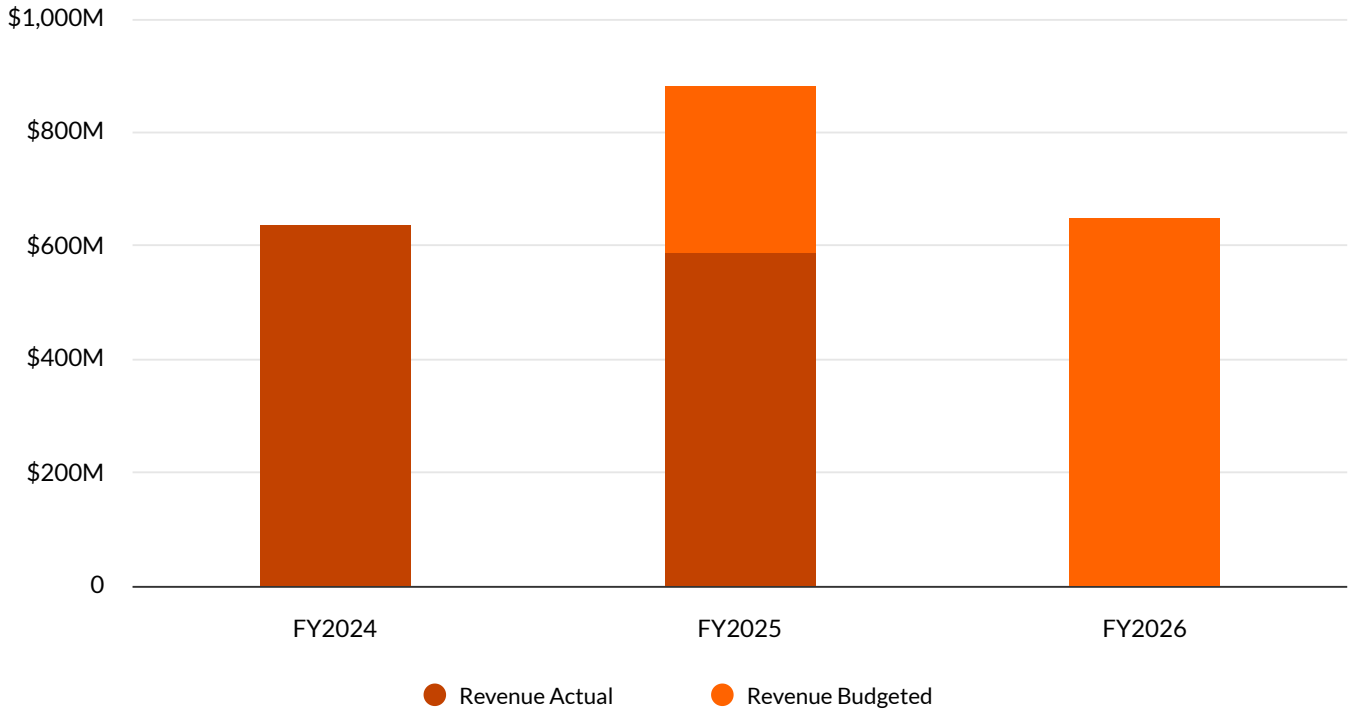
## Revenue Summary

\$649,862,867

Includes Transfers In and Out

\$-229,915,027 / 26.13% Less Than the Prior Year's Budget

### Historical Revenues Across Department



The General Government's Revenue Summary for Fiscal Year 2026 reflects budgeted revenue of \$649.9 million, a 26.13% decrease compared to the prior year's budget of \$879.8 million. This represents a notable downward adjustment in expected revenue for the target year.

In contrast, actual revenue collected in FY2025 was \$587.1 million, which was 7.86% lower than the prior year and only 66.73% of the budgeted revenue for that period. Despite the overall budget reduction from Fiscal Year 2025 to Fiscal Year 2026, the Fiscal Year 2026 budgeted revenue still exceeds Fiscal Year 2025's actual collections by \$62.8 million. This indicates an expectation of improved revenue performance relative to what was realized, though not reaching the previous year's more ambitious budgeted levels.

**Overall Trend:**

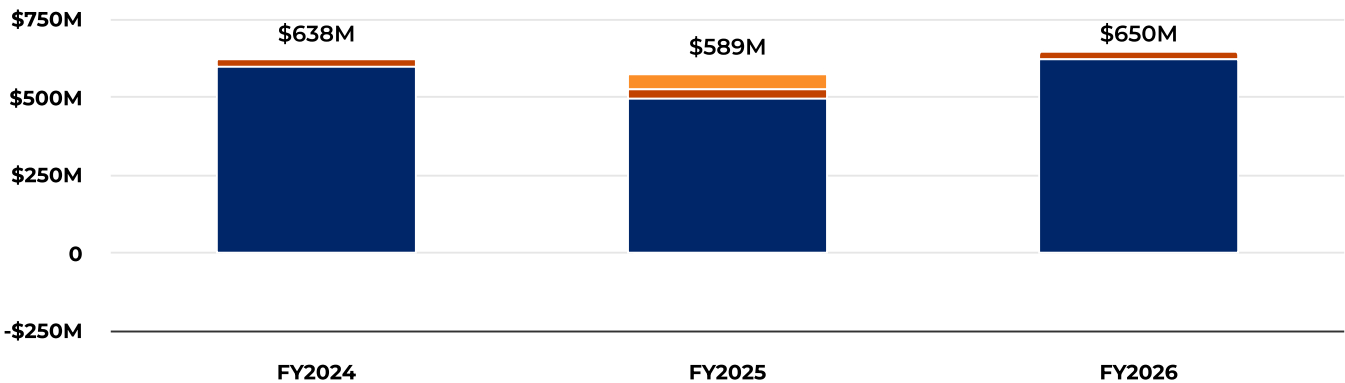
The Fiscal Year 2026 revenue budget demonstrates a cautious recalibration—lower than the prior year's budget, but higher than recent actual collections. This reflects a balance between fiscal realism (acknowledging past shortfalls) and moderate optimism (anticipating recovery or stabilization in revenue intake).

# Revenues by Fund

The City’s revenue by fund highlights how various funding sources are used to support a wide range of community services and capital projects over the past three fiscal years:

- Fiscal Year 2024: Total revenue was approximately \$638 million, primarily supported by the General Fund and Central Impact Fees.
- Fiscal Year 2025: Revenues decreased significantly to \$589 million, driven largely by the General Fund and Debt Service: General Obligation Bond & Interest and a portion of the American Rescue Plan.
- Fiscal Year 2026: Revenues are projected to grow further to \$650 million, fueled by General Fund and Debt Services: General Obligation Bond and Interests.

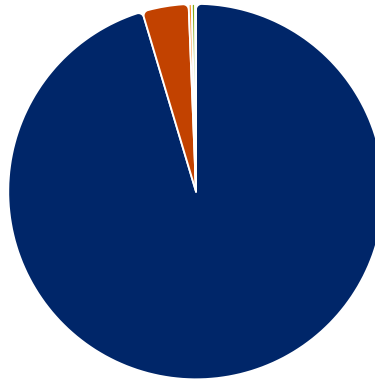
Historical Revenues by Fund



- Gene Reid Park Zoo Capital Improvement
- Pima County Housing Fund
- Community Development Block Grants
- SOUTHLANDS DISTRICT IMPACT FEES
- East District Impact Fees (Post 12/31/2011)
- Impact Fees 2020 - Area A
- Impact Fees 2020 - Area C
- Better Streets
- Safer City
- Debt Service: General Obligation Bond & Interest
- Section 8 Housing Fund
- Mass Transit Funds
- Mass Transit Sunlink
- Fire Impact Fees (Post 12/31/2011)
- West District Impact Fees (Post 12/31/2011)
- Impact Fees 2020 - Area B
- Central District Impact Fees (Post 12/31/2011)
- General Fund Restricted
- Risk Management / Self Insurance
- General Fund
- East District Impact Fees
- Highway User Revenue (HURF)
- Civic Contributions
- Health Insurance
- Southlands District Impact Fees 2
- Southeast District Impact Fees (Post 12/31/2011)
- Impact Fees 2020 - Citywide
- American Rescue Plan
- Capital Proposition: Parks And Connections Bond Series 2023

Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Fund



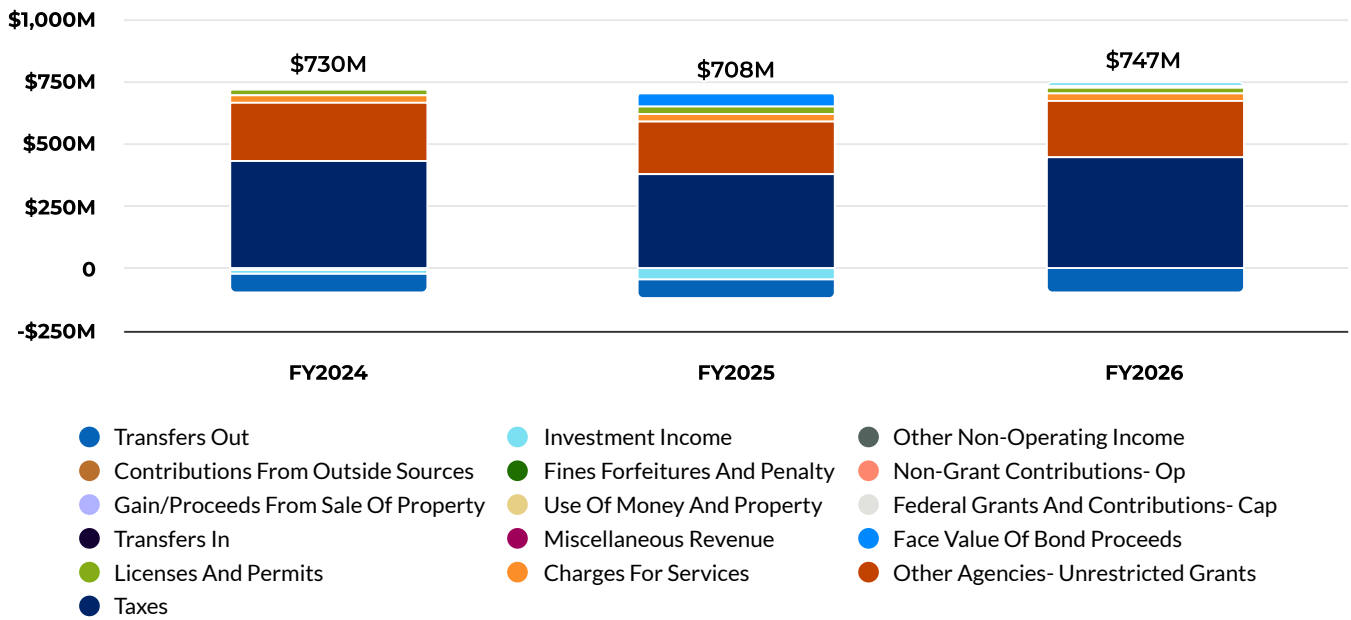
● General Fund	<b>\$619,825,867</b>	95.38%
● Debt Service: General Obligation Bond & Interest	<b>\$25,955,650</b>	3.99%
● General Fund Restricted	<b>\$1,800,700</b>	0.28%
● Risk Management / Self Insurance	<b>\$1,780,650</b>	0.27%
● Impact Fees 2020 - Citywide	<b>\$500,000</b>	0.08%

# Revenues by Funding Source

The City’s revenue by fund illustrates how various funding sources support a broad range of community services and capital projects over the past three fiscal years:

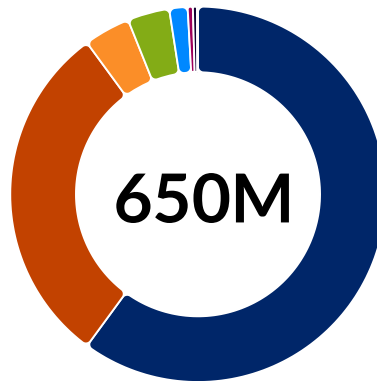
- Fiscal Year 2024: Revenues totaled approximately \$730 million, primarily driven by Taxes and Unrestricted Grants, which provided foundational support for general City operations.
- Fiscal Year 2025: Revenues Decreased to \$708 million, with taxes remaining as the dominant source. Unrestricted Grants also played a key role in sustaining core City functions and operations.
- Fiscal Year 2026 Revenues are projected to rise significantly to \$747 million, supported by both ongoing and new funding streams, including: Taxes, Unrestricted Grants and Charges for Services.

Historical Revenues by Revenue Type



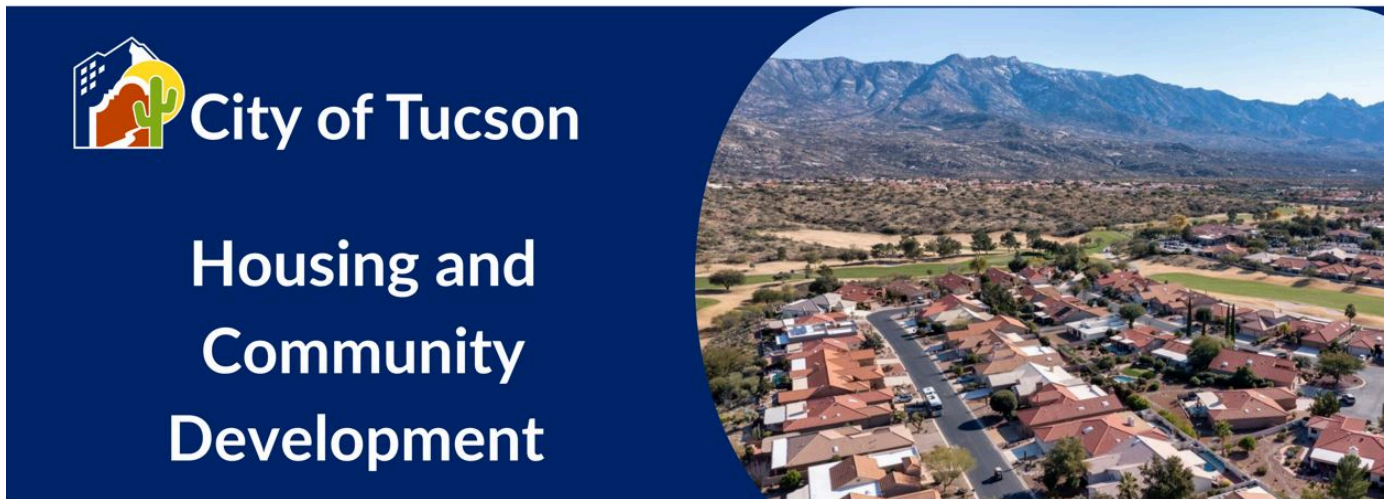
Note: Fiscal Year 2024 (-\$72,002,659), Fiscal Year 2025 (-\$78,525,425) and Fiscal Year 2026 (-\$97,345,190) indicate transfer out.

### Fiscal Year 2026 Revenues by Funding Source



● Taxes	<b>\$448,803,660</b>	69.06%
● Other Agencies- Unrestricted Grants	<b>\$223,225,920</b>	34.35%
● Charges For Services	<b>\$29,792,330</b>	4.58%
● Licenses And Permits	<b>\$26,979,720</b>	4.15%
● Investment Income	<b>\$11,860,180</b>	1.83%
● Miscellaneous Revenue	<b>\$3,343,360</b>	0.51%
● Transfers In	<b>\$2,615,787</b>	0.40%
● Federal Grants And Contributions- Cap	<b>\$549,360</b>	0.08%
● Gain/Proceeds From Sale Of Property	<b>\$37,690</b>	0.01%
● Fines Forfeitures And Penalty	<b>\$50</b>	0.00%
● Transfers Out	<b>-\$97,345,190</b>	-14.98%

# Housing & Community Development Department Overview



## Mission Statement

The department is dedicated to supporting Tucson residents through housing, community development, and strategic investments. Its mission is simple but powerful: to make Tucson a "Home for Everyone."

The following divisions and functions are included in this department:

The **Administration Division** provides behind-the-scenes support for the department, including budgeting, staffing, and technology. Key responsibilities include helping to secure and manage grants that fund vital services.

The **Section 8 / Contracts Division** oversees housing assistance contracts and tracks the funding and outcomes. Key responsibilities include reporting program impacts to City leadership and the public.

The **Planning and Community Development Division** assists low-income homeowners with essential home repairs to ensure safe and stable living conditions.

The **Public Housing Program Division** manages over 1,500 housing units for elderly, disabled, and low-income families. Key responsibilities include properties like Tucson House, Craycroft Towers, Lander Garden, and MLK Apartments, along with family housing across 500+ sites.

The **Non-Federal Public Housing Division** offers rental assistance to help low-income individuals and families access safe and affordable housing.

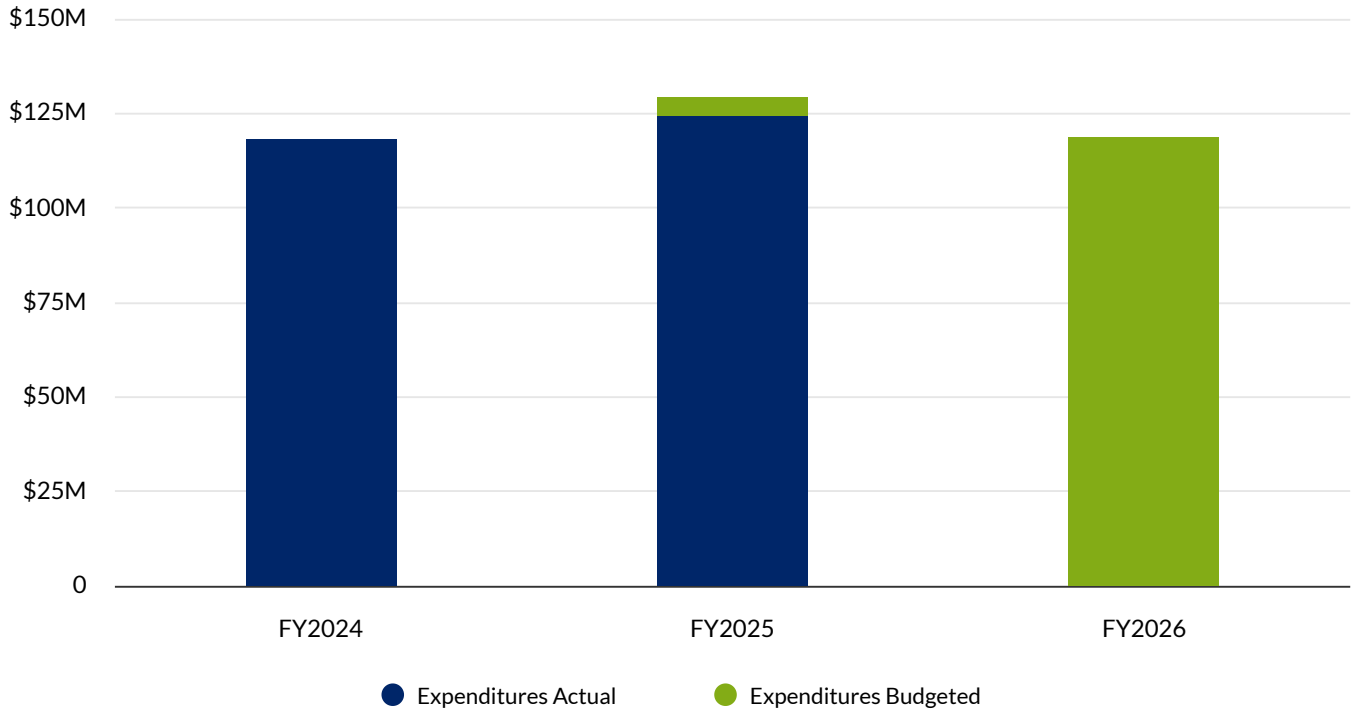
The **Executive Office/Grants Division** supports financial operations and oversight for community development and contracts programs.

## Expenditure Summary

**\$118,575,977**

**-\$10,697,002 / 8.27% Lower Than the Prior Year's Budget**

### Historical Expenditures Across Department



*Note: Amounts shown in the graphs are rounded up.*

### Significant Changes

The Housing and Community Development budget for Fiscal Year 2026 is set at \$118.6 million, representing a decrease of 8.27% from the Fiscal Year 2025 budget of \$129.3 million. This adjustment follows Fiscal Year 2025 actual expenditures of \$124.2 million, which equaled 96.1% of the approved budget and reflected a 5.23% increase over the prior year.

### Trends

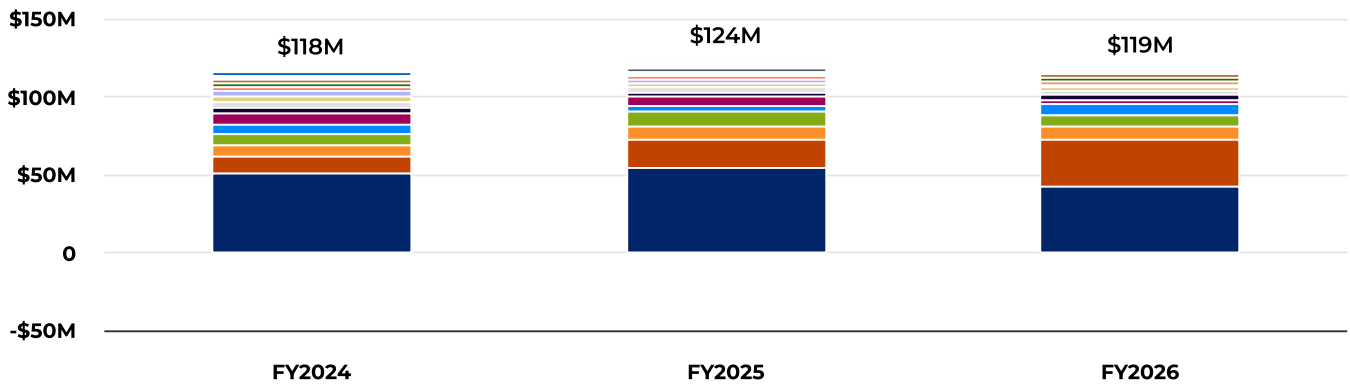
The Fiscal Year 2026 budget signals a downward trend in planned expenditures when compared to both the previous year's budget and actual spending. This decline highlights a shift toward more constrained funding levels, suggesting either the completion of prior initiatives, reduced reliance on one-time resources, or a strategic realignment of program priorities within Housing and Community Development.

# Expenditures by Fund

This chart shows how the department distributed funding among different housing and community development programs over the last three fiscal years.

- Fiscal Year 2023: Total expenditures were \$118 million, with the majority funded through the Section 8 Housing Fund and General Fund, Federal and Local Fundings.
- Fiscal Year 2024: Spending increased to \$124 million, reflecting expanded support for housing programs.
- Fiscal Year 2025: Expenditures are projected to decrease slightly to \$119 million, while maintaining a strong commitment to affordable housing and grant-funded community development initiatives.

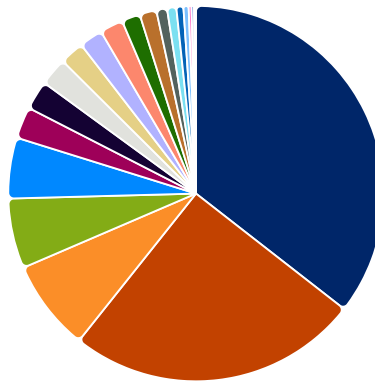
Historical Expenditures by Fund



- |   |                                      |                                     |
|---|--------------------------------------|-------------------------------------|
| ● HOUSING ENTERPRISE FUNDS 2            | ● Mass Transit Grant Fund            | ● El Pueblo Housing Development     |
| ● Hcd Housing Silverbell 28 Amp         | ● Hcd Housing South Park 28 Amp      | ● Hcd Housing Lander Amp            |
| ● Hcd Housing Mlk 68 Amp                | ● American Rescue Plan               | ● Miscellaneous Federal Grant Funds |
| ● Hcd Housing Posadas Sentinel 140 Amp  | ● Hcd Housing Zone 4 Amp             | ● Housing Enterprise Funds 1        |
| ● Hcd Housing Zone 3 Amp                | ● Hcd Housing Zone 5 Amp             | ● Hcd Housing Zone 6 Amp            |
| ● Miscellaneous Non Federal Grant Funds | ● Hcd Non-Pha Asset Management       | ● Hcd Housing Tucson House Amp      |
| ● H.O.M.E. Affordable Housing Fund      | ● Community Development Block Grants | ● Pima County Housing Fund          |
| ● Miscellaneous Housing Grants          | ● General Fund                       | ● Section 8 Housing Fund            |

Note: Amounts shown in the graphs are rounded up.

### FY26 Expenditures by Fund



Section 8 Housing Fund	<b>\$42,144,912</b>	35.54%
General Fund	<b>\$29,834,660</b>	25.16%
Miscellaneous Housing Grants	<b>\$9,295,894</b>	7.84%
Community Development Block Grants	<b>\$7,149,464</b>	6.03%
Pima County Housing Fund	<b>\$6,214,186</b>	5.24%
H.O.M.E. Affordable Housing Fund	<b>\$3,225,667</b>	2.72%
Hcd Housing Tucson House Amp	<b>\$2,969,250</b>	2.50%
Hcd Housing Zone 3 Amp	<b>\$2,856,708</b>	2.41%
Hcd Non-Pha Asset Management	<b>\$2,469,860</b>	2.08%
Housing Enterprise Funds 1	<b>\$2,414,182</b>	2.04%
Miscellaneous Non Federal Grant Funds	<b>\$2,363,130</b>	1.99%
Hcd Housing Zone 5 Amp	<b>\$1,895,550</b>	1.60%
Hcd Housing Zone 6 Amp	<b>\$1,718,070</b>	1.45%
Hcd Housing Zone 4 Amp	<b>\$1,089,625</b>	0.92%
Hcd Housing Posadas Sentinel 140 Amp	<b>\$940,500</b>	0.79%
Hcd Housing Mlk 68 Amp	<b>\$718,121</b>	0.61%
Miscellaneous Federal Grant Funds	<b>\$536,000</b>	0.45%
Hcd Housing Lander Amp	<b>\$305,200</b>	0.26%
Hcd Housing South Park 28 Amp	<b>\$234,700</b>	0.20%
Hcd Housing Silverbell 28 Amp	<b>\$200,300</b>	0.17%
HOUSING ENTERPRISE FUNDS 2	<b>\$0</b>	0.00%

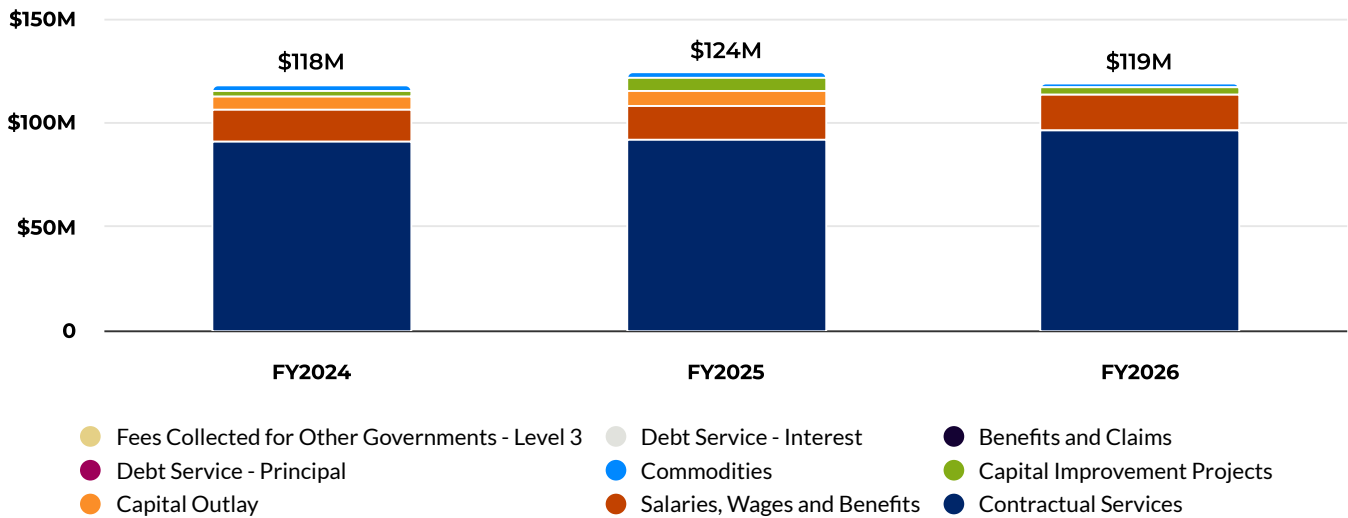
Notes: Charts may not total 100% due to rounding.

## Expenditures by Type

This chart shows how the department's spending has been allocated by category over the past three fiscal years:

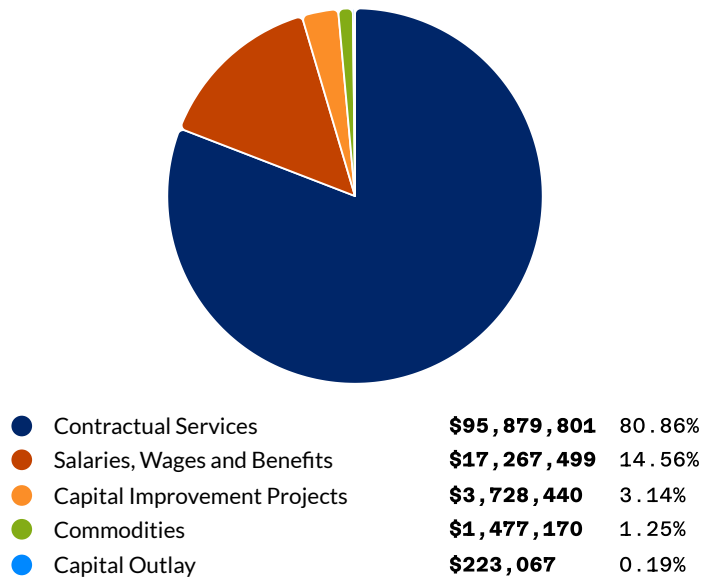
- Fiscal Year 2023: Expenditures totaled \$118 million, with the majority directed toward Contractual Services and Salaries, Wages, and Benefits. Only minimal funds were allocated to Capital Improvements and Debt Service (Interest).
- Fiscal Year 2024: Spending increased to \$124 million, driven by rising costs in Contractual Services and personnel expenses, supporting the continued delivery of housing programs.
- Fiscal Year 2025: Expenditures are projected to decrease slightly to \$119 million, with modest reductions in Contractual Services, Salaries, Wages and Benefits, Capital Improvement Projects and Commodities.

Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Expenditures by Type



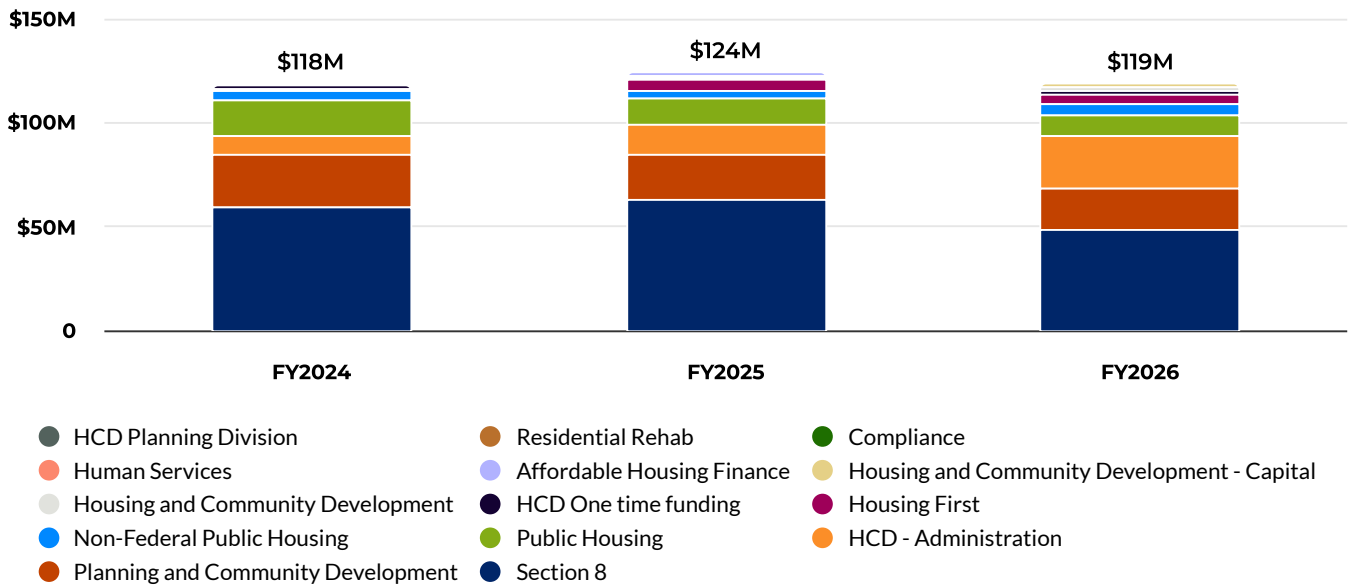
Note: Charts may not total 100% due to rounding.

# Expenditures by Cost Center

This chart highlights how the Housing and Community Development Department allocated expenditures across key program areas over the past three fiscal years:

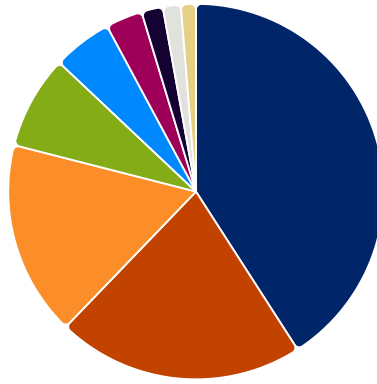
- Fiscal Year 2024: Total expenditures were \$118 million, with major allocations to:
  - Section 8
  - Planning and Community Development
  - Public Housing
- Fiscal Year 2025: Spending increased to \$124 million, reflecting expanded investments in:
  - Section 8
  - HCD Administration
  - Housing and Community Development
- Fiscal Year 2026: Spending is projected to decrease to \$119 million, with continued funding support for:
  - Section 8
  - HCD Administration
  - Housing and Community Development

**Historical Expenditures by Cost Center**



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Cost Center



● Section 8	<b>\$48,490,447</b>	40.89%
● HCD - Administration	<b>\$25,254,082</b>	21.30%
● Planning and Community Development	<b>\$19,912,202</b>	16.79%
● Public Housing	<b>\$9,550,354</b>	8.05%
● Non-Federal Public Housing	<b>\$6,048,605</b>	5.10%
● Housing First	<b>\$3,755,188</b>	3.17%
● HCD One time funding	<b>\$2,190,240</b>	1.85%
● Housing and Community Development	<b>\$1,836,660</b>	1.55%
● Housing and Community Development - Capital	<b>\$1,538,200</b>	1.30%

Note: Charts may not total 100% due to rounding.

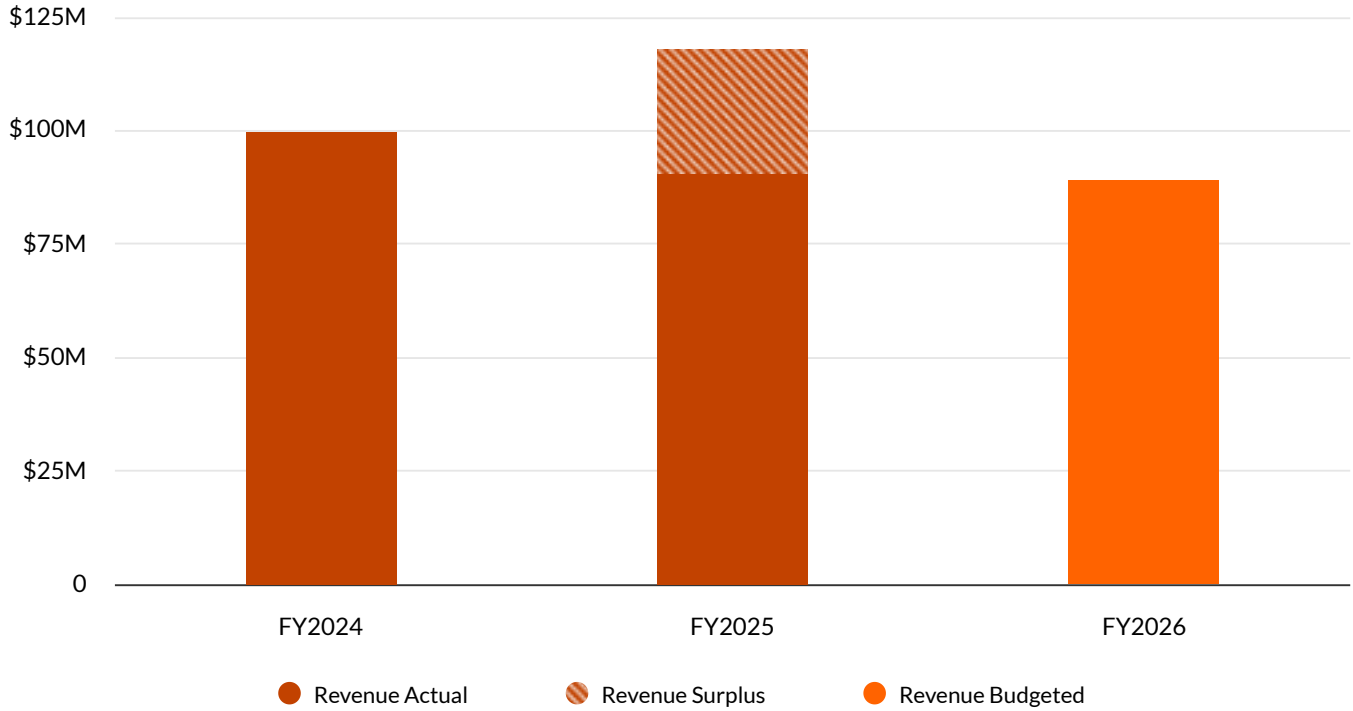
## Revenue Summary

\$89,025,444

Includes Transfers In and Out

-\$1,635,424 / 1.80% Lower Than the Prior Year's Budget

### Historical Revenues Across Department



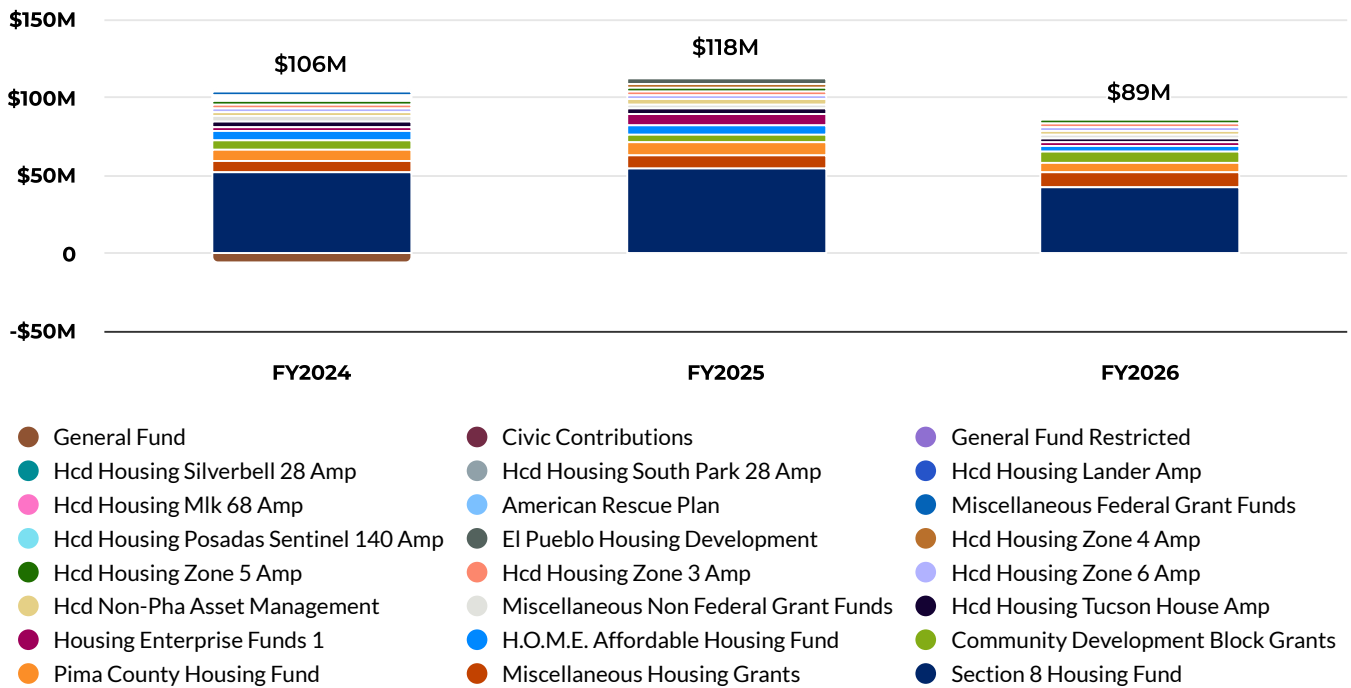
Note: Amounts shown in the graphs are rounded up.

# Revenues by Funding Source

This chart illustrates the Housing and Community Development Department’s revenue from various funding sources over the past three fiscal years:

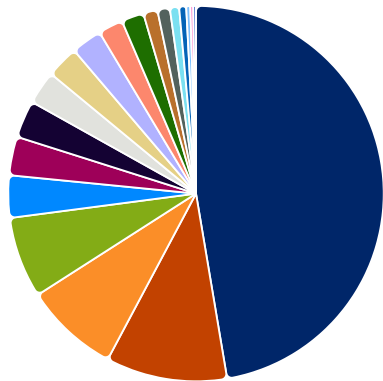
- Fiscal Year 2024: Total revenue was approximately \$106 million, primarily supported by the Section 8 Housing Fund, Miscellaneous Funding, Grants
- Fiscal Year 2025: Revenues increased at \$118 million, with a slight increase in Section 8 Housing, Grants to continue supporting the department’s programs and services.
- Fiscal Year 2026: Revenues are projected to decrease by \$89 million, largely due to the decrease of funding sources—such as Section 8, Miscellaneous and Grants ensuring continued support for the department’s mission and priorities.

Historical Revenues by Fund



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Fund



● Section 8 Housing Fund	<b>\$42,144,910</b>	47.34%
● Miscellaneous Housing Grants	<b>\$9,295,894</b>	10.44%
● Community Development Block Grants	<b>\$7,257,950</b>	8.15%
● Pima County Housing Fund	<b>\$6,214,190</b>	6.98%
● H.O.M.E. Affordable Housing Fund	<b>\$3,245,100</b>	3.65%
● Hcd Housing Tucson House Amp	<b>\$2,969,250</b>	3.34%
● Hcd Housing Zone 3 Amp	<b>\$2,856,710</b>	3.21%
● Housing Enterprise Funds 1	<b>\$2,570,390</b>	2.89%
● Hcd Non-Pha Asset Management	<b>\$2,469,860</b>	2.77%
● Miscellaneous Non Federal Grant Funds	<b>\$2,363,130</b>	2.65%
● Hcd Housing Zone 5 Amp	<b>\$1,895,550</b>	2.13%
● Hcd Housing Zone 6 Amp	<b>\$1,718,070</b>	1.93%
● Hcd Housing Zone 4 Amp	<b>\$1,089,620</b>	1.22%
● Hcd Housing Posadas Sentinel 140 Amp	<b>\$940,500</b>	1.06%
● Hcd Housing Mlk 68 Amp	<b>\$718,120</b>	0.81%
● Miscellaneous Federal Grant Funds	<b>\$536,000</b>	0.60%
● Hcd Housing Lander Amp	<b>\$305,200</b>	0.34%
● Hcd Housing South Park 28 Amp	<b>\$234,700</b>	0.26%
● Hcd Housing Silverbell 28 Amp	<b>\$200,300</b>	0.22%

Notes: Charts may not total 100% due to rounding.

## Revenues by Type

This chart breaks down the sources of revenue that fund the Housing and Community Development Department's programs over the past three fiscal years:

In Fiscal Year 2026, total revenue for Housing and Community Development is projected at \$89.0 million, reflecting a 24.47% decrease from the Fiscal Year 2025 total of \$117.9 million. The decline is driven by broad reductions across nearly all revenue categories, particularly in federal and service-based sources.

### Major Revenue Sources

- Federal Grants and Contributions – Capital remains the dominant revenue stream at \$80.4 million (90.27% of total revenue). However, this category decreased by \$23.2 million (-22.37%) compared to the prior year, underscoring reduced availability of federal funding.
- Charges for Services is the second-largest category, contributing \$8.5 million (9.49%), but declined by \$2.4 million (-22.47%), further reducing service-related revenues.

### Declining Secondary Revenues

- Use of Money and Property decreased by 61.75% to \$135,000, now representing only 0.15% of total revenue.
- Investment Income fell sharply by 88.31% to \$33,150, comprising 0.04% of the total.
- Other Non-Operating Income declined by 10.74% to \$23,820, or 0.03% of revenue.
- Miscellaneous Revenue dropped significantly by 97.03% to \$17,000, accounting for just 0.02% of the total.

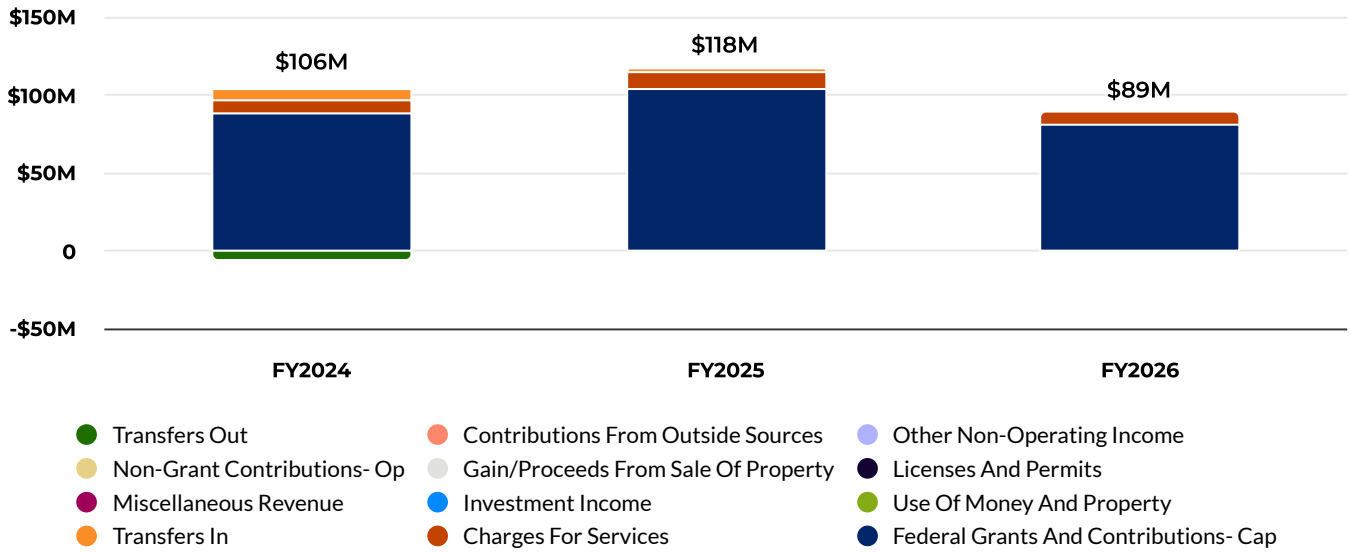
### Eliminated Categories

Several revenue sources were reduced to zero in Fiscal Year 2026, including:

- Licenses and Permits (-100%)
- Non-Grant Contributions – Operating (-100%)
- Contributions from Outside Sources (-100%)
- Gain/Proceeds from Sale of Property (-\$202,195, 100%)
- Transfers In (-\$2.0 million, 100%)

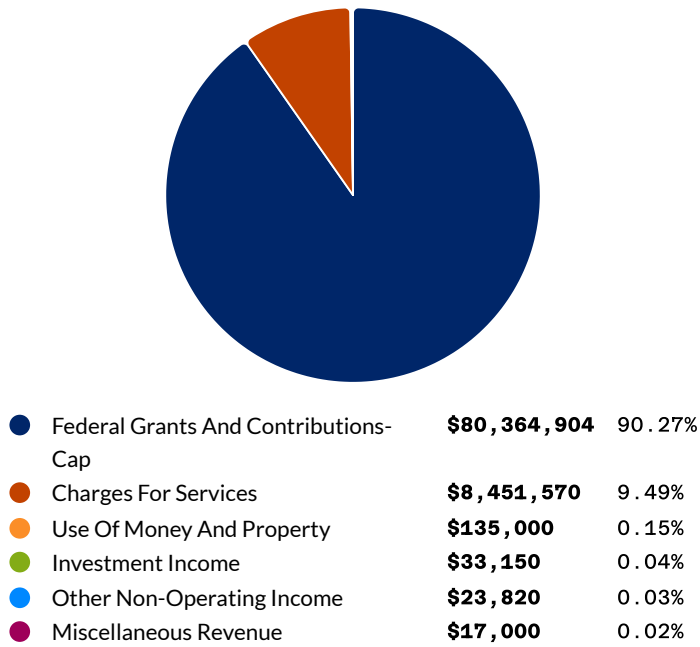
The Fiscal Year 2026 revenue outlook highlights a substantial contraction in funding, with decreases across nearly all sources. While Federal Grants and Contributions – Capital continue to dominate at more than 90% of total revenue, this category also declined notably, reinforcing the department's increasing vulnerability to reductions in federal support. The elimination or sharp reduction of multiple secondary categories further narrows the revenue base, leaving Housing and Community Development with a heavily concentrated and less diversified funding structure heading into FY2026.

### Historical Revenues by Revenue Type



Note: Amounts shown in the graphs are rounded up.

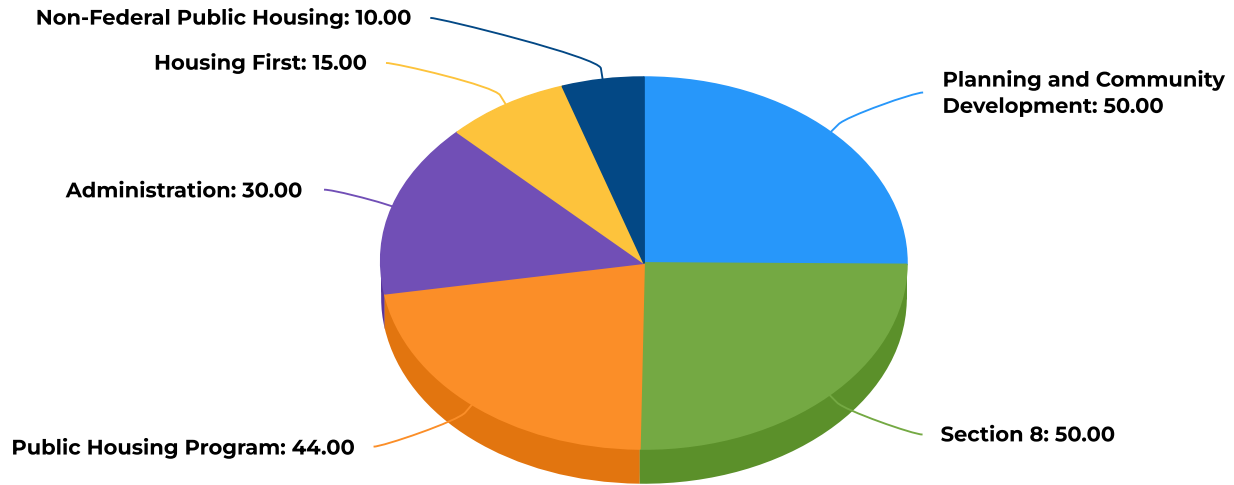
### Fiscal Year 2026 Revenues by Type



Notes: Charts may not total 100% due to rounding.

# Position Resources

Fiscal Year 2026 Adopted FTE Count



# Human Resources Department Overview



## Mission Statement

To partner with City departments to build a workplace culture that attracts, retains, and supports an effective, engaged, and diverse workforce.

The Human Resources (HR) team provides citywide support to ensure that Tucson's workforce is well-managed, fairly treated, and supported at every stage of employment.

The following divisions and functions are included in this department:

The **Civil Service & Labor Relations** function acts as staff to the Civil Service Commission and manages negotiations with employee groups.

The **Employee Development** function oversees training, education, wellness programs, and leave management (like Family Medical Leave, Paid Parental Leave, and ADA support).

The **Central Payroll** function ensures that all City employees are paid accurately and on time, while staying compliant with all payroll regulations.

The **HR Information Systems (HRIS)** function manages HR data and personnel records and ensures the City's HR systems are up-to-date and function efficiently.

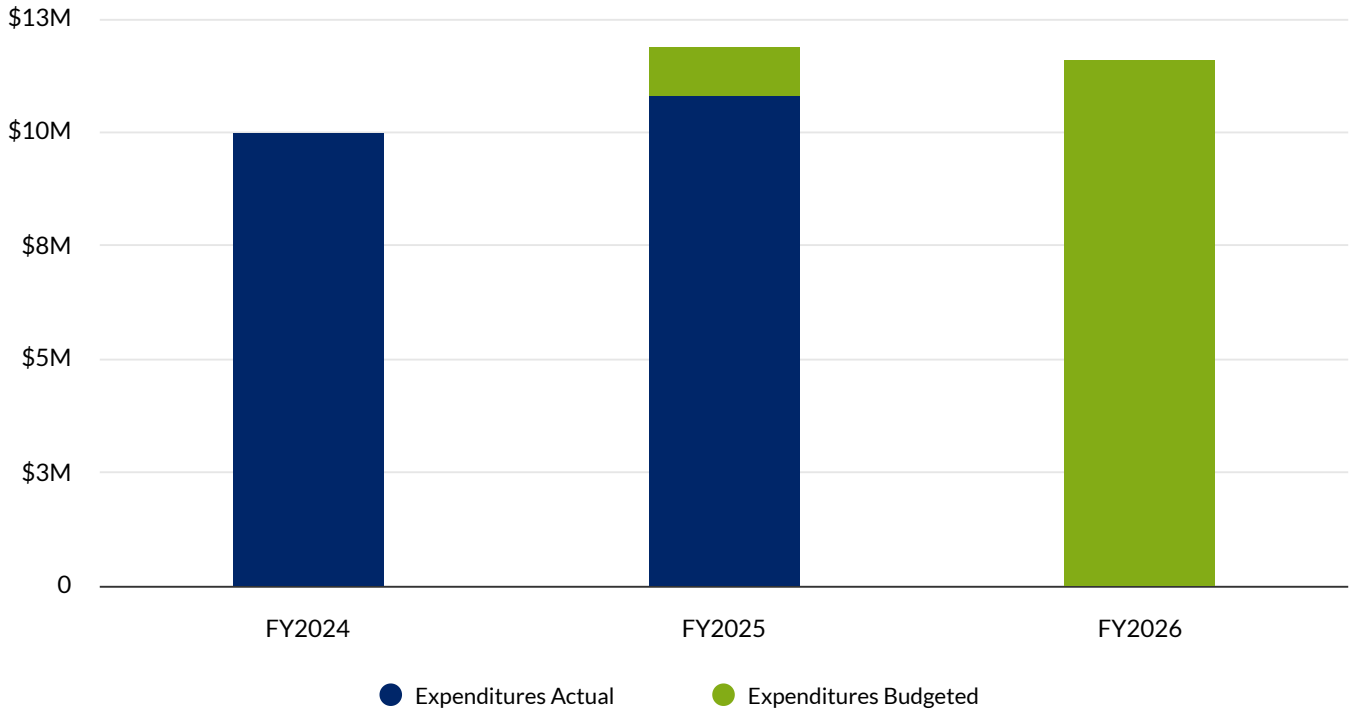
The **Occupational Health & Leaves (OHL)** function helps employees navigate various types of leave, light duty assignments, and work-related health needs.

## Expenditure Summary

**\$11,605,178**

-\$293,304 / 2.47% Lower Than the Prior Year's Budget

### Historical Expenditures Across Department



*Note: Amounts shown in the graphs are rounded up.*

#### Significant Changes

The Human Resources Department’s budgeted expenditures for Fiscal Year 2026 are set at \$11.6 million, reflecting a 2.47% decrease from the Fiscal Year 2025 budget of \$11.9 million.

In FY2025, actual expenditures totaled \$10.8 million, which represented 90.69% of the budgeted amount. Actual spending in Fiscal Year 2025 marked an 8.11% increase compared to the prior year’s actuals, though it remained below the budgeted level.

#### Trends

The Human Resources Department is modernizing the way the City hires and supports employees. A new streamlined recruitment system has been launched, featuring:

- A user-friendly application portal
- Automated workflows
- Enhanced screening tools

This update makes hiring faster, more efficient, and more accessible for qualified candidates.

In addition to recruitment, HR is focused on:

- Employee retention strategies
- Professional development opportunities
- Promoting a positive, inclusive workplace culture

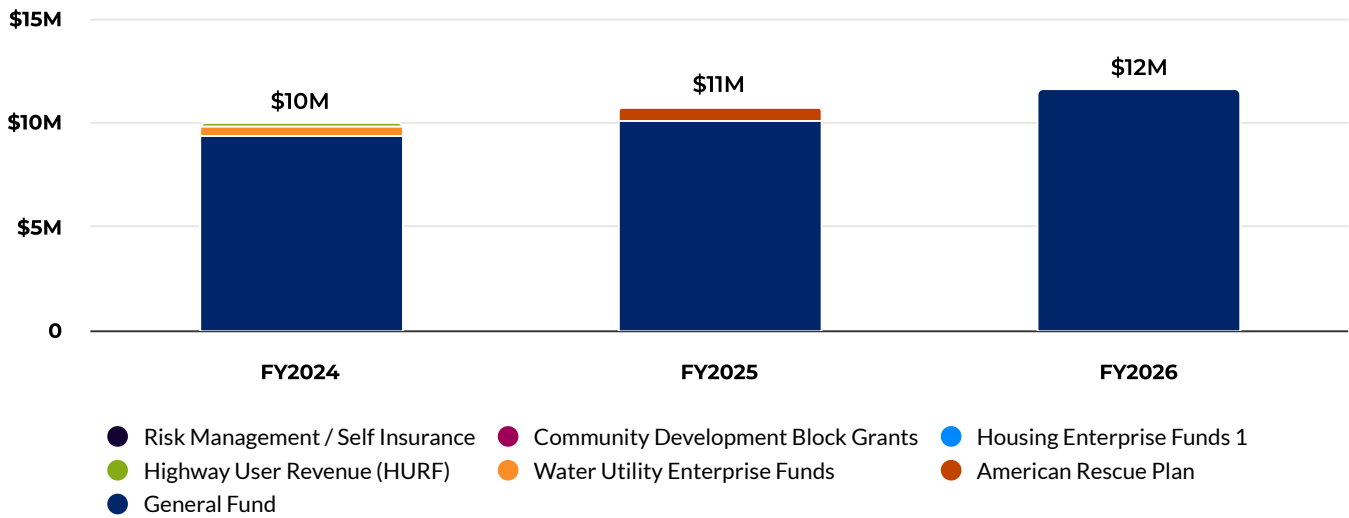
These efforts are part of a broader plan to ensure the City workforce is prepared, resilient, and well-supported—both now and into the future.

## Expenditures by Fund

This chart shows how the Human Resources (HR) Department’s expenditures have been supported by various funding sources over the past three fiscal years:

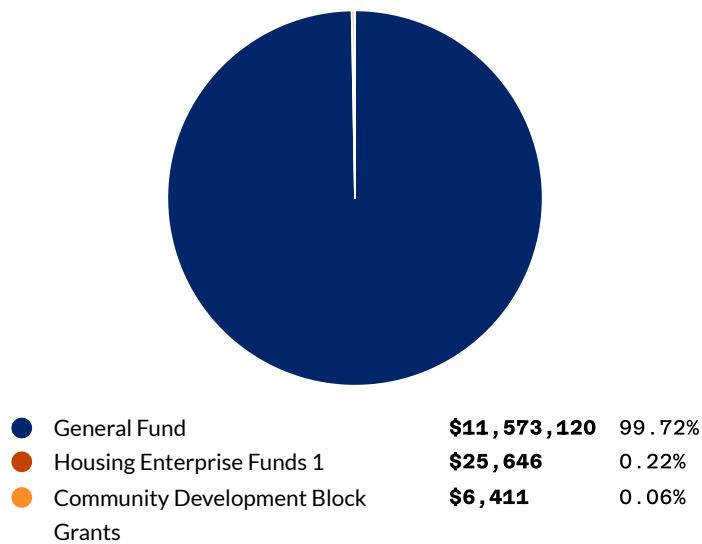
- Fiscal Year 2024: Expenditures totaled \$10 million, funded almost entirely by the General Fund.
- Fiscal Year 2025: Expenditures rose to \$11 million, continuing to rely primarily on the General Fund, with additional contributions from the Water Utility Fund and the Highway User Revenue Fund (HURF).
- Fiscal Year 2026: Expenditures are projected to increase to \$12 million, with the General Fund remaining the primary funding source. Smaller contributions will come from Environmental Services, and the Housing Enterprise Fund.

Historical Expenditures by Fund



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Expenditures by Fund



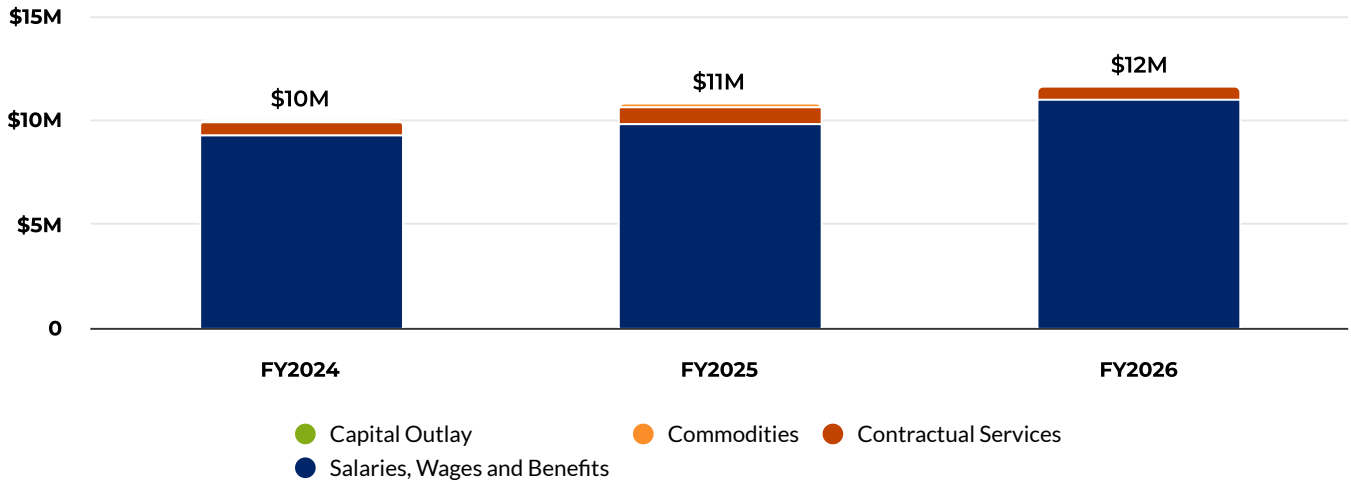
Notes: Charts may not total 100% due to rounding.

## Expenditures by Type

This chart breaks down the Human Resources Department’s spending by expense type over the past three fiscal years:

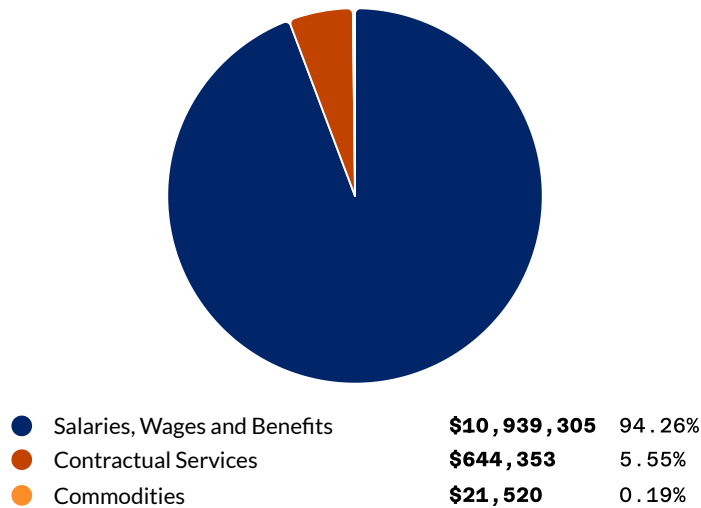
- Fiscal Year 2024: Total expenditures were \$10 million, with the majority allocated to Salaries, Wages, and Benefits and Contractual Services.
- Fiscal Year 2025: Spending increased to \$10 million, driven by a significant rise in Salaries, Wages, and Benefits, as well as Contractual Services, which include vendor services, system support, and professional consultants.
- Fiscal Year 2026: Expenditures are projected to grow to \$12 million, with Salaries, Wages, and Benefits remaining the primary cost driver. This continued growth reflects the City’s ongoing investment in workforce development, modern HR systems, and expanded support services for employees.

Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Expenditures by Type



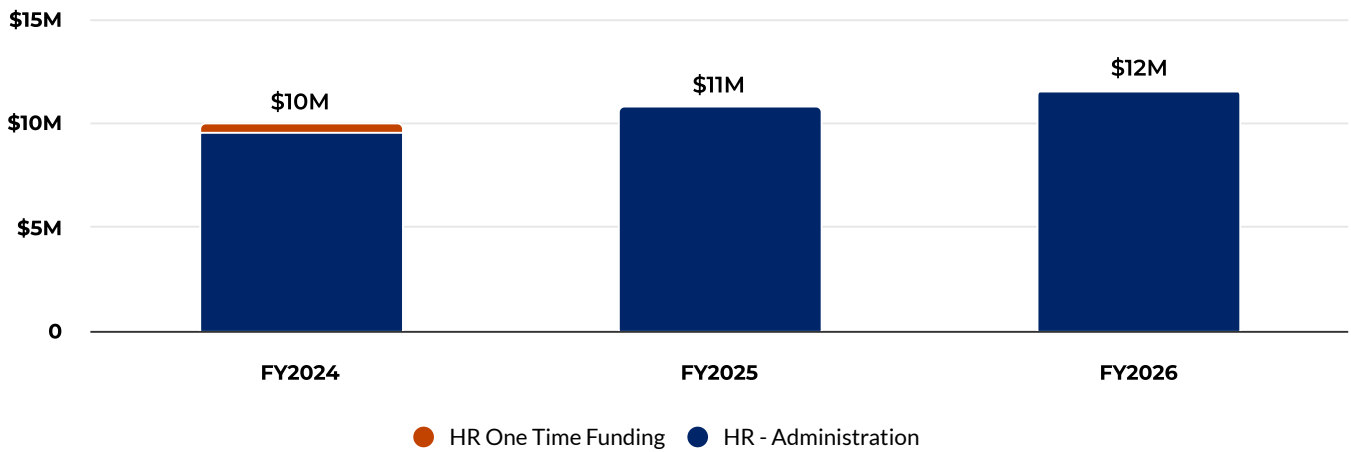
Notes: Charts may not total 100% due to rounding.

## Expenditures by Cost Center

This chart shows how the Human Resources Department’s budget has been allocated over the past three fiscal years, broken down by key areas of spending:

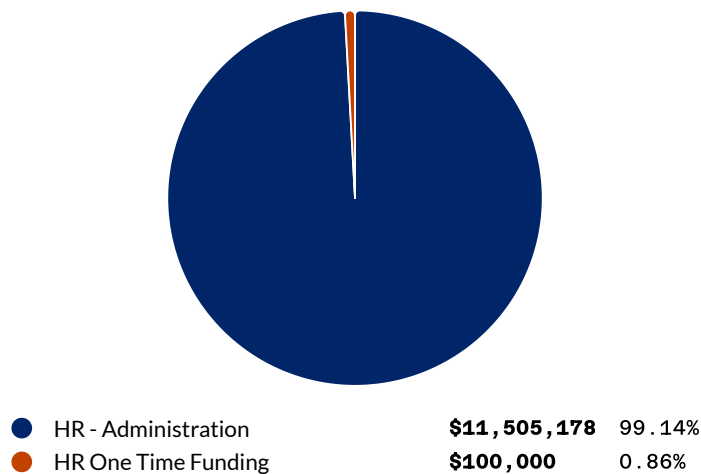
- Fiscal Year 2024: Total expenditures were \$10 million, entirely allocated to HR Administration and HR One-Time Funding initiatives.
- Fiscal Year 2025: Expenditures increased to \$11 million, with continued emphasis on HR Administration, focusing on equity initiatives and employee development opportunities to strengthen the City’s workforce.
- Fiscal Year 2026: Spending is projected to reach \$12 million, dedicated to HR Administration to support ongoing operations, employee engagement, and organizational improvement efforts.

**Historical Expenditures by Cost Center**



Note: Amounts shown in the graphs are rounded up.

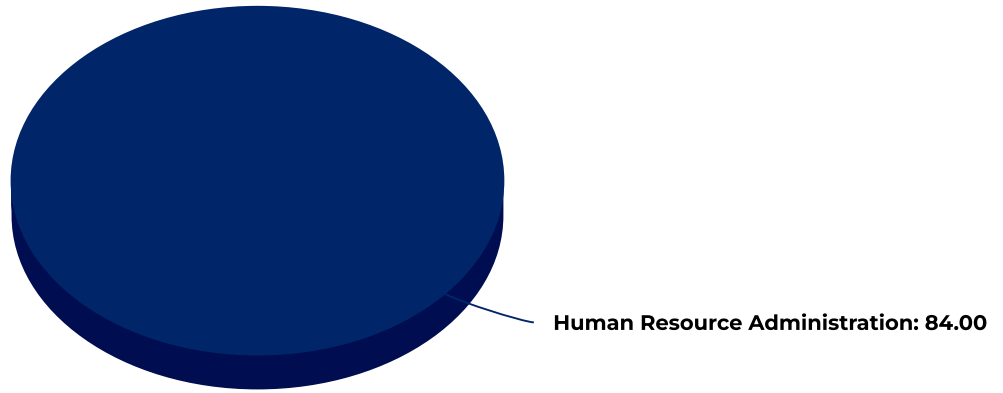
**Fiscal Year 2026 Expenditures by Cost Center**



Notes: Charts may not total 100% due to rounding.

## Position Resources

### Fiscal Year 2026 Adopted FTE Count



# Information Technology Department Overview



## Mission Statement

Our business is customer satisfaction. We are value-added partners, aligned with our customers by being agile, reliable, and proactive.

The following divisions and functions are included in this department:

The **Administration Division** leads and manages administrative responsibilities for the Information Technology Department in support of the department and City's vision, mission, and goals. Key responsibilities include providing administrative leadership with guidance and support and facilitating management of the department. Key responsibilities include technology planning, financial stewardship, human resources support, and establishment and administration of standards and procedures.

The **Business Management Services Division** proactively works with stakeholders to understand their technological requirements and assist in identifying and implementing innovative, value-added technology solutions. Also, the division supports and maintains the City Internet Web Services. Key responsibilities include providing technology project management support, technology training support and quality assurance services. Also, the division provides data analytics and GIS services and promotes increased public information and access to City services via websites and applications.

The **Client Application Services Division** delivers citywide technology software improvements, enables technology changes and environment modernization, and provides maintenance and support functions including corrective, preventative, risk, and condition-based maintenance to maintain uptime and availability. Key responsibilities include providing analysis, development, implementation, and on-going support of enterprise software applications, including public safety applications, internal applications that support City business processes, and constituent-facing applications used by citizens. The team also ensures application availability and manages the performance, availability, and stability of supporting systems and interfaces.

The **Infrastructure Services Division** ensures a stable and secure computing and technology environment for City and citizen users of City-owned and operated technology. Key responsibilities include providing centralized data center, network and telephony operations and monitoring and maintaining City servers, storage, and related infrastructure to support City software applications. Also, the team provides citywide replacement of individual computing equipment, e-mail, and calendar support, as well as help desk services, and field support focusing on hardware and software for desktop and mobile computing units.

The **Managed Print Services Division** partners with an external services provider to optimize and manage the City's document output and costs. Key responsibilities include providing consolidation of costs citywide for the management of network printers and malfunctioning devices that allow the city to both reduce printing costs and provide a higher level of service and reliability.

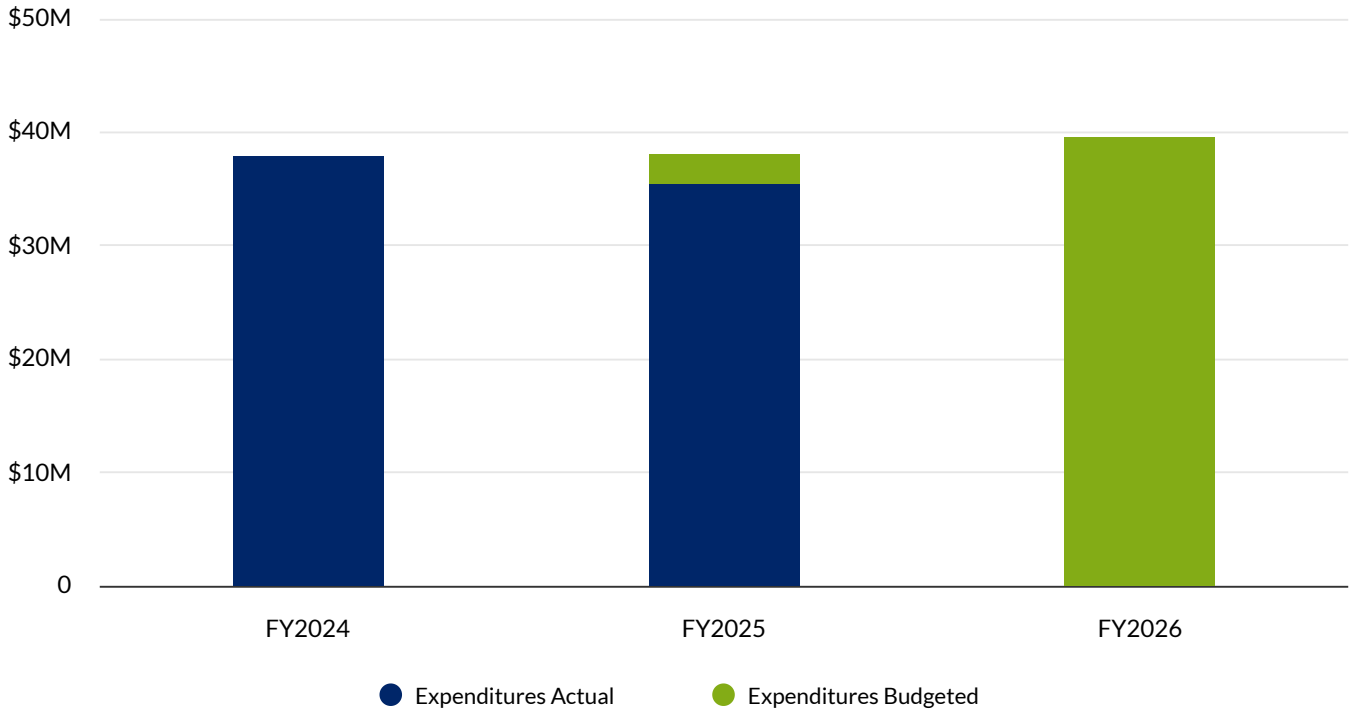
The **Cybersecurity Division** develops, defines and communicates processes to ensure the effective and efficient use of information technology throughout the City, including leading cybersecurity strategies, and technology asset management processes and procedures. Key responsibilities include providing cybersecurity systems, tools, equipment, processes, and procedures to protect City technology systems, networks, computers, programs, and data from malicious digital attacks. Also, the team develops and manages business practices combining financial, inventory, contractual and risk management tools, and techniques to manage the overall life cycle of City technology hardware and software.

## Expenditure Summary

**\$39,494,677**

\$1,497,672 / 3.94% Higher Than the Prior Year's Budget

### Historical Expenditures Across Department



*Note: Amounts shown in the graphs are rounded up.*

### Significant Changes

The Information Technology (IT) department's budgeted expenditures for Fiscal Year 2026 total \$39.5 million, reflecting a 3.94% increase over the Fiscal Year 2025 budget of \$38.0 million.

In Fiscal Year 2025, actual expenditures were \$35.4 million, representing 93.11% of the budgeted amount and marking a 6.88% decrease from the prior year.

### Trends

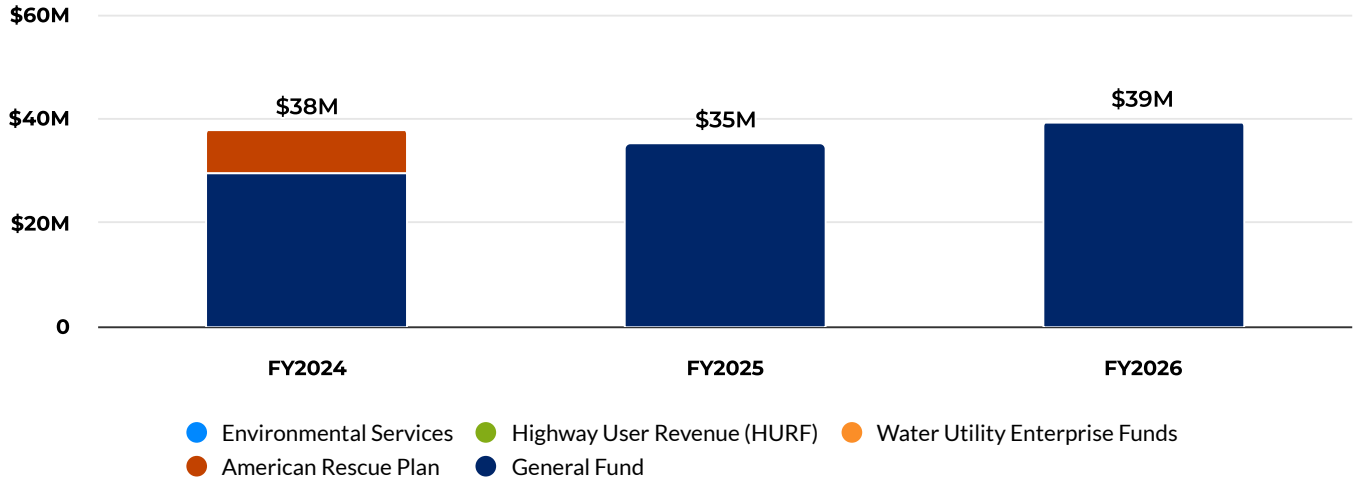
The Fiscal Year 2026 budget signals a planned increase in investment, exceeding both the previous year's budgeted and actual expenditures. This adjustment reflects the City's continued commitment to strengthening IT infrastructure, enhancing digital services, and supporting organizational technology needs.

## Expenditures by Fund

This chart illustrates how the Information Technology Department's expenditures have been funded over the past three fiscal years:

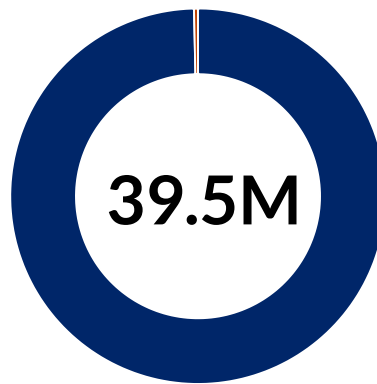
- Fiscal Year 2024: Total expenditures were approximately \$38 million, with the majority of IT-related costs supported by the General Fund. A small portion of funding came from the American Rescue Plan, used to address pandemic-related technology needs and infrastructure upgrades.
- Fiscal Year 2025: Expenditures decreased to \$35 million, funded primarily by the General Fund.
- Fiscal Year 2026: Expenditures are projected to increase slightly to \$39 million, continuing to be funded primarily by the General Fund.

Historical Expenditures by Fund



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Expenditures by Fund



General Fund	\$39,361,018	99.66%
Water Utility Enterprise Funds	\$133,659	0.34%

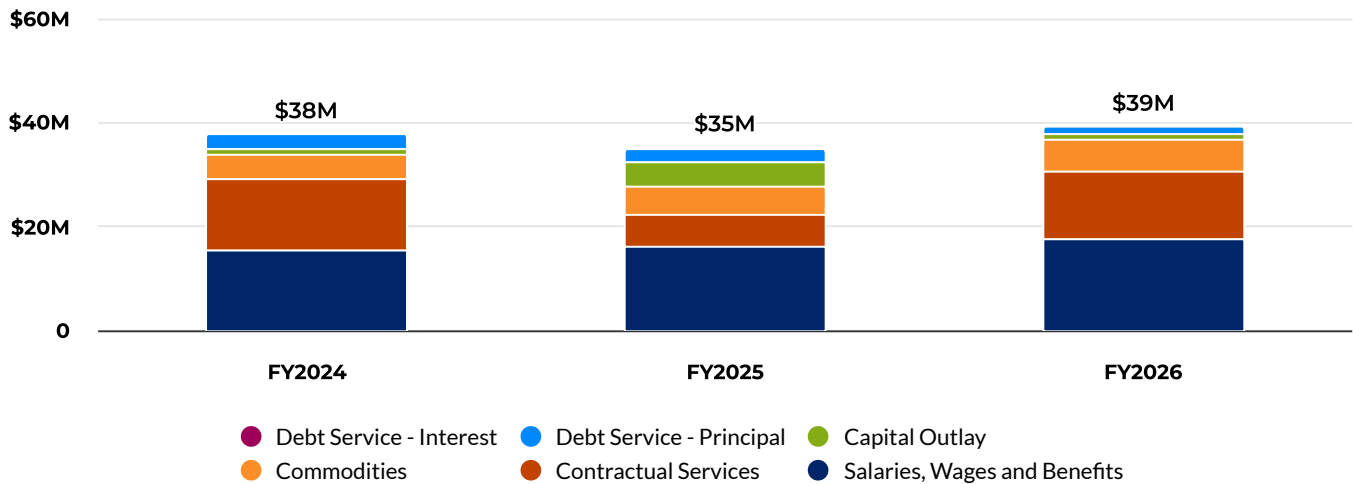
Notes: Charts may not total 100% due to rounding.

## Expenditures by Type

This chart illustrates how the City’s Information Technology Department allocated its spending by expense type over the past three fiscal years:

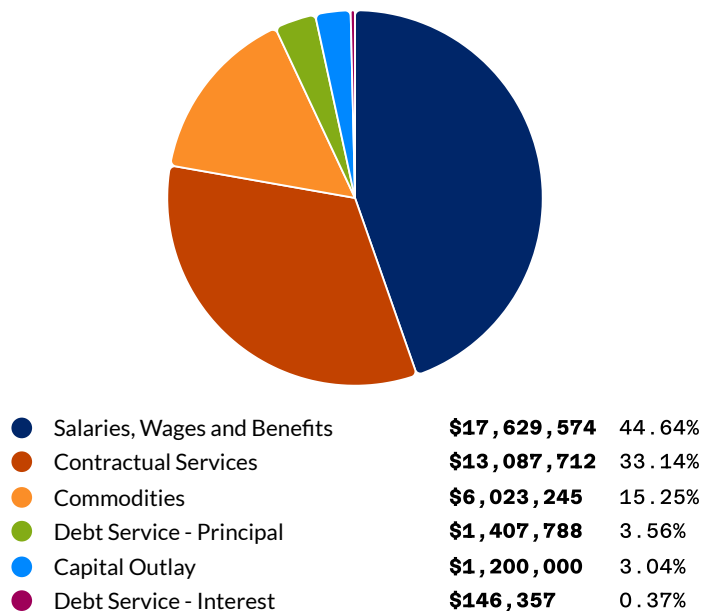
- Fiscal Year 2024: Total expenditures were approximately \$38 million, with the majority allocated to Salaries, Wages, and Benefits and Contractual Services. Smaller portions supported Debt Service, Commodities, and Capital Outlay.
- Fiscal Year 2025: Expenditures slightly decreased to \$35 million, driven by a decrease in Contractual Services.
- Fiscal Year 2026: Expenditures are projected to increase to \$39 million, reflecting an increase in Salaries, Wages, and Benefits and Contractual Services.

Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Expenditures by Type

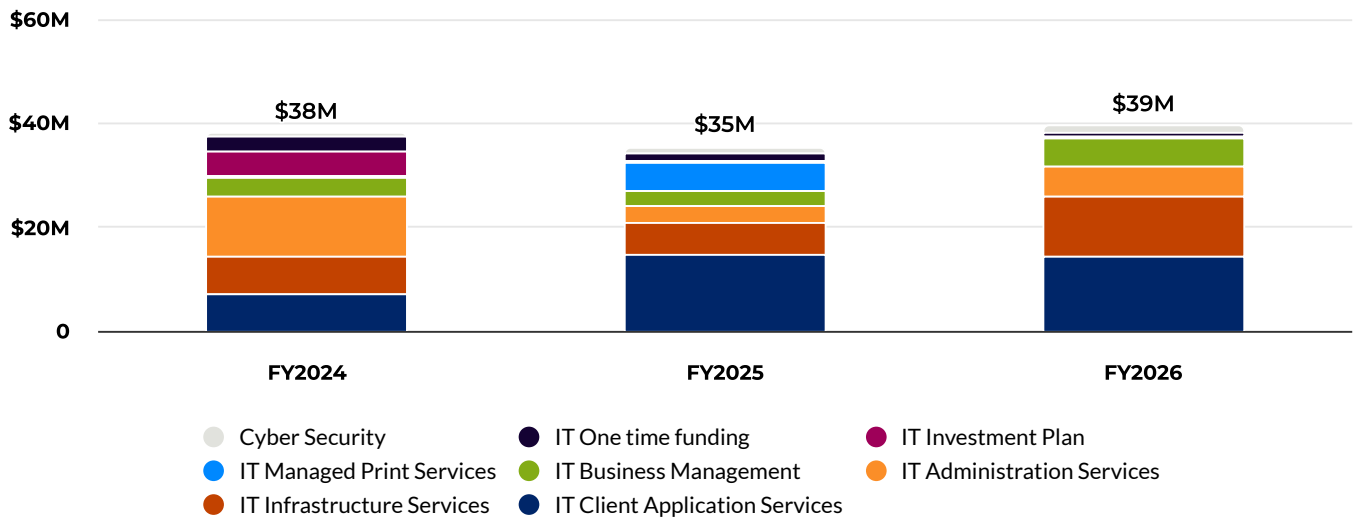


# Expenditures by Cost Center

This chart shows how the City's Information Technology Department allocated its budget across different functional areas (cost centers) over the past three fiscal years:

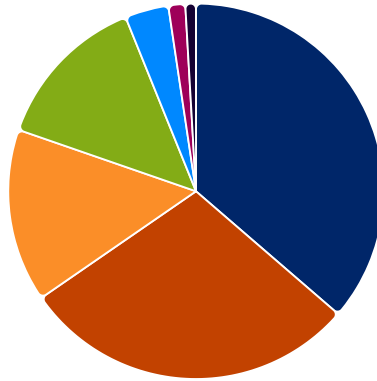
- Fiscal Year 2024: Total expenditures were \$38 million, with the majority focused on IT Administration Service, IT application services and infrastructure.
- Fiscal Year 2025: Spending decreased to \$35 million, reflecting enhanced investments in infrastructure, applications, and cybersecurity tools.
- Fiscal Year 2026: Expenditures are projected to increase slightly to \$39 million, with continued strong investment in application services and cybersecurity.

**Historical Expenditures by Cost Center**



*Note: Amounts shown in the graphs are rounded up.*

### Fiscal Year 2026 Expenditures by Cost Center

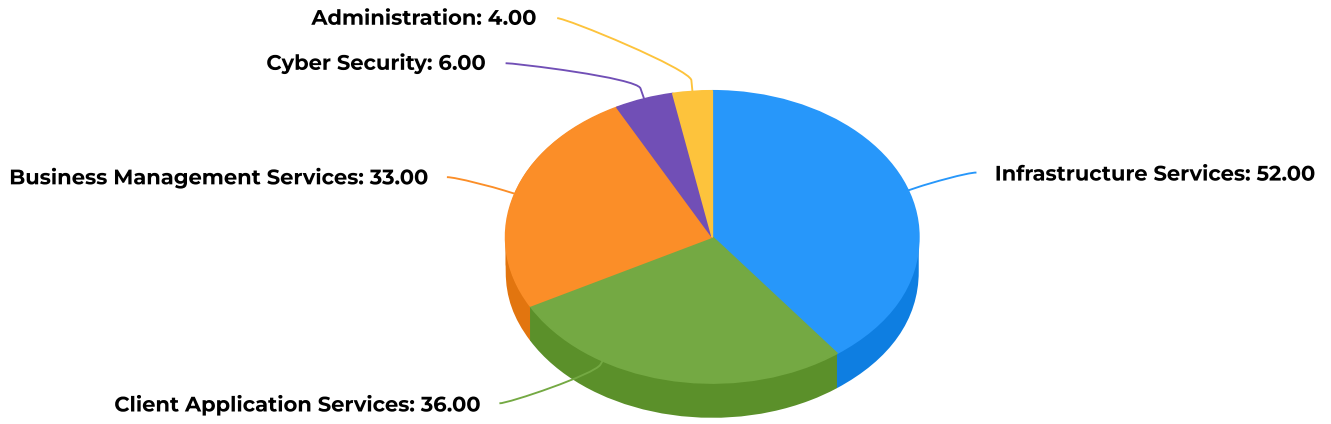


● IT Client Application Services	<b>\$14,347,692</b>	36.33%
● IT Infrastructure Services	<b>\$11,479,164</b>	29.07%
● IT Administration Services	<b>\$5,890,226</b>	14.91%
● IT Business Management	<b>\$5,361,394</b>	13.57%
● Cyber Security	<b>\$1,482,280</b>	3.75%
● IT One time funding	<b>\$575,000</b>	1.46%
● IT Managed Print Services	<b>\$358,920</b>	0.91%

Note: Charts may not total 100% due to rounding.

# Position Resources

Fiscal Year 2026 Adopted FTE Count



# Parks and Recreation Department Overview



## Mission Statement

To provide a park system offering safe and high-quality recreational programs and services for Tucsonan's of all ages and abilities.

Tucson Parks and Recreation is committed to building a healthy, inclusive, and connected community through safe parks, fun programs, and enriching experiences for residents of all ages.

## Vision

A dynamic, proactive, and innovative system of parks, facilities, and services that enhances the overall quality of life for all.

## Values

Fun

Community Enrichment

Exceptional Customer Service

Health and Wellness

The following divisions and functions are included in this department:

The **Administration** division oversees day-to-day leadership, budgeting, policy, and coordination for the entire department. Key responsibilities include managing reservation and registration services, supporting the Parks and Recreation Commission and Tucson Greens Committee.

The **Park Maintenance** division maintains 126 parks and facilities across the city. Key responsibilities include ensuring all parks remain clean, safe, and welcoming through routine and preventative care.

The **Recreation Programming** division provides year-round recreational opportunities for youth, adults, and families. Key responsibilities include offering after-school programs like KIDCO, open recreation centers, and leisure classes in fitness, art, dance, and more. Also, the team supports the regional centers (e.g., Udall, Clements, El Pueblo, Randolph) that are open on Saturdays for broader community access.

The **Specialized Services** division manages the City's major tennis centers—Randolph, Fort Lowell, and Himmel. Key responsibilities include hosting public lessons, tournaments, and events. There are 25 lighted tennis courts, and racquetball and pickleball courts operated in partnership with Tucson Tennis Management.

The **Reid Park Zoo** function covers the Zoo, which attracts over 550,000 visitors annually. Key responsibilities include hosting special events like Zoo Lights and Howl-o-ween. Also, this area coordinates daily train rides, educational experiences, and conservation efforts. The Zoo is operated by the Reid Park Zoological Society.

The **PCOA - Congregate** division supports senior nutrition and recreation through funding from the Pima Council on Aging. Key responsibilities include leveraging existing City services to provide enhanced community support for older adults.

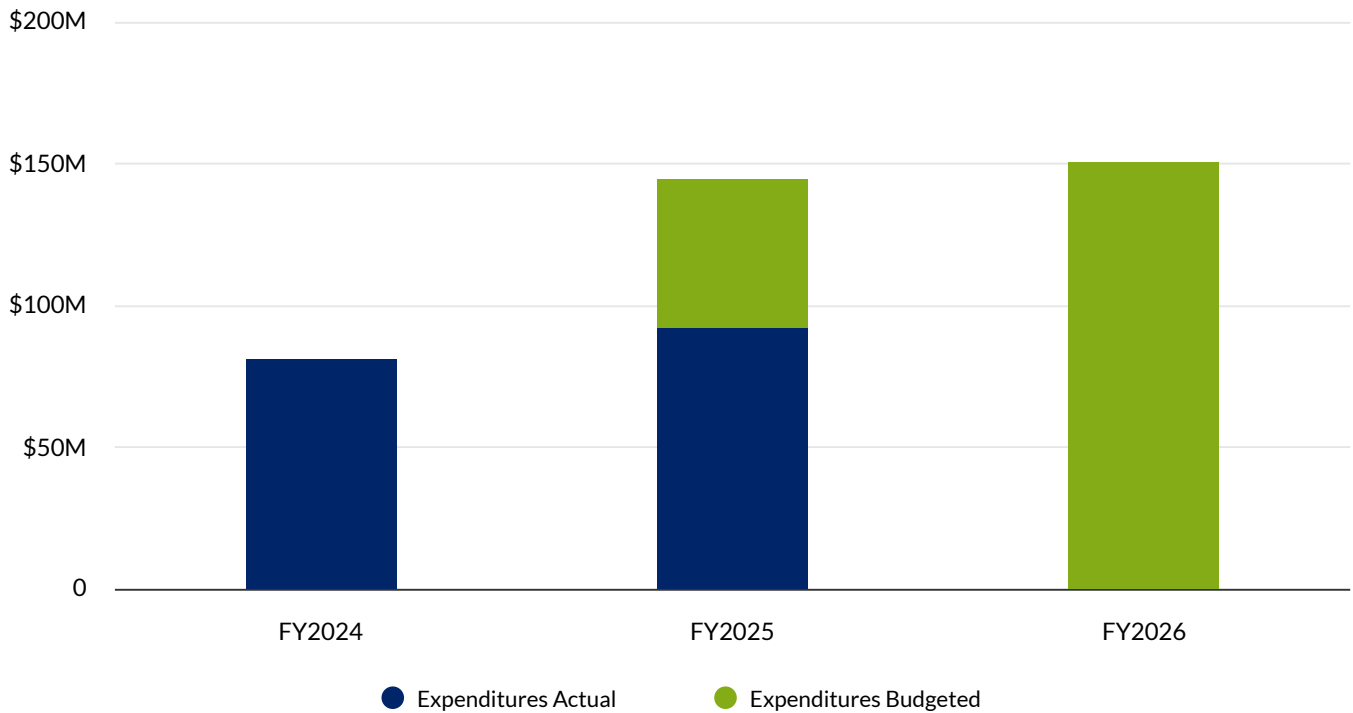
The **Aquatics** division offers year-round and seasonal swimming opportunities and water safety education. Key responsibilities include swimming lessons, lap swimming, synchronized swimming, and lifeguard/WSI training. The team manages four pools open year-round, and nine more operate during summer.

## Expenditure Summary

**\$150,066,982**

\$5,814,219 / 4.03% Higher Than the Prior Year's Budget

### Historical Expenditures Across Department



*Note: Amounts shown in the graphs are rounded up.*

### Significant Changes

The Parks and Recreation budget for Fiscal Year 2026 is established at \$150.1 million, reflecting a 4.03% increase over the Fiscal Year 2025 budget of \$144.3 million. This allocation continues the department's trend of incremental growth in planned expenditures.

In Fiscal Year 2025, actual expenditures totaled \$92.3 million, which represented 64% of the approved budget. Actual spending reflected a 14.54% increase compared to the prior year's expenditures, demonstrating rising programmatic and capital activity despite falling short of the budgeted level.

### Trends

Rising vendor and contract costs continue to impact the department's spending. Several key areas are trending above expected levels:

- Essential services like security, custodial work, and pool chemicals have seen cost increases due to vendor price adjustments. These services are critical for safety and health compliance and offer little flexibility in how much can be reduced.
- Landscaping and tree maintenance costs are expected to rise significantly over the next three years as contracts are renegotiated.
- Uniform needs are tied directly to the number of seasonal and full-time staff, which has increased with expanded programs.
- New parks and amenities, like splash pads and sports fields, are opening thanks to Proposition 407 bond projects—but these come with added operational and maintenance costs.

As Tucson's park system continues to grow and improve, the department is working to balance rising costs with the need to provide safe, clean, and accessible recreation spaces for all.

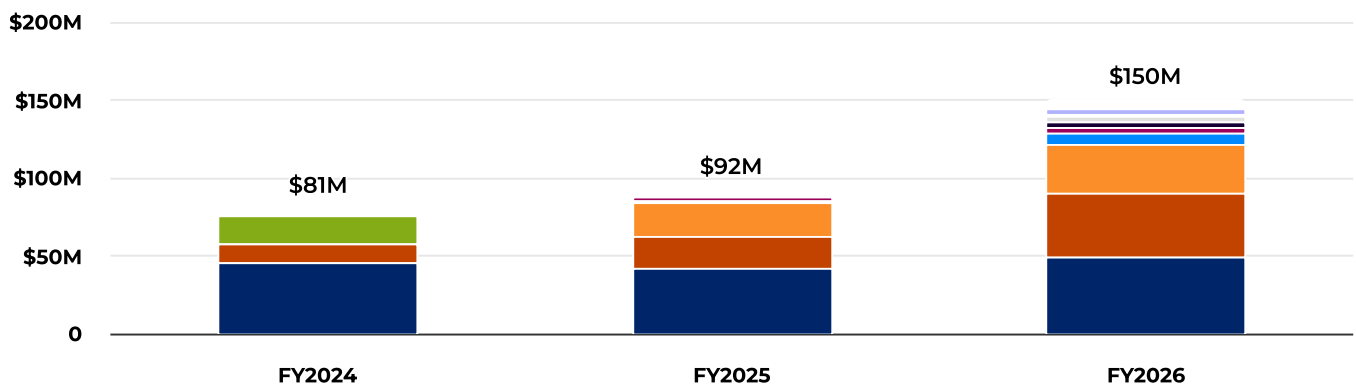
# Expenditures by Fund

This chart shows how the department's budget has been funded over the past three fiscal years, drawing from a mix of local, state, and federal sources:

- Fiscal Year 2024: Expenditures totaled \$81 million, with the majority of funding provided by the General Fund.
- Fiscal Year 2025: Spending increased to \$92 million, maintaining a strong reliance on the General Fund, along with a significant contribution from the Gene Reid Park Capital Improvement Fund.
- Fiscal Year 2026: Expenditures are projected to rise substantially to \$150 million, with funding distributed across the General Fund, Impact fees and a combination of federal and non-federal grants.

This growth from Fiscal Year 2024 to Fiscal Year 2026 reflects major capital investments associated with Proposition 407, as well as increased operational needs driven by the expansion and improvement of recreation amenities.

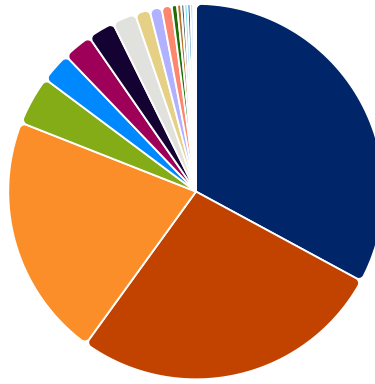
Historical Expenditures by Fund



- Tucson Convention Center (TCC)
- Tucson Golf Enterprise Fund
- East District Impact Fees
- Central District Impact Fees
- SOUTHLANDS DISTRICT IMPACT FEES
- Southeast District Impact Fees
- Southlands District Impact Fees 2
- General Fund Restricted
- West District Impact Fees (Post 12/31/2011)
- Miscellaneous Non Federal Grant Funds
- East District Impact Fees (Post 12/31/2011)
- Central District Impact Fees (Post 12/31/2011)
- Impact Fees 2020 - Area A
- Impact Fees 2020 - Area C
- Southeast District Impact Fees (Post 12/31/2011)
- Impact Fees 2020 - Area B
- Civic Contributions
- Miscellaneous Federal Grant Funds
- Capital Proposition: Parks And Connections Bond Series 2020
- Capital Proposition: Parks And Connections Bond Series 2023
- Gene Reid Park Zoo Capital Improvement
- General Fund

Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Fund



General Fund	<b>\$49,368,432</b>	32.90%
Gene Reid Park Zoo Capital Improvement	<b>\$40,614,960</b>	27.06%
Capital Proposition: Parks And Connections Bond Series 2023	<b>\$31,527,720</b>	21.01%
Miscellaneous Federal Grant Funds	<b>\$6,362,380</b>	4.24%
Impact Fees 2020 - Area B	<b>\$3,925,000</b>	2.62%
Civic Contributions	<b>\$3,799,860</b>	2.53%
Impact Fees 2020 - Area A	<b>\$3,525,000</b>	2.35%
Southeast District Impact Fees (Post 12/31/2011)	<b>\$3,050,000</b>	2.03%
Central District Impact Fees (Post 12/31/2011)	<b>\$1,924,000</b>	1.28%
Miscellaneous Non Federal Grant Funds	<b>\$1,545,300</b>	1.03%
Impact Fees 2020 - Area C	<b>\$1,300,000</b>	0.87%
West District Impact Fees (Post 12/31/2011)	<b>\$714,700</b>	0.48%
East District Impact Fees (Post 12/31/2011)	<b>\$525,000</b>	0.35%
Southeast District Impact Fees	<b>\$400,000</b>	0.27%
SOUTHLANDS DISTRICT IMPACT FEES	<b>\$400,000</b>	0.27%
General Fund Restricted	<b>\$376,830</b>	0.25%
Southlands District Impact Fees 2	<b>\$350,000</b>	0.23%
Central District Impact Fees	<b>\$217,800</b>	0.15%
East District Impact Fees	<b>\$140,000</b>	0.09%

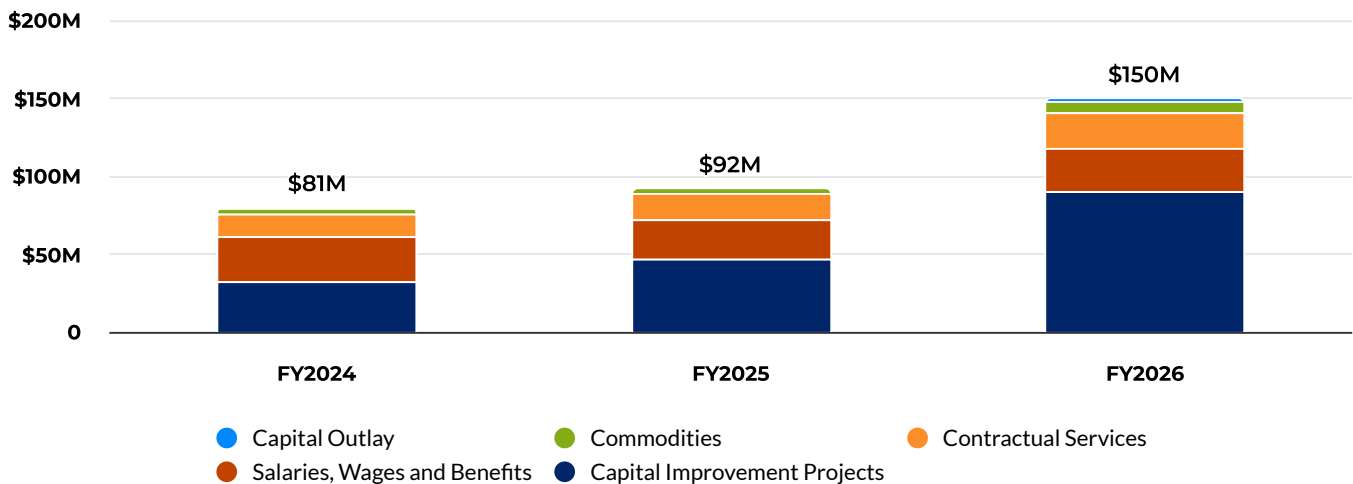
Notes: Charts may not total 100% due to rounding.

## Expenditures by Type

This chart illustrates how the department’s spending has been distributed by expense type over the past three fiscal years:

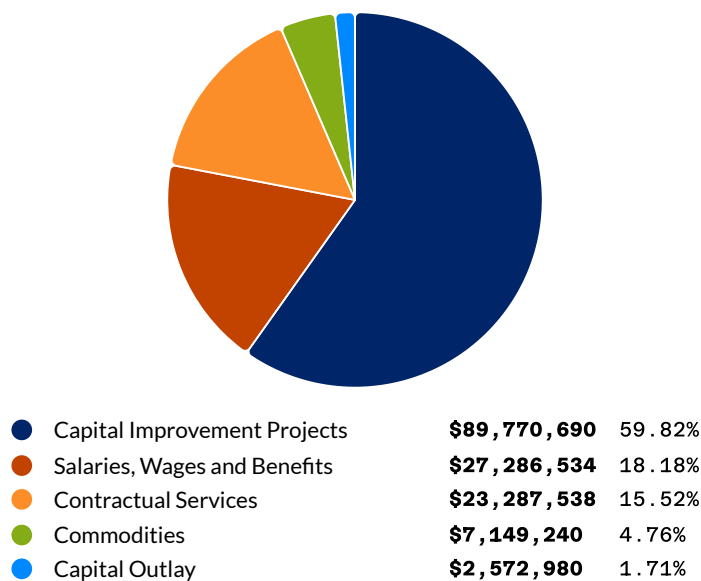
- Fiscal Year 2024:**  
 Total expenditures were \$81 million, primarily allocated to Capital Improvements and Salaries, Wages, and Benefits, along with significant spending on Contractual Services.
- Fiscal Year 2025:**  
 Spending increased to \$92 million, driven by growth in Capital Improvement Projects and Salaries, Wages, and Benefits, as well as continued investment in Contractual Services and Commodities.
- Fiscal Year 2026:**  
 Expenditures are projected to rise sharply to \$150 million, reflecting major increases in Capital Improvement Projects and Capital Outlay. This growth underscores expanded investment in infrastructure and facilities, while maintaining strong commitments to Salaries, Wages, and Benefits and key Contractual Services that support operational effectiveness.

**Historical Expenditures by Type**



Note: Amounts shown in the graphs are rounded up.

**Fiscal Year 2026 Expenditures by Type**



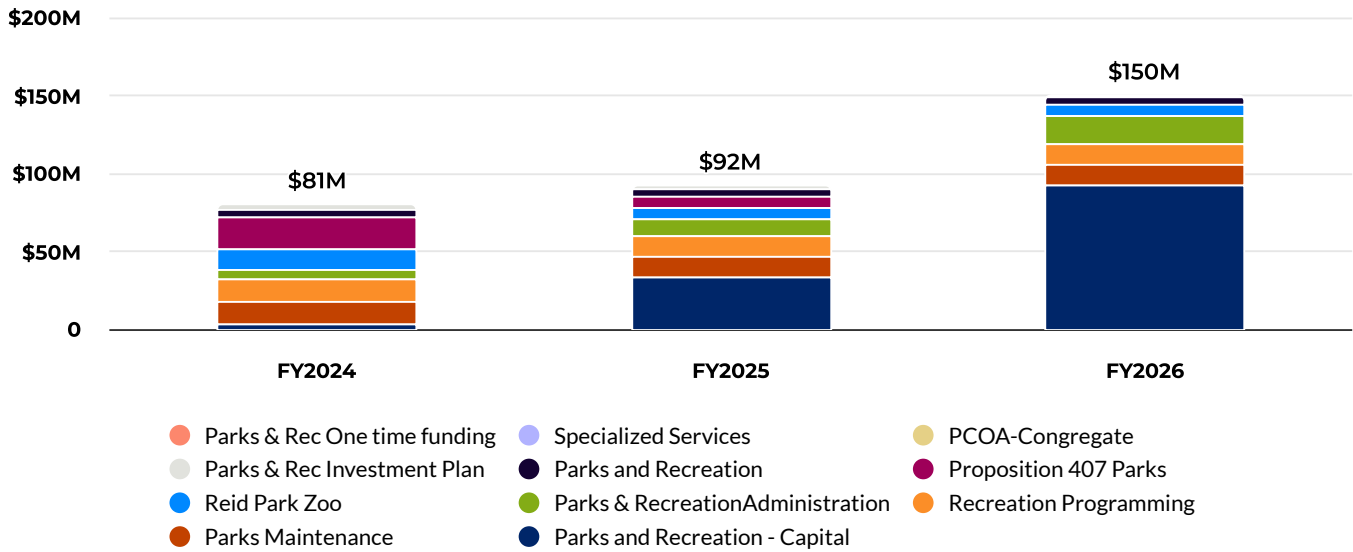
*Notes: Charts may not total 100% due to rounding.*

# Expenditures by Cost Center

This chart shows how the department’s budget has been allocated across major program areas (cost centers) over the past three fiscal years.

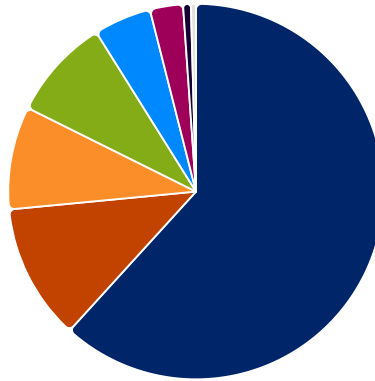
- Fiscal Year 2024: Total expenditures were \$81 million, primarily driven by Recreation Programming and Parks and Recreation Administration.
- Fiscal Year 2025: Expenditures increased to \$92 million, with Parks and Recreation Capital as the primary driver and increased support of Parks and Recreation Programming.
- Fiscal Year 2026: Spending is expected to rise to \$144 million, with substantial support from:
  - Parks Maintenance – Keeping parks clean, safe, and usable
  - Recreation Programming – Includes KIDCO, leisure classes, and open rec centers
  - Aquatics & Capital Projects – Investments in pools, splash pads, and new amenities
  - Reid Park Zoo – City’s AZA-accredited zoo with strong community engagement
  - Administration – Budgeting, planning, and oversight functions
  - PCOA Congregate – Senior recreation and nutrition programming

**Historical Expenditures by Cost Center**



*Note: Amounts shown in the graphs are rounded up.*

### Fiscal Year 2026 Expenditures by Cost Center



● Parks and Recreation - Capital	<b>\$92,658,490</b>	61.74%
● Parks & Recreation Administration	<b>\$17,605,992</b>	11.73%
● Parks Maintenance	<b>\$13,296,667</b>	8.86%
● Recreation Programming	<b>\$13,157,308</b>	8.77%
● Reid Park Zoo	<b>\$7,404,160</b>	4.93%
● Parks and Recreation	<b>\$4,291,102</b>	2.86%
● PCOA-Congregate	<b>\$989,612</b>	0.66%
● Specialized Services	<b>\$663,650</b>	0.44%

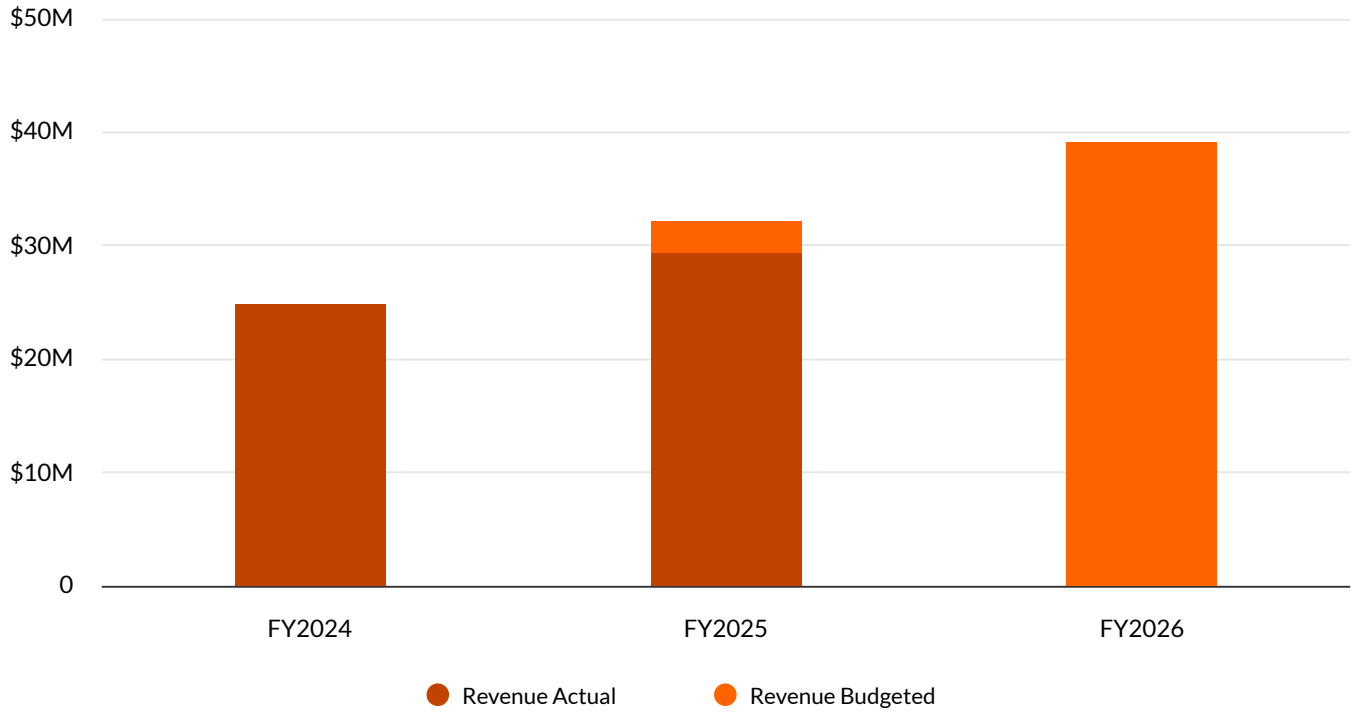
*Notes: Charts may not total 100% due to rounding.*

## Revenue Summary

**\$39,080,350**

**\$6,923,746 / 21.53% Higher Than the Prior Year's Budget**

### Historical Revenues Across Department



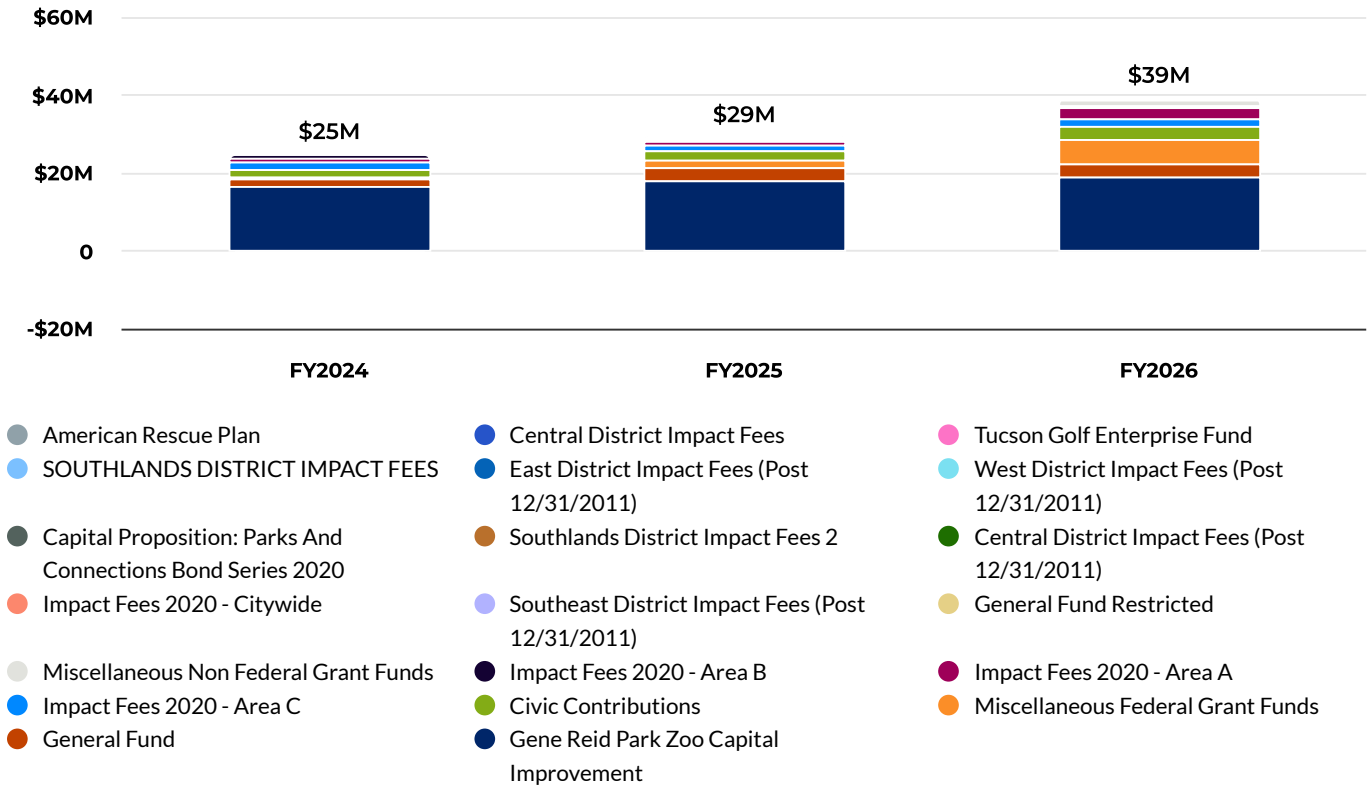
*Note: Amounts shown in the graphs are rounded up.*

# Revenues by Fund

This chart highlights the various revenue sources that support the Parks and Recreation Department each fiscal year:

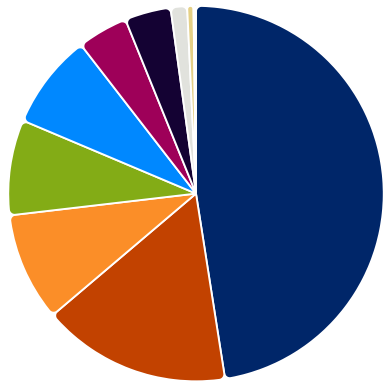
- Fiscal Year 2024: Revenues totaled \$25 million, primarily funded by the Gene Reid Park Zoo Capital Improvement Fund, with a smaller contribution from the General Fund.
- Fiscal Year 2025: Revenues increased to \$29 million, slightly due to funded by the Gene Reid Park Zoo and General Fund support.
- Fiscal Year 2026: Revenues are projected to increase to \$39 million, primarily driven by a rise Gene Reid Park Zoo and General Fund support and Impact Fees and Grants.

### Historical Revenues by Fund



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Fund



● Gene Reid Park Zoo Capital Improvement	<b>\$18,572,220</b>	47.52%
● Miscellaneous Federal Grant Funds	<b>\$6,362,380</b>	16.28%
● General Fund	<b>\$3,649,450</b>	9.34%
● Civic Contributions	<b>\$3,213,200</b>	8.22%
● Impact Fees 2020 - Area A	<b>\$3,185,660</b>	8.15%
● Impact Fees 2020 - Area C	<b>\$1,703,160</b>	4.36%
● Miscellaneous Non Federal Grant Funds	<b>\$1,545,300</b>	3.95%
● Impact Fees 2020 - Area B	<b>\$556,680</b>	1.42%
● General Fund Restricted	<b>\$208,000</b>	0.53%
● Central District Impact Fees (Post 12/31/2011)	<b>\$31,800</b>	0.08%
● Southeast District Impact Fees (Post 12/31/2011)	<b>\$22,140</b>	0.06%
● West District Impact Fees (Post 12/31/2011)	<b>\$10,560</b>	0.03%
● Southlands District Impact Fees 2	<b>\$9,120</b>	0.02%
● East District Impact Fees (Post 12/31/2011)	<b>\$6,600</b>	0.02%
● SOUTHLANDS DISTRICT IMPACT FEES	<b>\$4,080</b>	0.01%

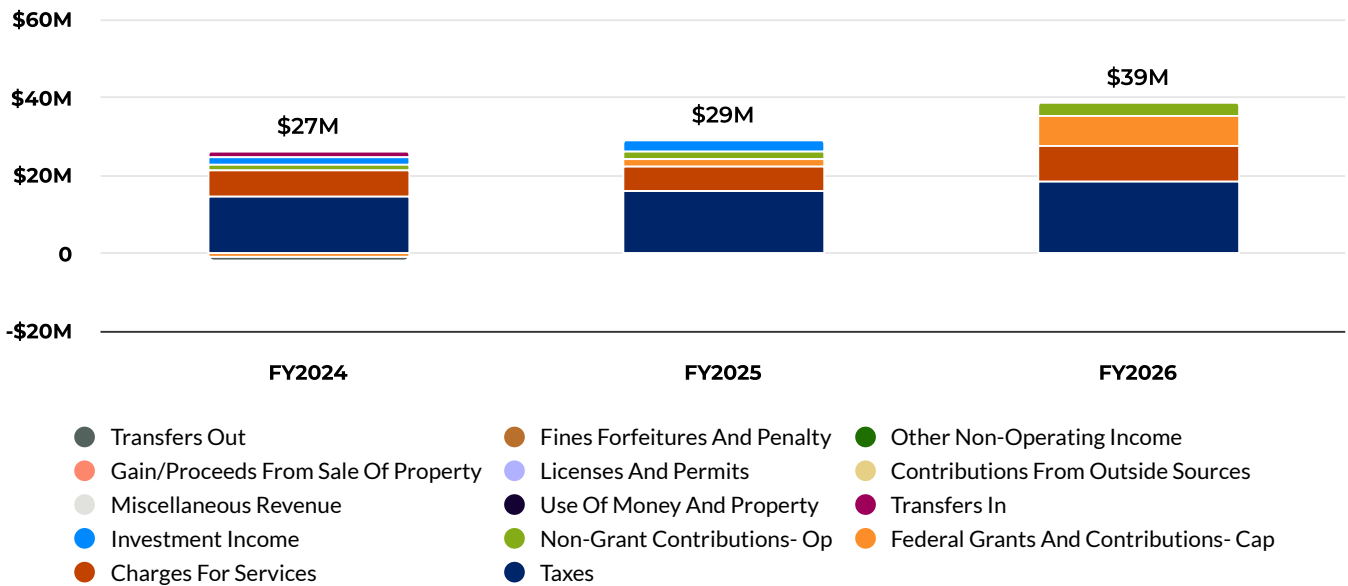
Notes: Charts may not total 100% due to rounding.

# Revenues by Funding Source

This chart shows the various types of funding sources that have supported the Parks and Recreation Department over the past three fiscal years:

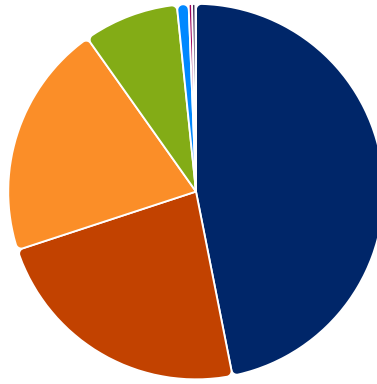
- Fiscal Year 2024: Revenues totaled \$27 million, with primary funding from Taxes and Charges for Services, which supported the department's core programs and services.
- Fiscal Year 2025: Revenues increased slightly to \$29 million, due to an increase in taxes and charges for Services continued to support essential operations.
- Fiscal Year 2026: Revenues increased to \$39 million, reflecting stronger tax revenue, improved grant funding, and higher recovery from fees.

Historical Revenues by Revenue Type



Note: Amounts shown in the graphs are rounded up.

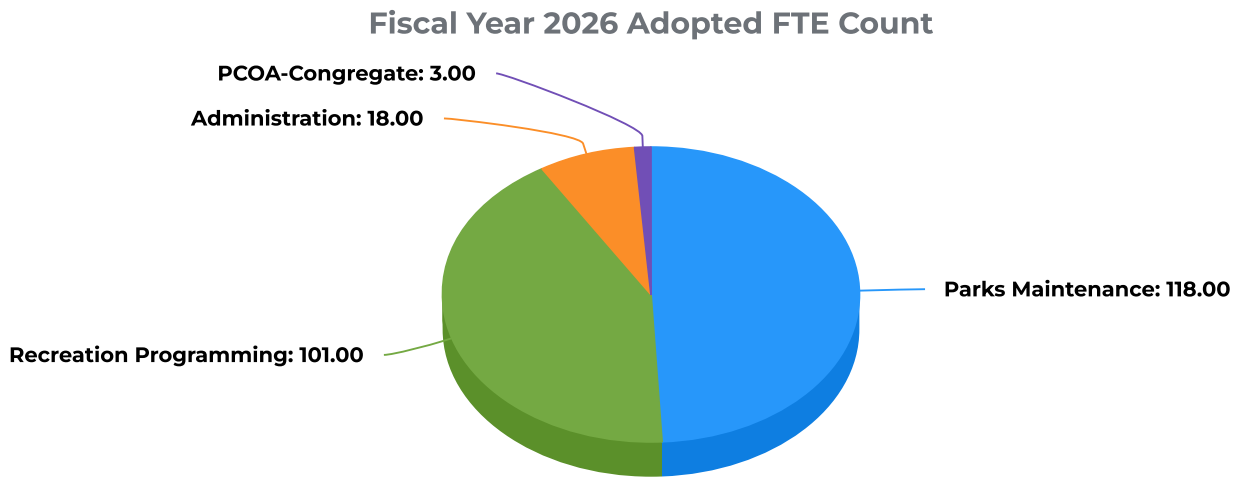
### Fiscal Year 2026 Revenues by Fund



● Taxes	<b>\$18,322,220</b>	46.88%
● Charges For Services	<b>\$9,016,850</b>	23.07%
● Federal Grants And Contributions-Cap	<b>\$7,907,680</b>	20.23%
● Non-Grant Contributions- Op	<b>\$3,196,790</b>	8.18%
● Investment Income	<b>\$392,260</b>	1.00%
● Miscellaneous Revenue	<b>\$120,190</b>	0.31%
● Use Of Money And Property	<b>\$107,020</b>	0.27%
● Contributions From Outside Sources	<b>\$17,340</b>	0.04%

*Notes: Charts may not total 100% due to rounding.*

# Position Resources



# Pension Services Overview - Tucson Supplemental Retirement System



## Mission Statement

To assist Tucson Supplemental Retirement System (TSRS) members with planning for a secure retirement; and provide monthly retirement benefits that supplement the social security benefits and personal investment savings of our members and their beneficiaries.

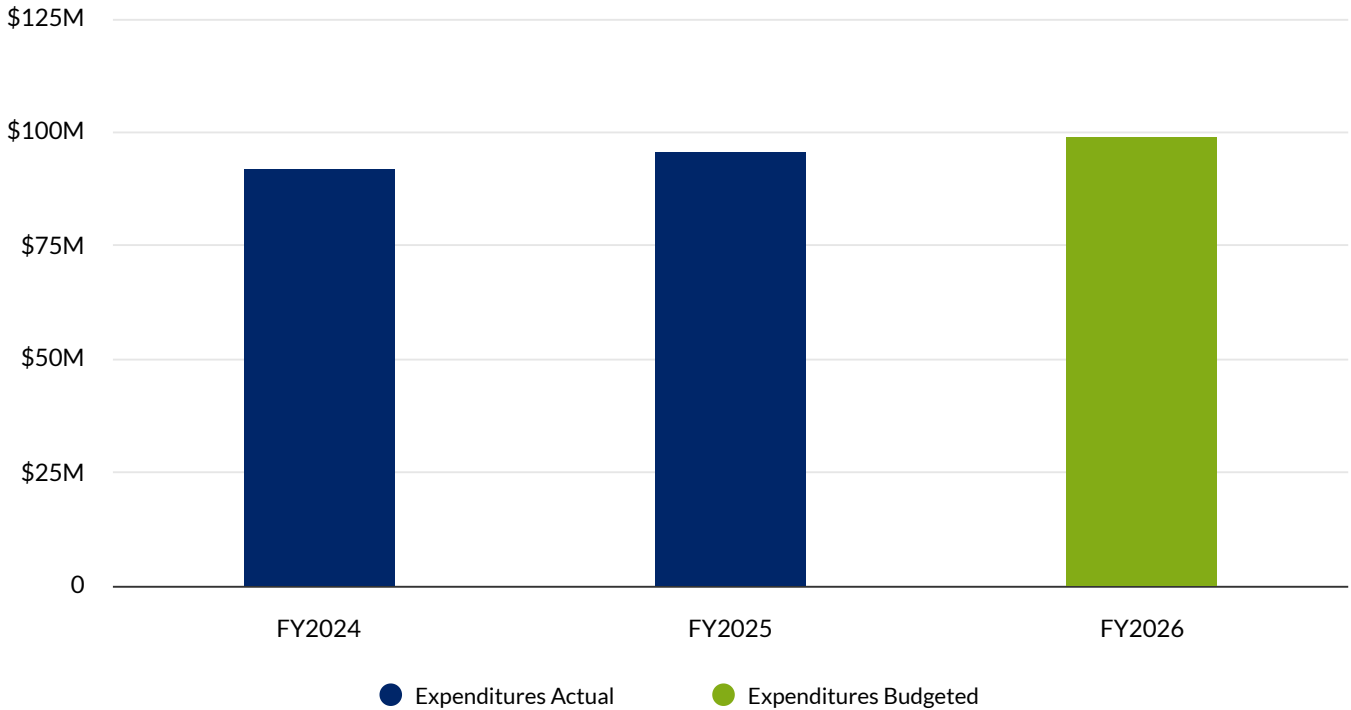
*Due to the nature of this fiduciary fund, the administration of this function is overseen by the BSD department leadership.*

## Expenditure Summary

**\$98,745,382**

**\$2,977,217 / 3.11% Higher Than the Prior Year's Budget**

### Historical Expenditures Across Department



*Note: Amounts shown in the graphs are rounded up.*

#### Significant Changes

In Fiscal Year 2026, budgeted expenditures for Pension Services – Tucson Supplemental Retirement are set at \$98.7 million, representing a 3.11% increase from the Fiscal Year 2025 budget of \$95.8 million.

In Fiscal Year 2025, actual expenditures totaled \$95.4 million, representing 99.63% of the budgeted amount and marking a 3.98% increase from the prior year.

#### Trends

The Fiscal Year 2026 budget reflects a continuation of steady growth in pension obligations, with expenditures trending upward in line with actuarial requirements and retirement system commitments. The close alignment between Fiscal Year 2025 actual and budgeted spending underscores the predictability of pension costs and the City’s consistent funding approach to meet long-term retirement obligations.

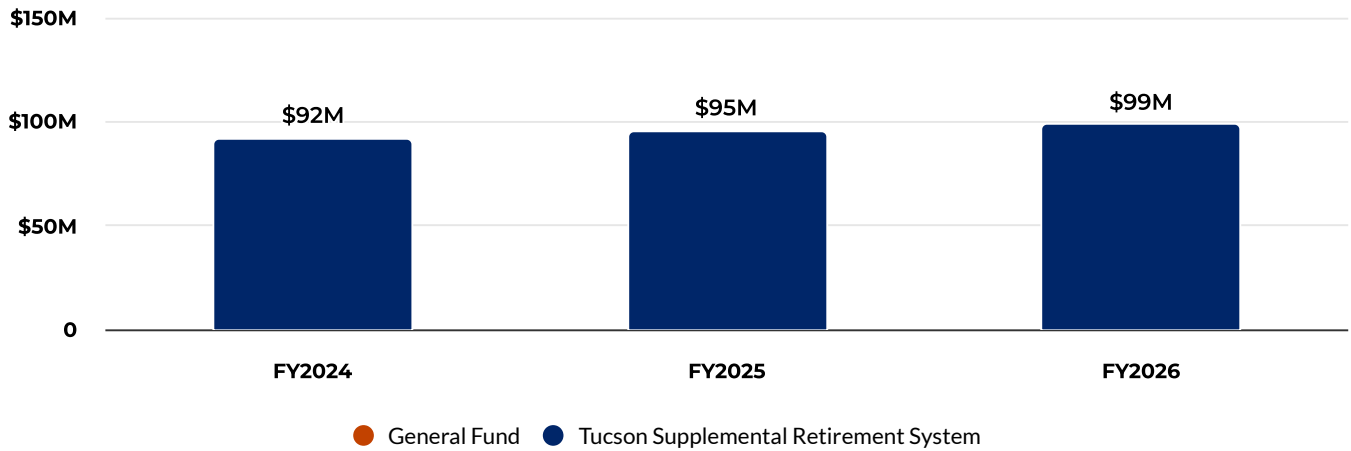
## Expenditures by Fund

This chart highlights the expenditures for the Tucson Supplemental Retirement System (TSRS) over the past three fiscal years.

- Fiscal Year 2024: \$92 million
- Fiscal Year 2025: \$95 million
- Fiscal Year 2026: \$95 million

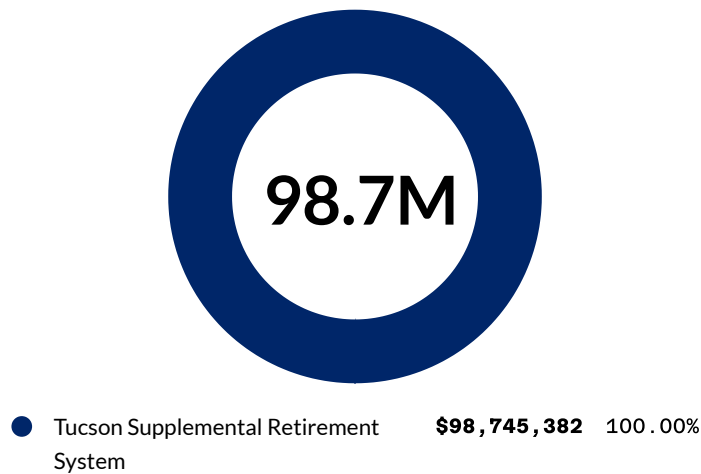
The primary funding source is the Tucson Supplemental Retirement System fund, which manages retirement contributions and benefits for eligible City employees. The General Fund and Health Insurance Fund appear minimally or not at all in this view, emphasizing TSRS as a self-contained system.

Historical Expenditures by Fund



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Expenditures by Fund

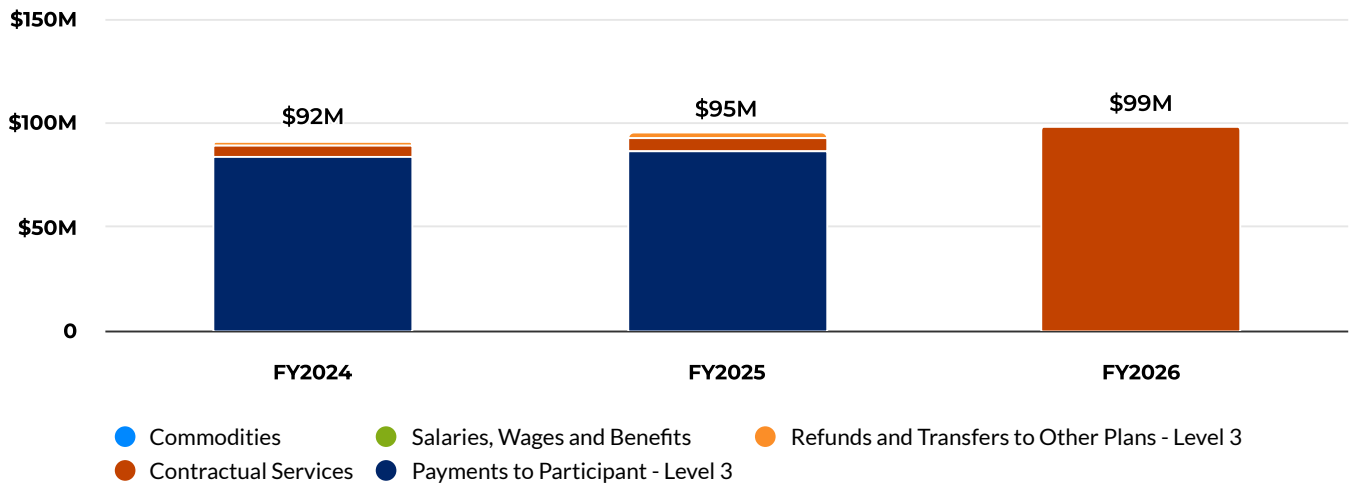


## Expenditures by Type

This chart illustrates how the Tucson Supplemental Retirement System (TSRS) has allocated its expenditures by expense type over the past three fiscal years:

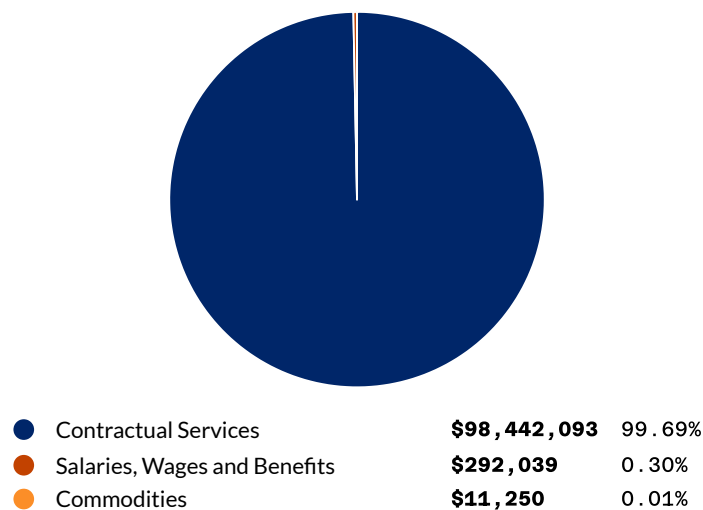
- Fiscal Year 2024: Total expenditures were \$92 million, with the majority allocated to Payments to Participants—retirement benefits paid directly to retirees. This direct payment structure accounted for the largest share of Tucson Supplemental Retirement System (TSRS) expenses.
- Fiscal Year 2025: Spending increased to \$95 million, reflecting a large portion to Participants—retirement benefits paid. These services may include investment management, actuarial consulting, and outsourced benefit administration.
- Fiscal Year 2026: Spending increase \$99 million, with contractual services having the majority cost. Additional minor expenses include Salaries and Wages, Refunds to Other Plans, and Commodities, representing administrative and operational costs.

### Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

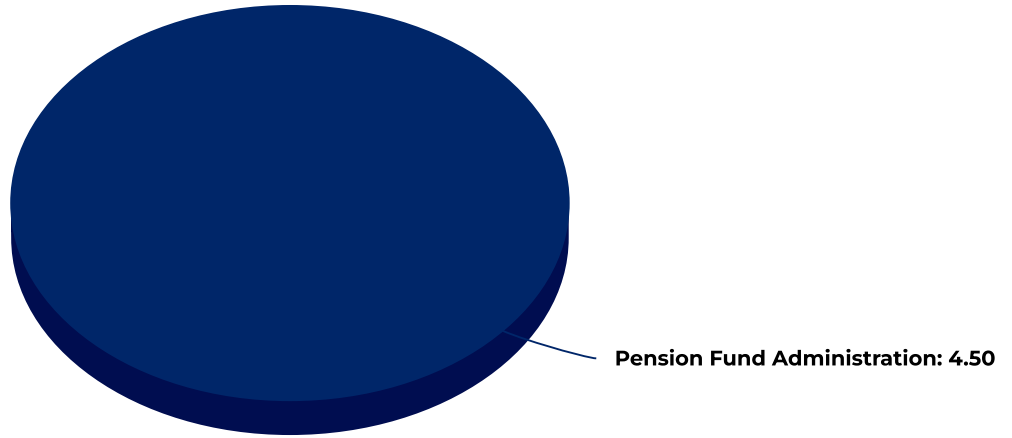
### Fiscal Year 2026 Expenditures by Type



Notes: Charts may not total 100% due to rounding.

## Position Resources

### Fiscal Year 2026 Adopted FTE Count



# Planning and Development Services Department Overview



## Mission Statement

To protect the health, safety, and welfare of Tucson residents and visitors, while enhancing quality of life through professional planning, building review, and inspection services. The department is committed to making Tucson a sustainable, well-designed, and prosperous community with a business-friendly environment.

The Planning and Development Services Department (PDSD) plays a critical role in shaping Tucson's built environment, ensuring that new development is safe, accessible, and aligned with community values.

The following divisions are included in this department:

The **Administration, Communications, Customer Service, and IT** divisions provide leadership, budget oversight, internal operations, and customer support. Key responsibilities include guiding overall direction and policy, managing department budget, supporting technology systems and operations, providing customer service, and communicating with internal and external stakeholders.

The **Building Safety Division** ensures all construction in Tucson meets modern safety codes and standards. Key responsibilities include reviewing, permitting, and inspection of all residential and commercial buildings.

The **Current Planning Division** ensures new development aligns with the Unified Development Code and site-specific requirements. Key responsibilities include reviewing zoning compliance, variances, and modifications. The division also conducts site inspections to verify approved plan adherence.

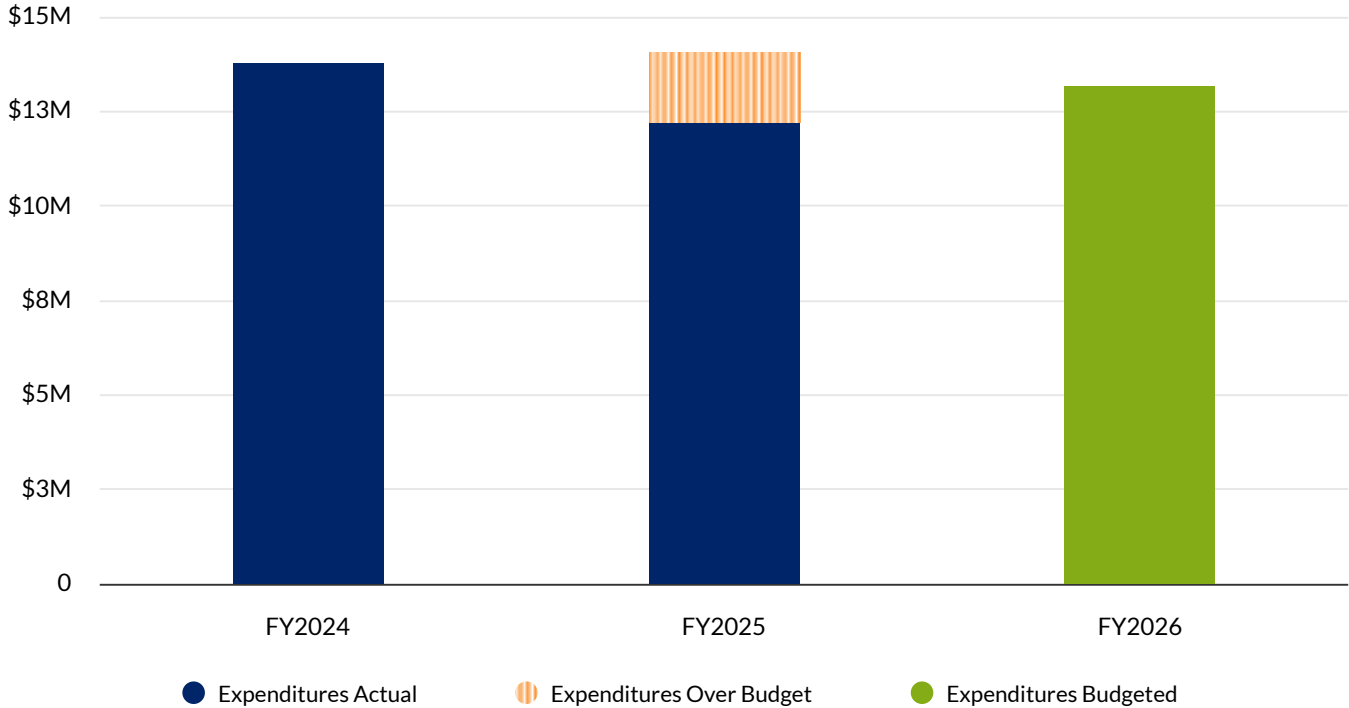
The **Long-Range Planning Division** guides Tucson's growth through community-based planning and policy development. Key responsibilities include leading long-term projects, such as corridor and neighborhood plans and overseeing rezoning, historic preservation, and code updates. The division also works with stakeholders to advance housing, sustainability, and economic goals.

## Expenditure Summary

**\$15,861,065 (per State Form)**

\$1,499,069 / 10.45% Higher Than the Prior Year's Budget

### Historical Expenditures Across Department



#### Significant Changes

For Fiscal Year 2026, the Planning and Development Services Center (PDSC) is budgeted at \$15.8 million, representing a 10.49% increase over the Fiscal Year 2025 Adopted Budget of \$14.3 million. This substantial growth reflects the department's continued efforts to streamline permitting, enhance inspection and plan review services, and modernize technology systems to support Tucson's expanding development activity.

In comparison, Fiscal Year 2025 actual expenditures totaled \$16.4 million, which was 3.95% higher than the prior year and represented 114.31% of the adopted budget. This overage primarily resulted from increased personnel costs, system upgrades, and one-time project expenses associated with improving service delivery and regulatory efficiency.

#### Trends

The Fiscal Year 2026 budget anticipates a moderate increase relative to prior-year actuals, but a significant rise compared to the adopted Fiscal Year 2025 level. This funding strategy supports sustainable service growth while maintaining fiscal discipline. The additional resources will allow PDSC to continue advancing customer service improvements, process automation, and workforce investments, ensuring that development services remain responsive, transparent, and aligned with Tucson's long-term growth and modernization goals.

## Expenditures by Fund

This chart shows how the Planning and Development Services Department's expenditures have been supported by different funding sources over the past three fiscal years.

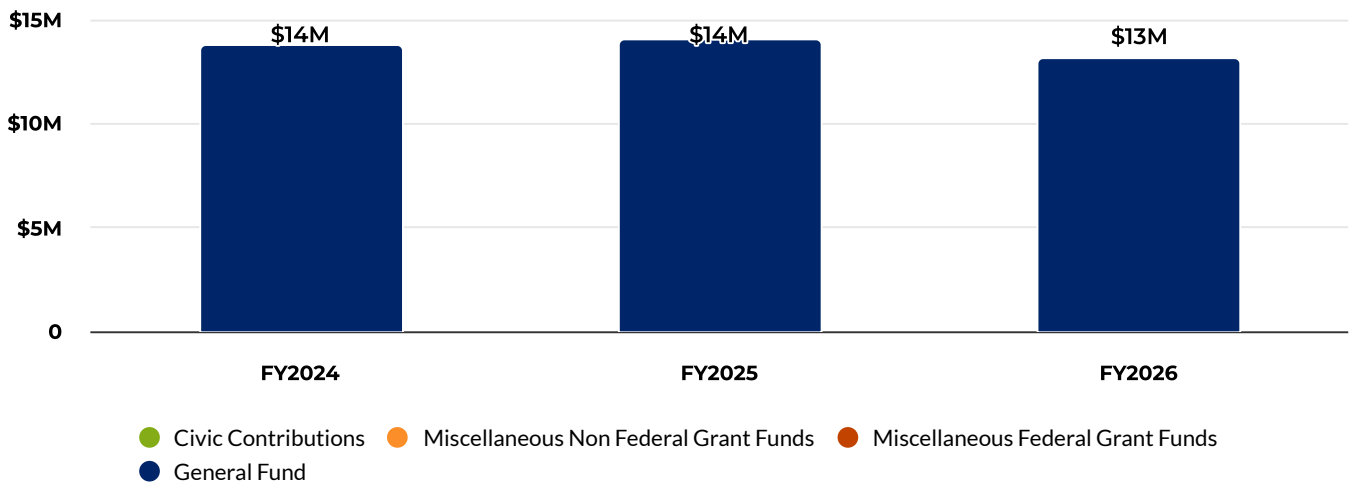
- Fiscal Year 2024: \$14 million
- Fiscal Year 2025: \$14 million
- Fiscal Year 2026: \$13 million

Primary Funding Source:

General Fund - This is the primary source of support for PDSD operations, including staff, permitting, planning, inspections, and customer service.

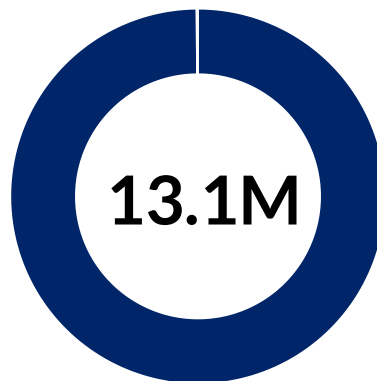
While small amounts of federal and non-federal grants exist, they represent a very minor portion of overall funding and are not prominently reflected in the chart.

Historical Expenditures by Fund



Note: Figures displayed in the charts may vary slightly based on the timing of report generation.

Fiscal Year 2026 Expenditures by Fund



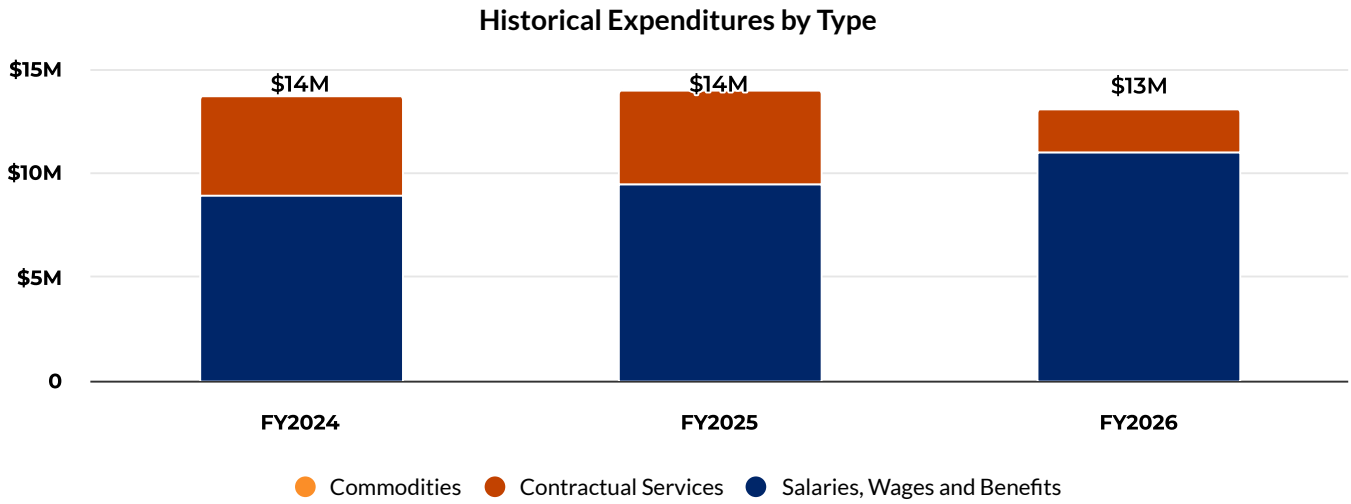
● General Fund	<b>\$13,131,053</b>	99.88%
● Miscellaneous Federal Grant Funds	<b>\$16,000</b>	0.12%

Note: Figures displayed in the charts may vary slightly based on the timing of report generation.

## Expenditures by Type

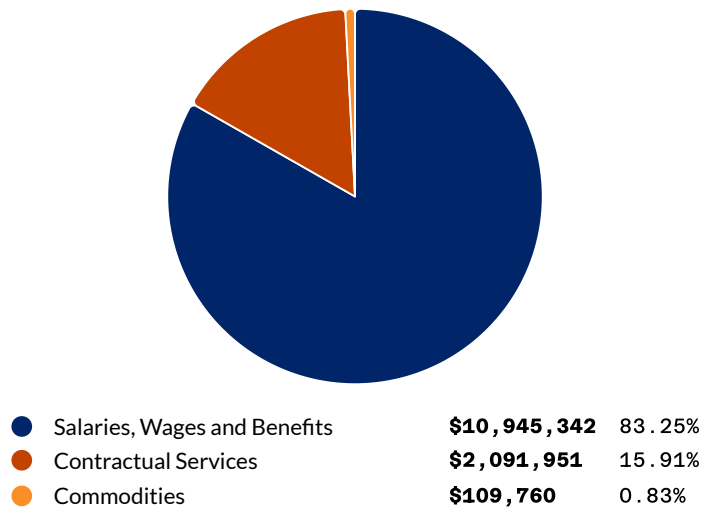
This chart breaks down the department’s expenditures by type of spending over the past three fiscal years:

- Fiscal Year 2024: Total expenditures were \$14 million, with the majority allocated to Salaries, Wages, and Benefits and Contractual Services.
- Fiscal Year 2025: Spending stayed the same at \$14 million, with a slight increase in Salaries, Wages and Benefits
- Fiscal Year 2026: Expenditures are expected to decline slightly to \$13 million, with modest increases in Salaries, Wages, and Benefits.



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Type



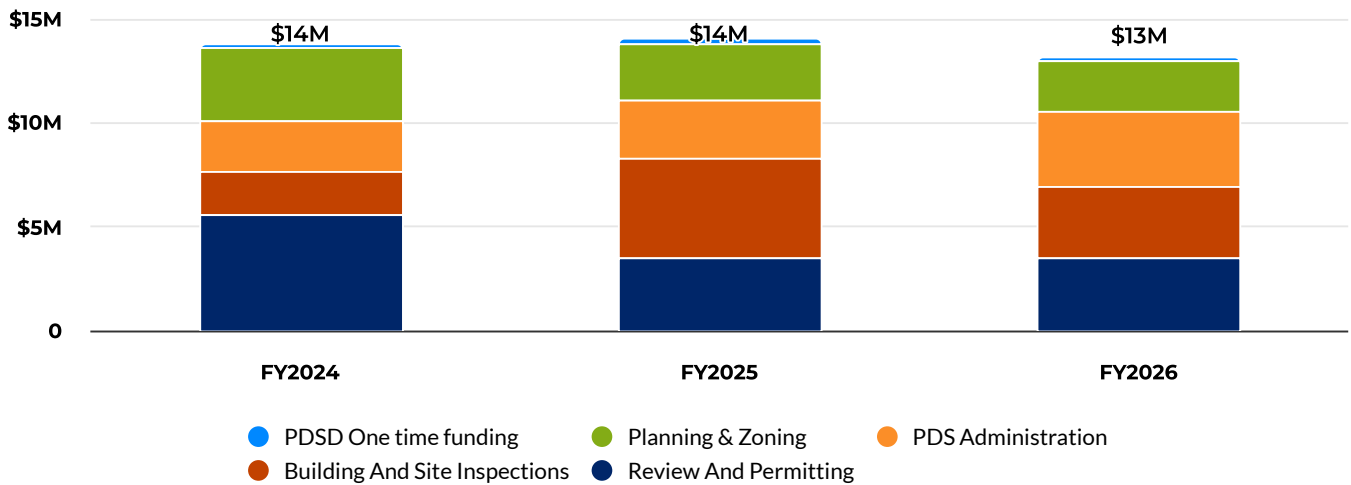
Notes: Charts may not total 100% due to rounding.

## Expenditures by Cost Center

This chart shows how the Planning and Development Services Department has allocated its budget across key operational areas over the past three fiscal years:

- Fiscal Year 2024: Total expenditures were \$14 million, primarily supporting Review and Permitting, Building Site Inspections, PDS Administration and Planning and Zoning.
- Fiscal Year 2025: Expenditures stayed the same at \$14 million, reflecting a modest increase in Building Site Inspections, PDS Administration, Review and permitting decreased a little that stabilized the expenditures.
- Fiscal Year 2026: Spending is projected to decline further to \$13 million, while still prioritizing core services such as permitting, inspections, and planning. The department also continues to invest in modernization efforts and long-term planning initiatives to support Tucson's growth.

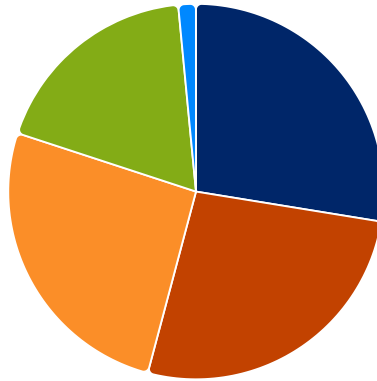
Historical Expenditures by Cost Center



Note: Amounts shown in the graphs are rounded up.

Note: Figures displayed in the charts may vary slightly based on the timing of report generation.

### Fiscal Year 2026 Expenditures by Cost Center



● PDS Administration	<b>\$3,623,980</b>	27.56%
● Review And Permitting	<b>\$3,493,551</b>	26.57%
● Building And Site Inspections	<b>\$3,403,780</b>	25.89%
● Planning & Zoning	<b>\$2,425,742</b>	18.45%
● PSDS One time funding	<b>\$200,000</b>	1.52%

*Notes: Charts may not total 100% due to rounding.*

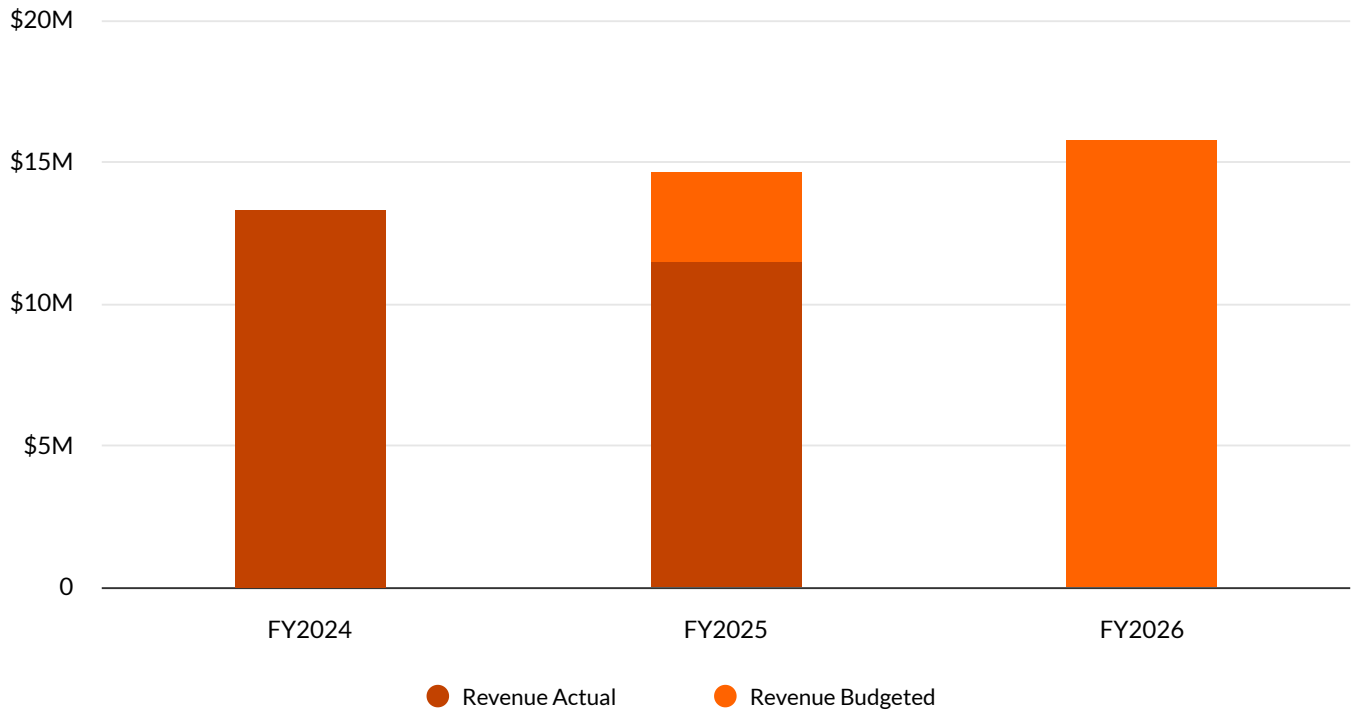
*Note: Figures displayed in the charts may vary slightly based on the timing of report generation.*

## Revenue Summary

\$15,750,980

\$1,109,510 / 7.58% Higher Than the Prior Year's Budget

### Historical Revenues Across Department



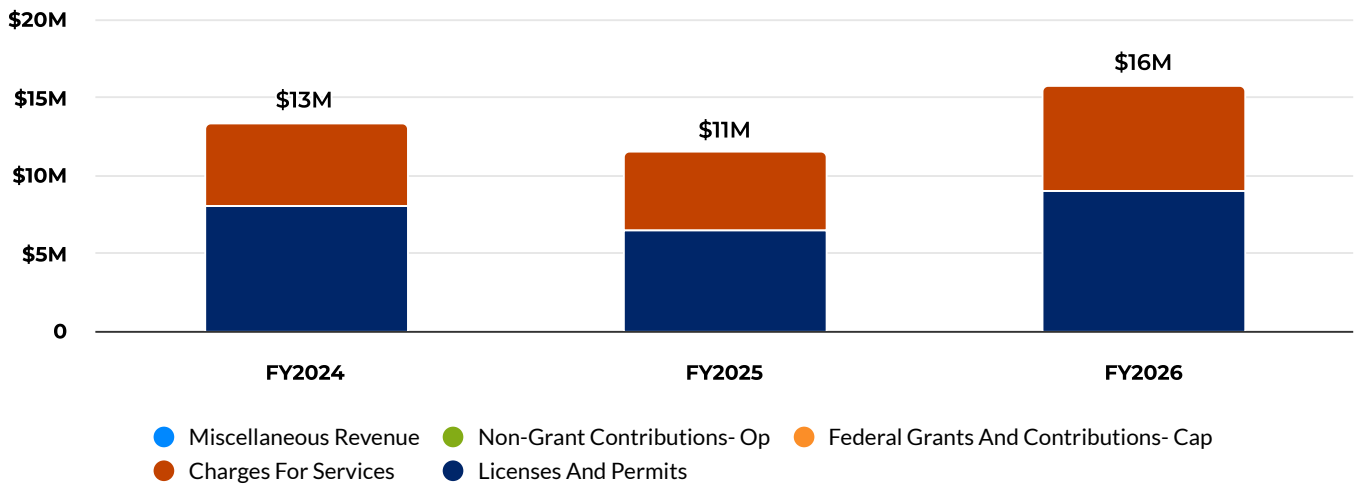
*Note: Amounts shown in the graphs are rounded up.*

## Revenues by Funding Source

This chart outlines the department’s revenue streams over the past three fiscal years.

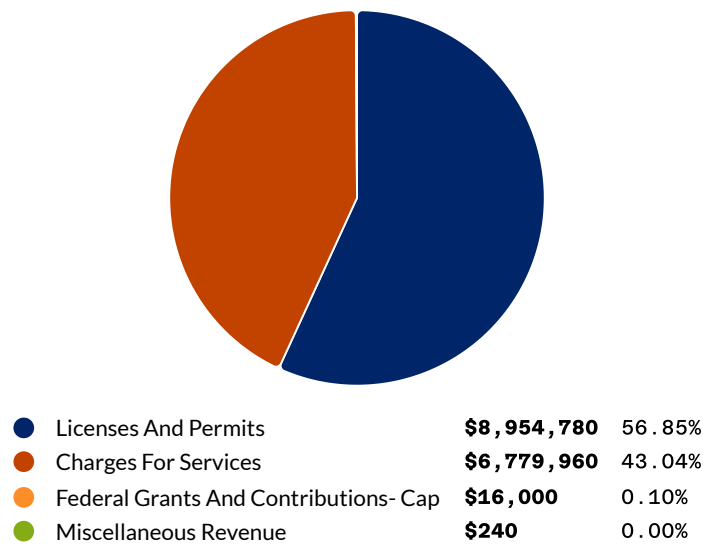
- Fiscal Year 2024: Revenues totaled \$14 million, primarily from Charges for Services and Licenses and Permits. Smaller contributions came from Federal Grants Contribution and Miscellaneous Revenue.
- Fiscal Year 2025: Revenues decrease by \$11 million, with the department continuing to be largely self-funded through service fees. Licenses and Permits followed by Charges for Services.
- Fiscal Year 2026: Revenues are projected to stay at \$16 million, with a notable increase in license and permit revenue, likely reflecting growth in construction activity and permitting demand as well as Charges for Service. This underscores its role as a business-friendly and responsive partner in Tucson’s development landscape.

Historical Revenues by Revenue Type



Note: Amounts shown in the graphs are rounded up.

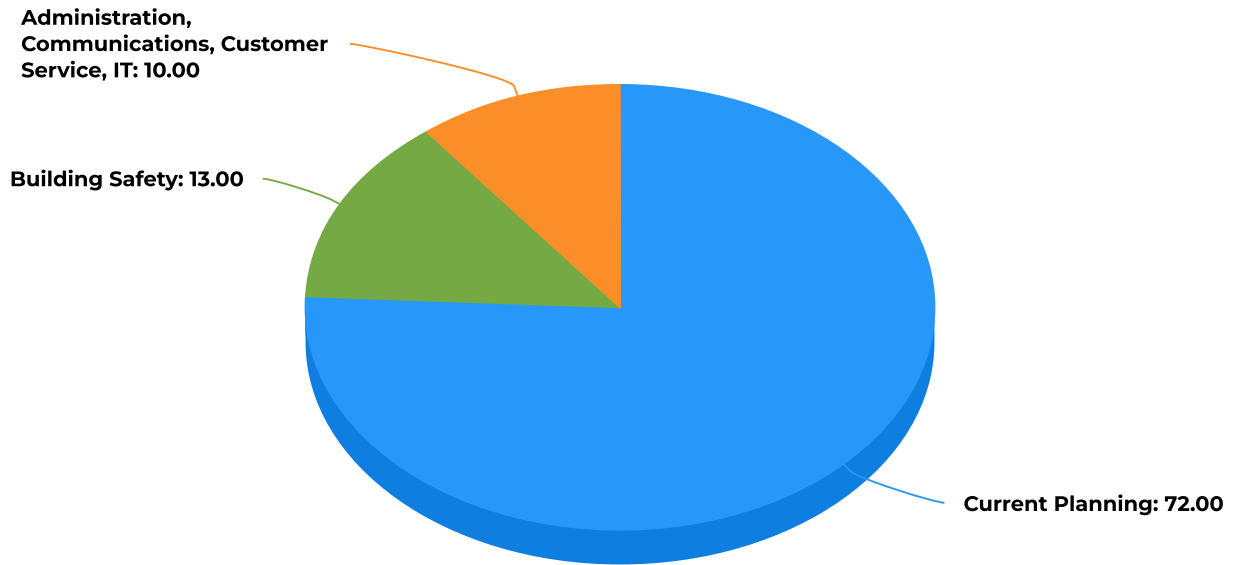
Fiscal Year 2026 Revenues by Type



Notes: Charts may not total 100% due to rounding.

# Position Resources

Fiscal Year 2026 Adopted FTE Count



# Public Safety Communications Center Department Overview



## Mission Statement

To deliver exceptional service to the community and our public safety partners by ensuring the fastest and most accurate emergency response possible. As Southern Arizona's largest 911 center, we prioritize employee wellness, public safety collaboration, and community connection through accessible and equitable services.

The Public Safety Communications Division (PSCD) is the heart of Tucson's emergency response system, operating 24/7 to connect residents to life-saving help. We use technology, skilled staff, and regional collaboration to serve both emergency and non-emergency needs across the region.

The following divisions are included in this department:

The **Director's Office, Administrators, Managers, and Supervisors** division provides leadership and strategic direction for all operations. Key responsibilities include overseeing fiscal and personnel policies, ensuring a strong and effective team culture and working closely with public safety agencies to maintain efficient response services.

The **Dispatchers** division coordinates all 911 calls and emergency dispatch for police, fire, and medical services. Key responsibilities include serving Tucson and surrounding jurisdictions as part of a regional response network and operating with integrity, professionalism, and compassion to protect lives and responders.

The **Call Takers** division routes call to appropriate emergency or non-emergency resources, supports response and referrals, and tracks data to improve service and outcomes.

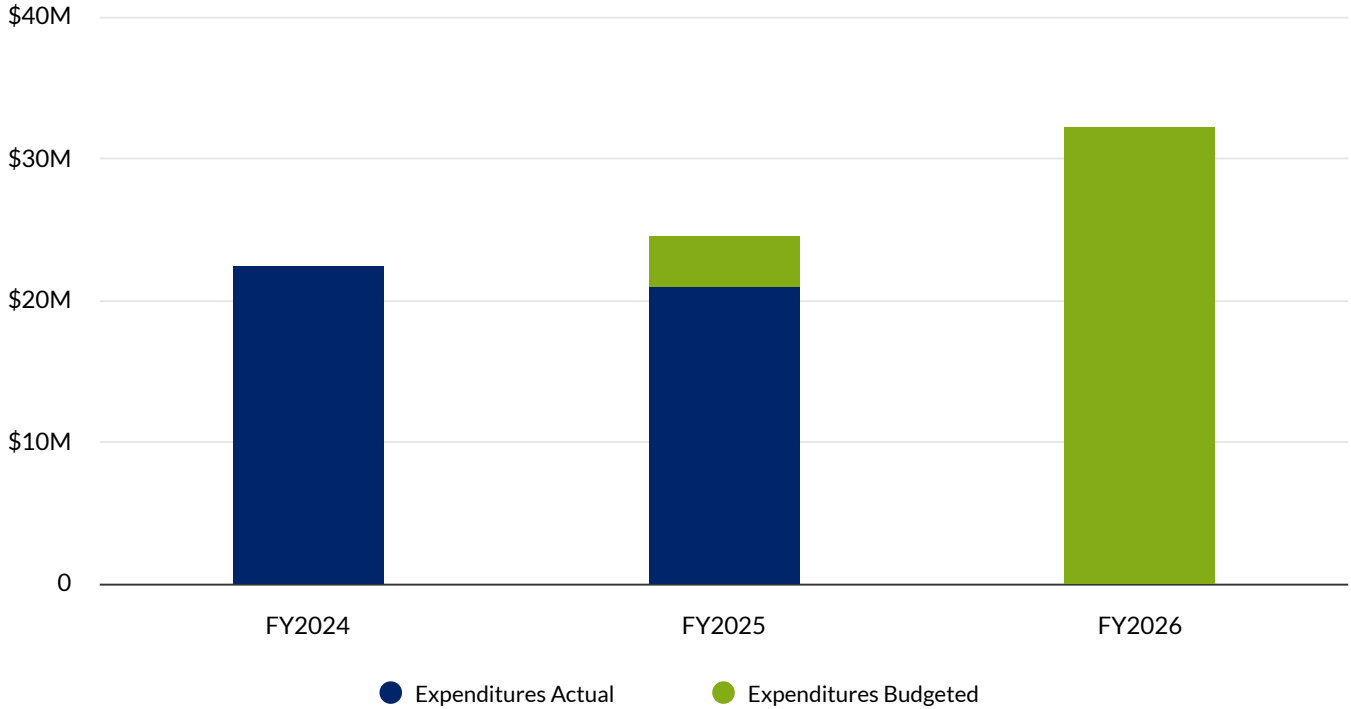
PSCD is committed to saving lives, supporting responders, and delivering equitable, transparent, and technology-driven public safety services to every resident of Tucson.

## Expenditure Summary

\$32,161,729

\$7,616,694 / 31.03% Higher Than the Prior Year's Budget

### Historical Expenditures Across Department



Note: Amounts shown in the graphs are rounded up.

### Significant Changes

The Public Safety Communications budget for Fiscal Year 2026 is set at \$32.2 million, reflecting a 31.03% increase over the Fiscal Year 2025 budget of \$24.5 million. This represents a significant planned expansion in expenditures to support public safety operations and communications infrastructure.

### Trends

The Fiscal Year 2026 budget, however, not only exceeds the Fiscal Year 2025 budget but also surpasses actual expenditures by a wide margin, signaling a substantial increase in planned investments. This expansion underscores the City's commitment to strengthening public safety communications capabilities and modernizing resources to meet growing operational demands.

## Expenditures by Fund

This chart highlights how the Public Safety Communications Department (PSCD) has utilized various funding sources to support its operations over the past three fiscal years:

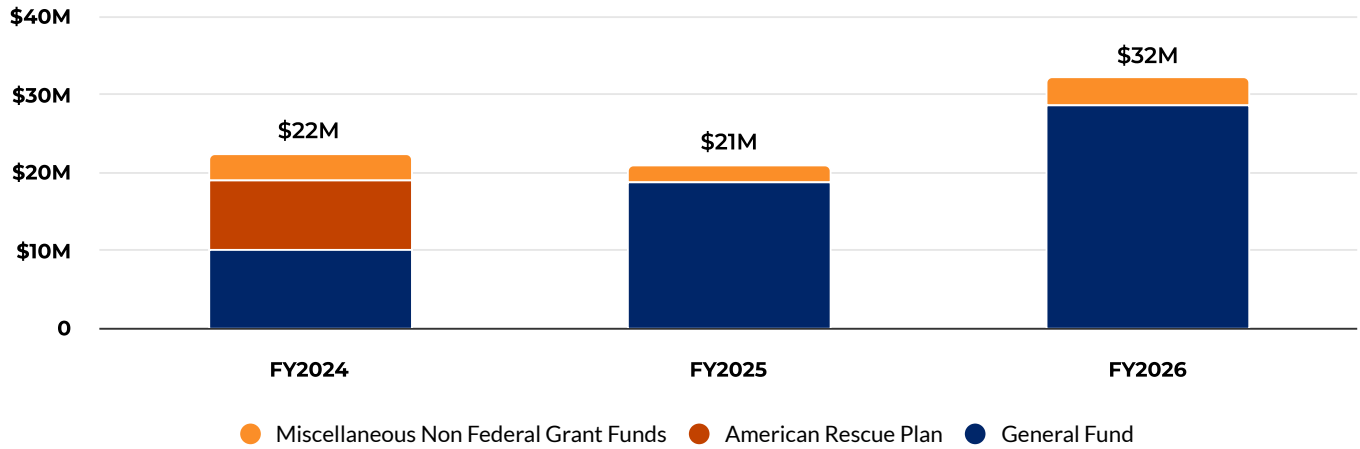
Fiscal Year 2024: Total expenditures were \$22 million, primarily funded by the General Fund, with additional support from Miscellaneous Non-Federal Grant Funds and American Rescue Plan.

Fiscal Year 2025: Spending decreased to \$21 million, reflecting higher contributions from the General Fund.

Fiscal Year 2026: Expenditures are projected to rise to \$32 million, with the General Fund remaining the dominant funding source and a stable contribution from Miscellaneous Non-Federal Grant Funds.

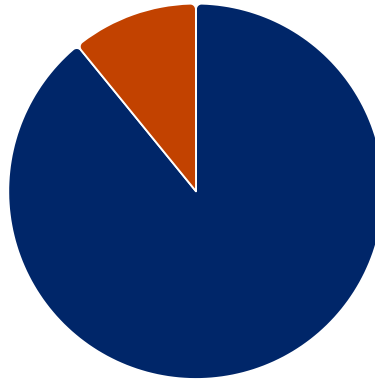
This growing budget reflects continued investment in emergency response technology, staffing, and enhanced service delivery, supported primarily through City funding with supplemental assistance from grants.

### Historical Expenditures by Fund



*Note: Amounts shown in the graphs are rounded up.*

### Fiscal Year 2026 Expenditures by Fund



● General Fund	<b>\$28,661,729</b>	89.12%
● Miscellaneous Non Federal Grant Funds	<b>\$3,500,000</b>	10.88%

*Notes: Charts may not total 100% due to rounding.*

## Expenditures by Type

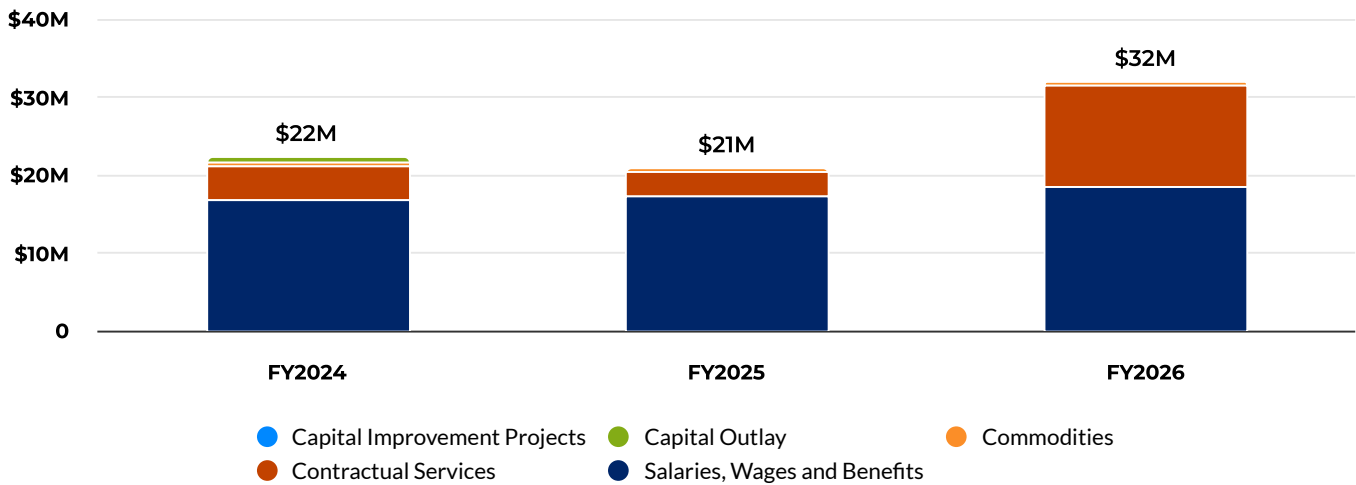
This chart highlights how the Public Safety Communications Department (PSCD) has allocated funding across key expense categories over the past three fiscal years:

Fiscal Year 2024: Total expenditures were \$22 million, with the majority allocated to Salaries, Wages, and Benefits, supporting the 24/7 staffing of call takers and dispatchers. Contractual Services also play a critical role in maintaining essential systems and support services.

Fiscal Year 2025: Spending decreased to \$21 million, reflecting continued growth in personnel costs, including investments in employee compensation and expanded staffing to meet rising call volumes. Smaller increases in Capital Outlay and Commodities supported operational and technology upgrades.

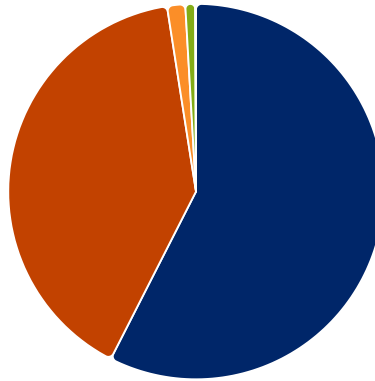
Fiscal Year 2026: Expenditures are projected to reach \$32 million, with further increases in Salaries and Benefits, underscoring PSCD's commitment to a resilient and well-supported workforce. Contractual Services also rose to meet growing service demands and support evolving technology systems. Modest spending continues in Capital Outlay, Commodities, and Capital Improvement Projects for equipment and facility enhancements.

Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Type



● Salaries, Wages and Benefits	<b>\$18,490,274</b>	57.49%
● Contractual Services	<b>\$12,877,636</b>	40.04%
● Commodities	<b>\$497,820</b>	1.55%
● Capital Outlay	<b>\$271,000</b>	0.84%
● Capital Improvement Projects	<b>\$25,000</b>	0.08%

Note: Charts may not total 100% due to rounding.

## Expenditures by Cost Center

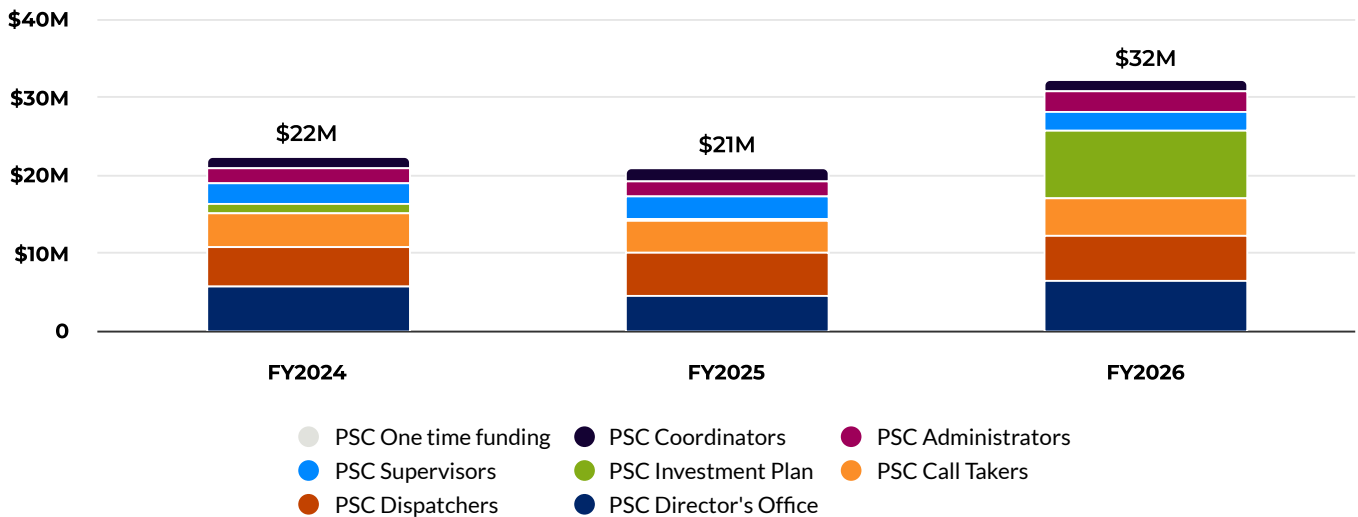
This chart shows how funding has been distributed across key roles and operational units within the Public Safety Communications Department (PSCD) over the past three fiscal years:

Fiscal Year 2024: Total expenditures were \$22 million, with the majority directed toward Director's Office, Dispatchers, Call Takers, and Supervisors.

Fiscal Year 2025: Expenditures increased to \$21 million, driven by significant increases in funding for Dispatchers—to meet growing call volumes and staffing demands—and the Director's Office, supporting strategic leadership and system upgrades.

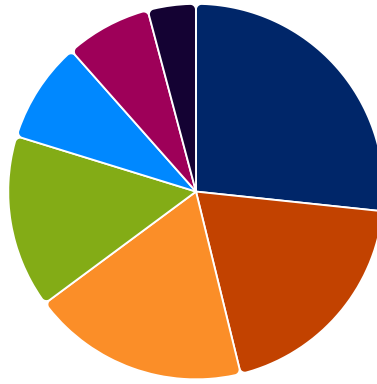
Fiscal Year 2026: Expenditures are projected to rise to \$32 million, with core operational roles—particularly Director's Office, Dispatchers and Call Takers—continuing to be the top funding priorities. Additional support for Supervisors, Coordinators, and Increase with Investment Plan.

Historical Expenditures by Cost Center



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Cost Center



● PSC Investment Plan	<b>\$8,579,930</b>	26.68%
● PSC Director's Office	<b>\$6,266,296</b>	19.48%
● PSC Dispatchers	<b>\$6,013,098</b>	18.70%
● PSC Call Takers	<b>\$4,795,037</b>	14.91%
● PSC Administrators	<b>\$2,801,910</b>	8.71%
● PSC Supervisors	<b>\$2,370,105</b>	7.37%
● PSC Coordinators	<b>\$1,335,354</b>	4.15%

Note: Charts may not total 100% due to rounding.

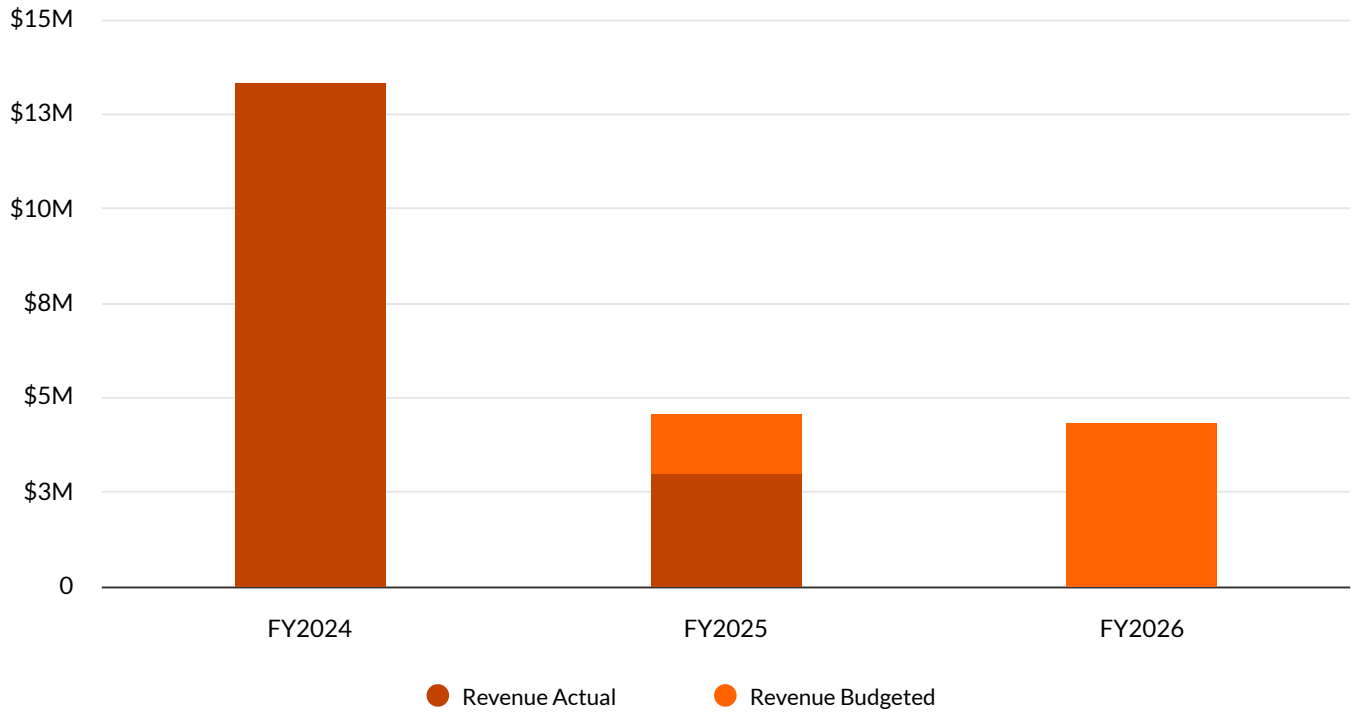
## Revenue Summary

**\$4,334,910**

Includes Transfers In and Out

\$217,330 / 4.77% vs. Lower Than the Prior Year's Budget

### Historical Revenues Across Department



*Note: Amounts shown in the graphs are rounded up.*

## Revenues by Fund

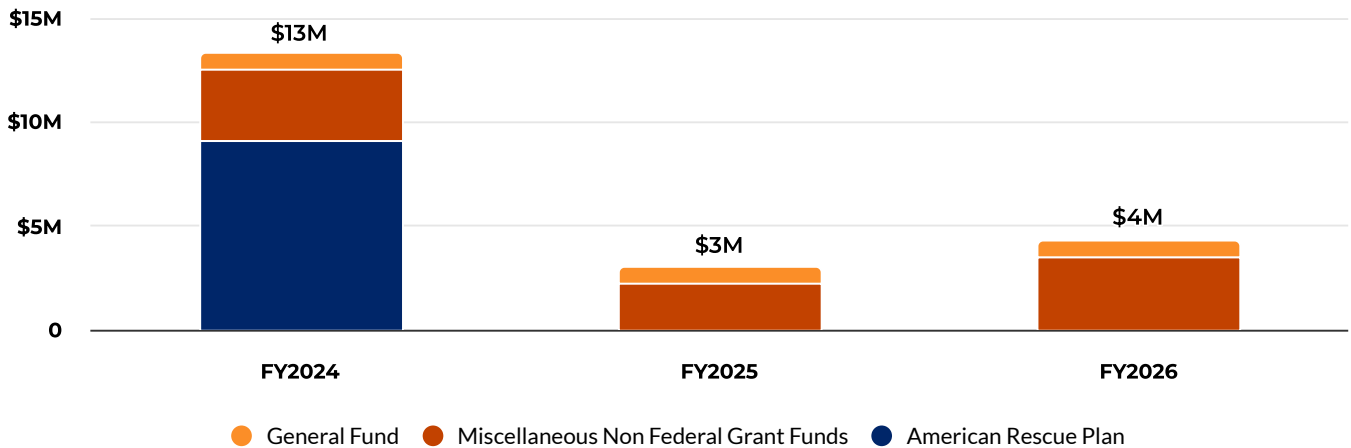
This chart shows the sources of funding for the Public Safety Communications Department (PSCD) over the past three fiscal years:

Fiscal Year 2024: Revenues totaled \$13 million, with the majority coming from the American Rescue Plan and Miscellaneous Non-Federal Grant Funds. While General Fund contributions were smaller.

Fiscal Year 2025: Revenues decreased to \$3 million. This decline was primarily driven by the absence of American Rescue Plan funding.

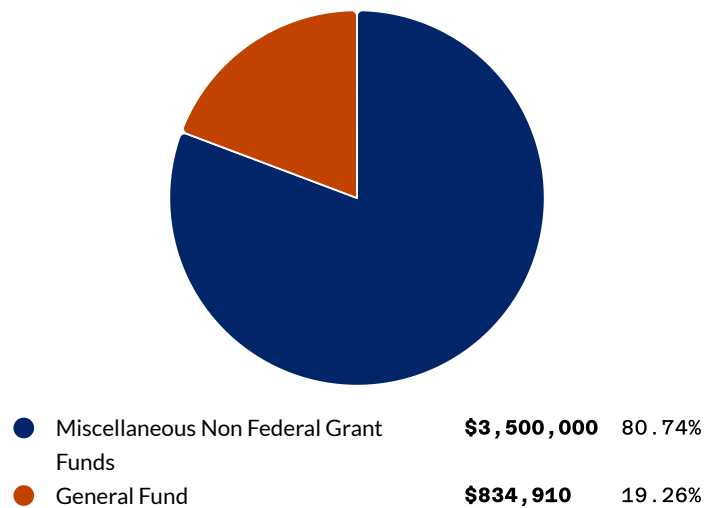
Fiscal Year 2026: Revenues are projected to remain steady at \$4 million, with continued reliance on both grant funding and General Fund support.

Historical Revenues by Fund



Note: Amounts shown in the graphs are rounded up.

FY26 Revenues by Fund



Notes: Charts may not total 100% due to rounding.

## Revenues by Funding Source

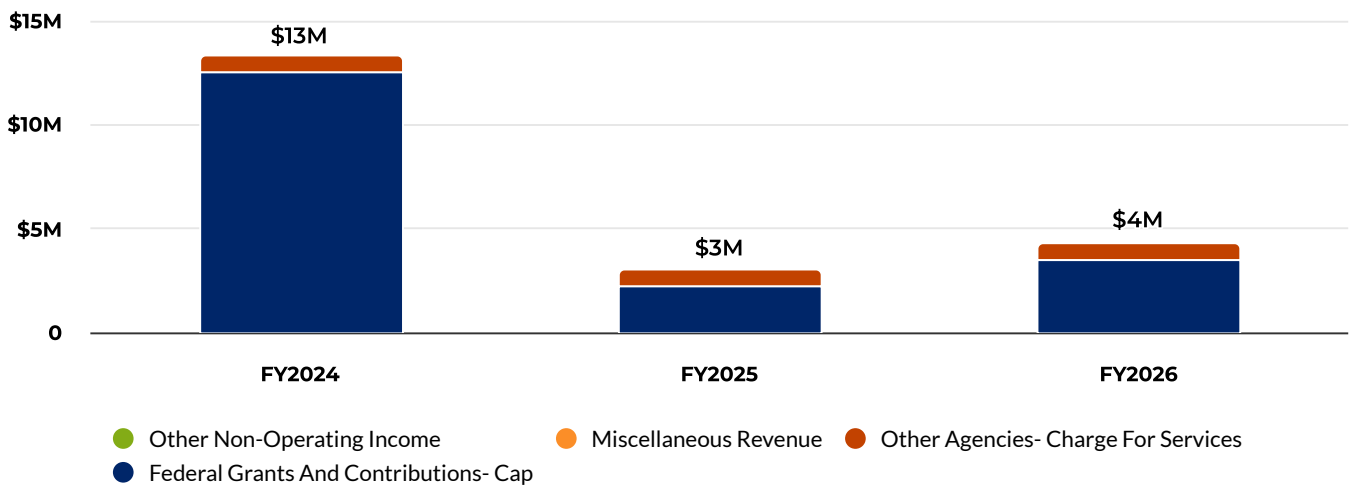
This chart breaks down the department’s revenue sources over time by type, illustrating how funding has evolved to support emergency communications services:

Fiscal Year 2024: Revenues totaled \$13 million, with the majority coming from Federal Grants and Contributions, which were essential for investing in emergency response upgrades. Service charges from partner agencies also contributed to overall funding.

Fiscal Year 2025: Revenues decreased to \$5 million, driven by decrease of federal support.

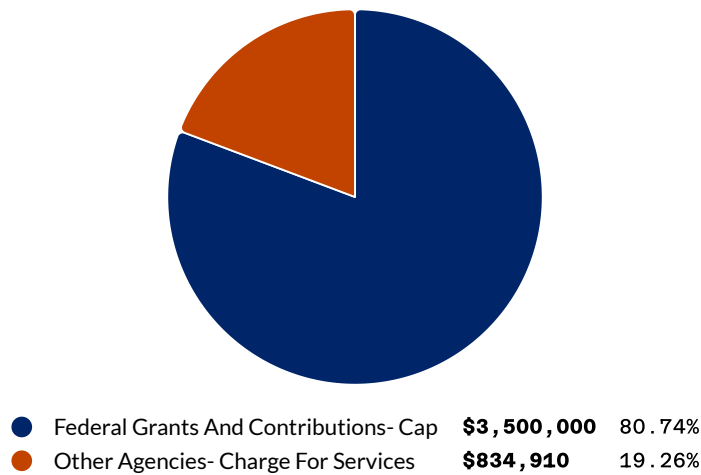
Fiscal Year 2026: Revenues are projected to remain steady at \$4 million, reflecting sustained grant funding and stable revenue from partner agency support, ensuring the department can continue to deliver critical public safety services.

Historical Revenues by Revenue Type



Note: Amounts shown in the graphs are rounded up.

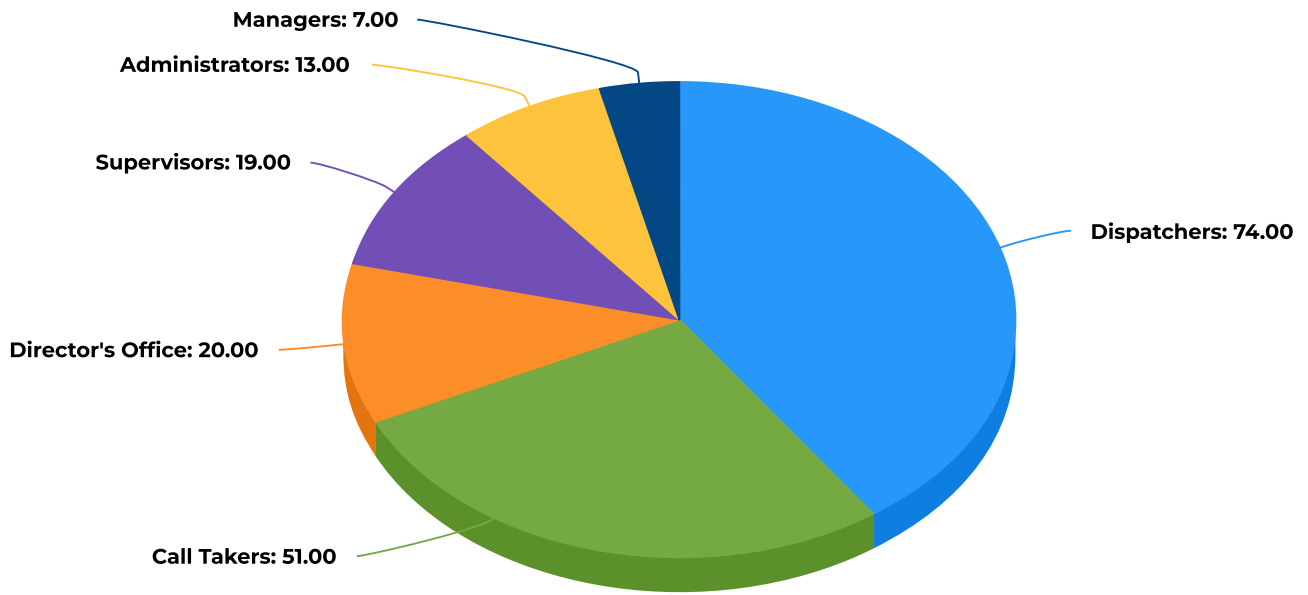
Fiscal Year 2026 Revenues by Type



Notes: Charts may not total 100% due to rounding.

# Position Resources

Fiscal Year 2026 Adopted FTE Count



# Tucson City Golf Department Overview



## Mission Statement

We are committed to delivering the best golf experience possible for Tucson's residents and visitors by offering well-maintained courses and exceptional customer service.

All golf operations are professionally managed by OB Sports Golf Management, including course services, food and beverage, pro shops, maintenance, and general operations.

The **Randolph Golf Complex (North & Dell Urich)** is a 36-hole facility and is the flagship of Tucson City Golf. The course has hosted the PGA Tour Tucson Open, Senior Open, and LPGA Tour events and offers top-tier golfing experiences, services, and amenities.

The **El Rio Golf Course** is a historic 18-hole course, known as a Tucson favorite. The course once hosted the Tucson Open and remains a beloved choice for players of all levels.

The **Fred Enke Golf Course** is a scenic and challenging 18-hole desert course. The course offers a unique and rewarding experience for more experienced golfers.

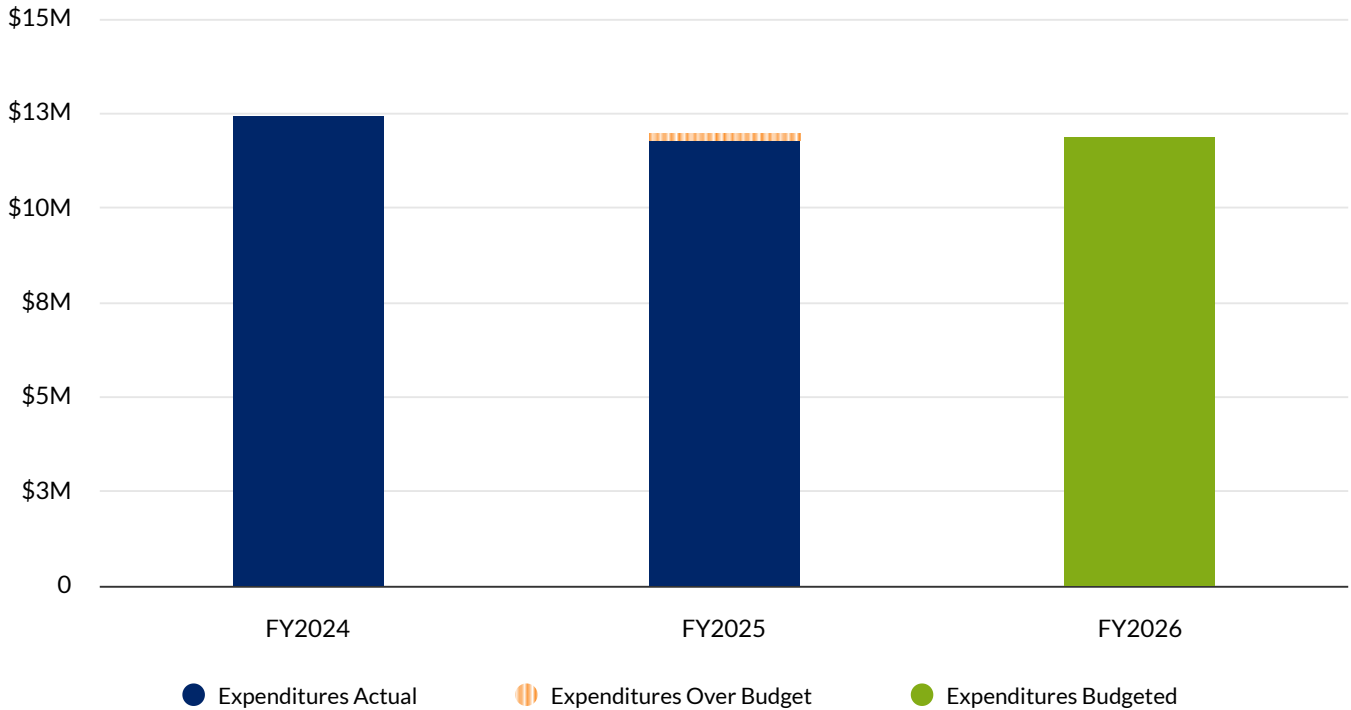
The **Silverbell Golf Course** is a playable yet challenging 18-hole layout with continuous turf. The course is known for being enjoyable for all skill levels and popular among local golfers.

## Expenditure Summary

**\$11,882,333**

\$131,753 / 1.12% Higher Than the Prior Year's Budget

### Historical Expenditures Across Department



*Note: Amounts shown in the graphs are rounded up.*

#### Significant Changes

The Tucson City Golf expenditure budget for Fiscal Year 2026 is set at \$11.9 million, reflecting a 1.12% increase compared to the Fiscal Year 2025 budget of \$11.8 million.

In Fiscal Year 2025, actual expenditures also totaled \$11.9 million, slightly above the budgeted amount at 101.69%, but 3.83% lower than the prior year. This outcome indicates that while spending exceeded planned levels, it remained below historical trends.

#### Trends

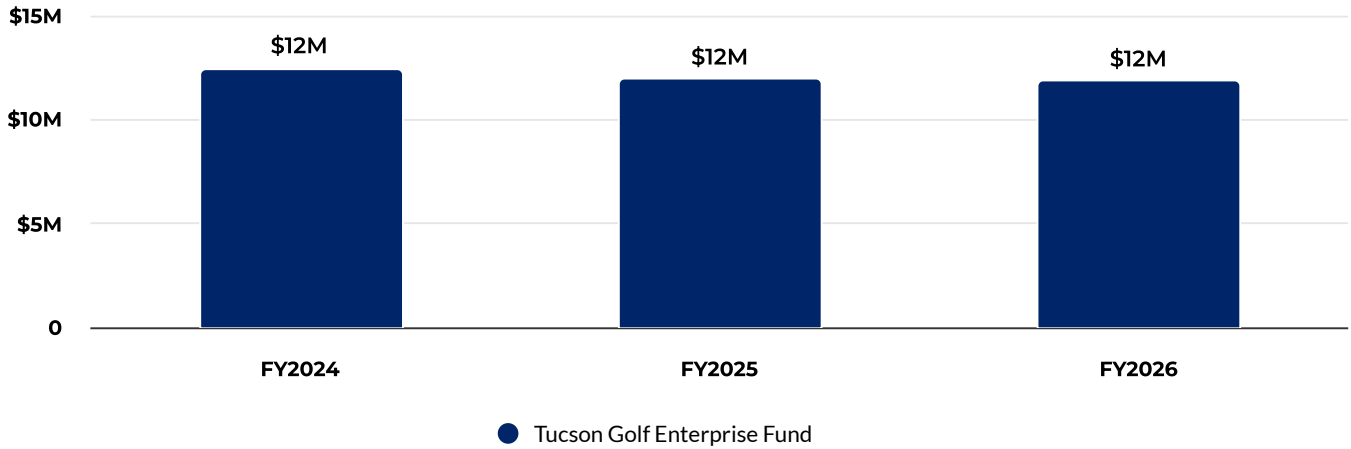
The Fiscal Year 2026 budget reflects a stable outlook, maintaining funding near prior-year levels and suggesting a continued commitment to supporting golf course operations, maintenance, and related services without major expansion or contraction.

## Expenditures by Fund

This chart shows the annual spending for Tucson City Golf, all funded through the Tucson Golf Enterprise Fund:

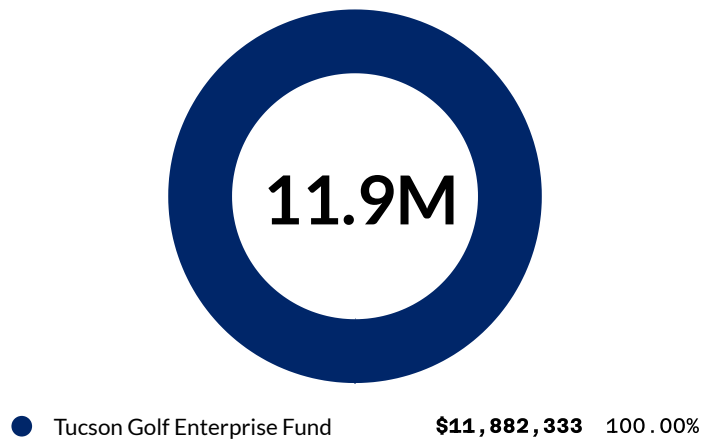
- Fiscal Year 2024: Expenditures total \$12 million.
- Fiscal Year 2025: Stayed at \$12 million
- Fiscal Year 2026: Stayed at \$12 million.

### Historical Expenditures by Fund



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Fund



## Expenditures by Type

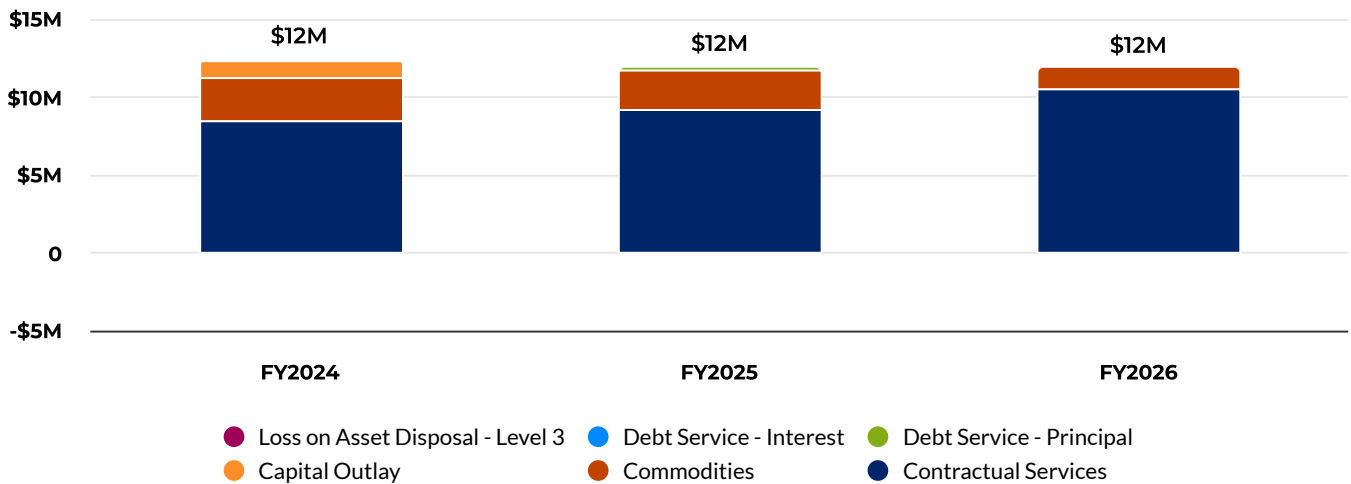
This chart illustrates how Tucson City Golf’s expenditures have evolved over the past three fiscal years, broken down by expense category:

Fiscal Year 2024: Total expenditures were \$12 million, with the majority spent on Contractual Services—primarily tied to the Management contract. Commodities, such as course supplies, were the second-largest expense. Smaller allocations went to Debt Service - Principal and Salaries, Wages, and Benefits.

Fiscal Year 2025: Spending held steady at \$12 million, with slight decreases in Commodities and Debt Service. Contractual Services remained the dominant expense category.

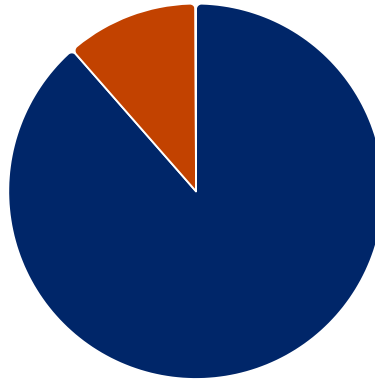
Fiscal Year 2026: Expenditures are projected to increase to \$12 million, driven largely by a significant rise in Contractual Services. Commodities and other expense types are expected to remain relatively stable.

Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Type



● Contractual Services	<b>\$10,522,413</b>	88.56%
● Commodities	<b>\$1,355,080</b>	11.40%
● Debt Service - Principal	<b>\$3,040</b>	0.03%
● Debt Service - Interest	<b>\$1,800</b>	0.02%

*Notes: Charts may not total 100% due to rounding.*

## Expenditures by Cost Center

This chart breaks down Tucson City Golf’s annual expenditures across its four golf course facilities over the past three fiscal years:

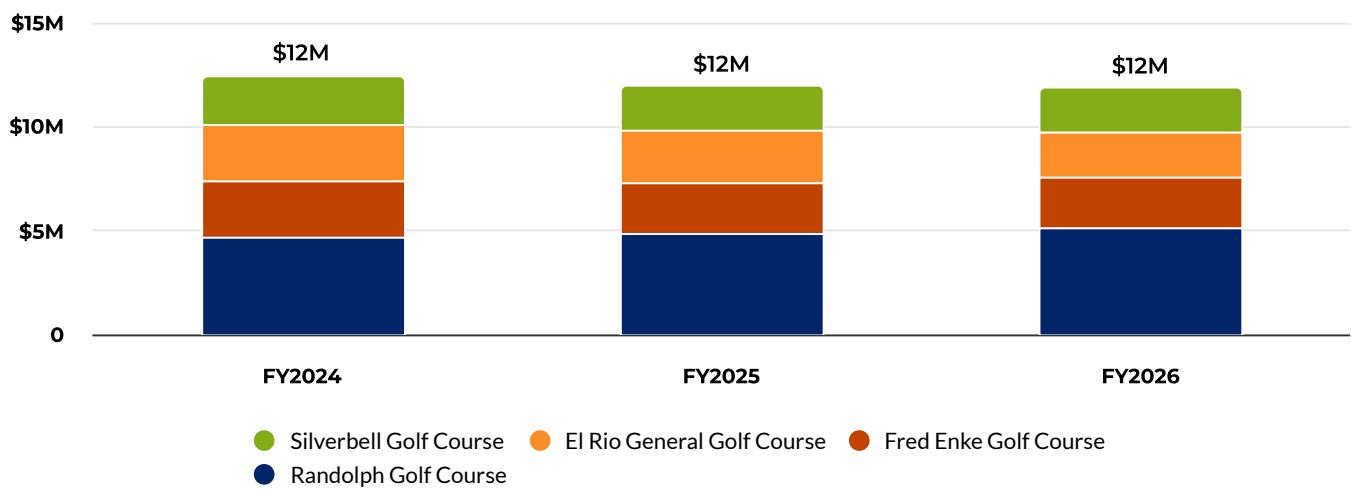
Fiscal Year 2024: Total spending was \$12 million, with expenditures distributed proportionally across all four courses. Randolph Golf Course received the highest allocation.

Fiscal Year 2025: Expenditures stayed at \$12 million, reflecting a modest reduction in spending across all courses.

Fiscal Year 2026: Spending is projected to stabilize at \$12 million, with notable changes including:

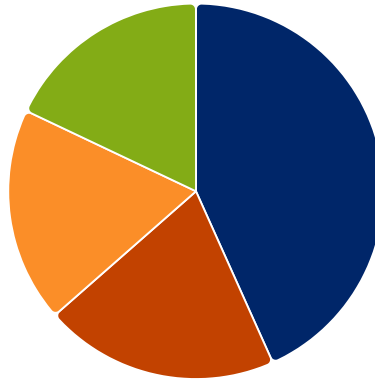
- A slightly increase at Randolph Golf Course, continuing its trend as the highest-funded course had a moderate decrease from at Fred Enke and El Rio Golf Courses stable funding at Silverbell Golf Course

**Historical Expenditures by Cost Center**



*Note: Amounts shown in the graphs are rounded up.*

### Fiscal Year 2026 Expenditures by Cost Center



● Randolph Golf Course	<b>\$5,143,411</b>	43.29%
● Fred Enke Golf Course	<b>\$2,405,250</b>	20.24%
● El Rio General Golf Course	<b>\$2,199,330</b>	18.51%
● Silverbell Golf Course	<b>\$2,134,342</b>	17.96%

*Notes: Charts may not total 100% due to rounding.*

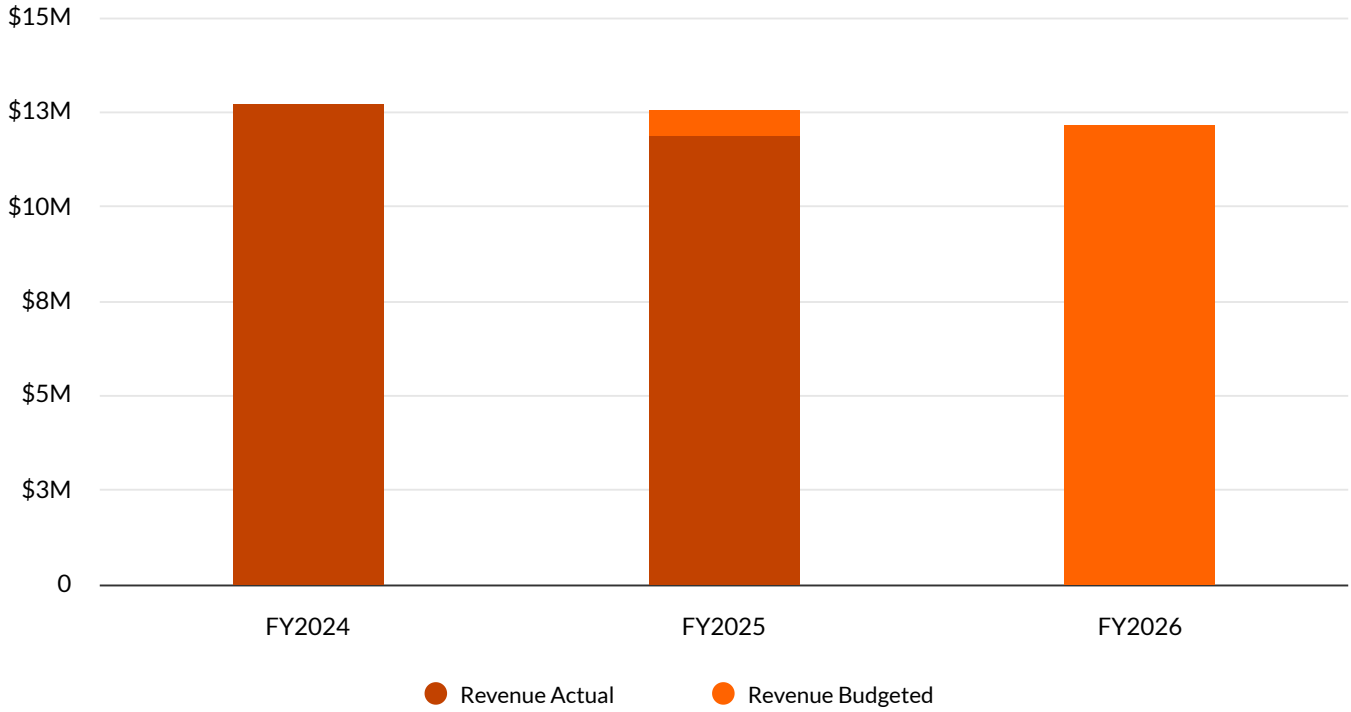
# Revenue Summary

**\$12,181,620**

Includes Transfers In and Out

-\$401,470 / 3.19% Lower Than the Prior Year's Budget

## Historical Revenues Across Department



*Note: Amounts shown in the graphs are rounded up.*

## Revenues by Funding Source

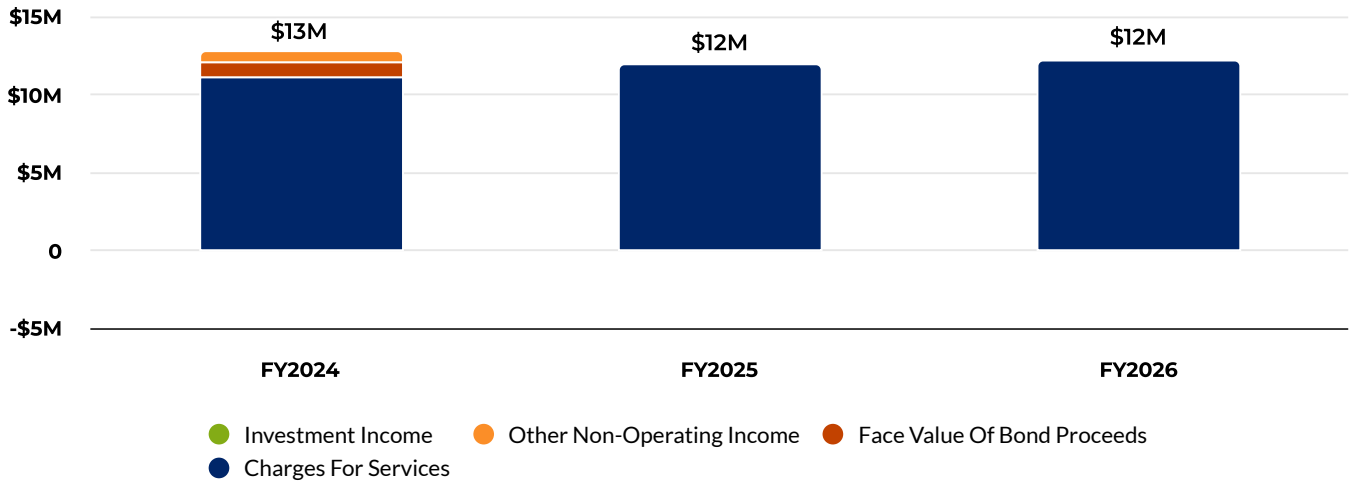
This chart illustrates Tucson City Golf's revenue performance over three fiscal years.

Fiscal Year 2024: Revenues totaled \$13 million, with most funding generated through Charges for Services, Proceeds of Bonds, Other Non-Operating Income.

Fiscal Year 2025: Revenues increased modestly to \$12 million, supported solely by Charges for Services

Fiscal Year 2026: Revenues are projected to stay at \$12 million, driven entirely by Charges for Services.

Historical Revenues by Revenue Type



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Type



● Charges For Services	<b>\$12,181,620</b>	100.00%
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*Notes: Charts may not total 100% due to rounding.*

## Position Resources

\*No budgeted FTEs as Tucson City Golf is managed by contractor OB Sports.

# Tucson Convention Center Department Overview



## Mission Statement

The Tucson Convention Center is dedicated to showcasing Tucson’s hospitality and supporting the city’s economy by offering excellent customer service and celebrating cultural diversity. We provide high-quality spaces and services for conventions, meetings, and entertainment enjoyed by both residents and visitors.

The Tucson Convention Center (TCC) includes several key divisions that work together to ensure smooth operations and memorable guest experiences:

The **Office of the Director** division oversees the overall management of the TCC. Key responsibilities include coordinating with partners like ASM Global, Rio Nuevo, and Visit Tucson. In addition, the team hosts site visits and ensures high standards are met for all events.

The **Administration** division handles financial planning and event service coordination. Key responsibilities include providing budgeting and fiscal support, maintaining accurate accounting and overseeing financial logistics for events.

The **Sales & Marketing** division promotes and schedules events to drive economic impact. Key responsibilities include working closely with Visit Tucson to attract diverse events and managing service provider contracts and guest satisfaction.

The **Facilities & Operations** division delivers technical and staging support for events. Key responsibilities include managing IT services, lighting, sound, and concert setups. The team also supports large-scale productions across multiple TCC venues.

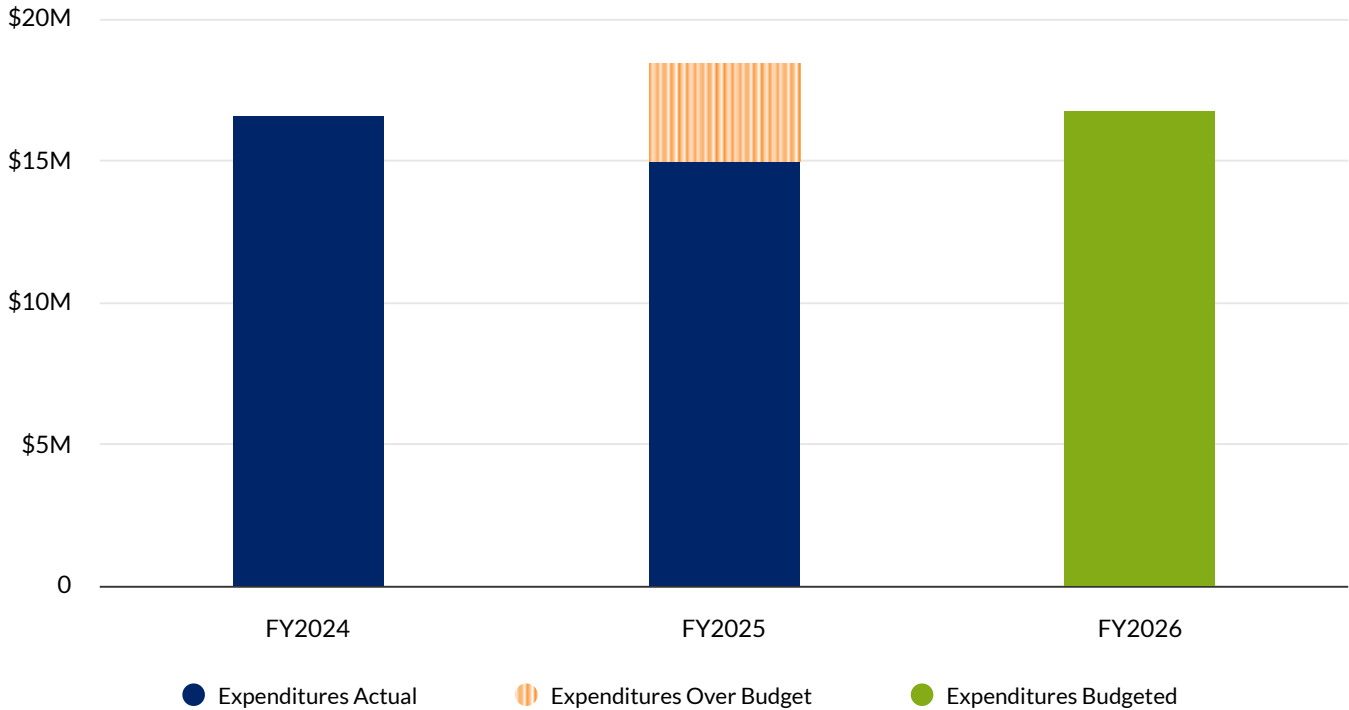
The **TCC Operations** division handles day-to-day event setup and maintenance. The division is responsible for preparing event spaces, including ice rink and stage setup. The team also ensures the buildings and surrounding grounds are ready for public use.

## Expenditure Summary

**\$16,781,261**

\$1,815,701 / 12.13% Higher Than the Prior Year's Budget

### Historical Expenditures Across Department



*Note: Amounts shown in the graphs are rounded up.*

### Significant Changes

The Tucson Convention Center’s expenditure budget for Fiscal Year 2026 is set at \$16.8 million, reflecting a 12.13% increase over the Fiscal Year 2025 budget of \$15.0 million.

In Fiscal Year 2025, actual expenditures totaled \$18.4 million, exceeding the budgeted amount by 23.17% and representing an 11.13% increase compared to the prior year. This outcome highlights higher-than-anticipated operational and programmatic costs in Fiscal Year 2025.

### Trends

The Fiscal Year 2026 budgeted amount is \$1.6 million below Fiscal Year 2025 actual expenditures, but \$1.8 million above the prior budget. This reflects a balanced approach, acknowledging past spending levels while planning for increased expenditures relative to budgeted trends, without fully matching the prior year’s peak in actual costs.

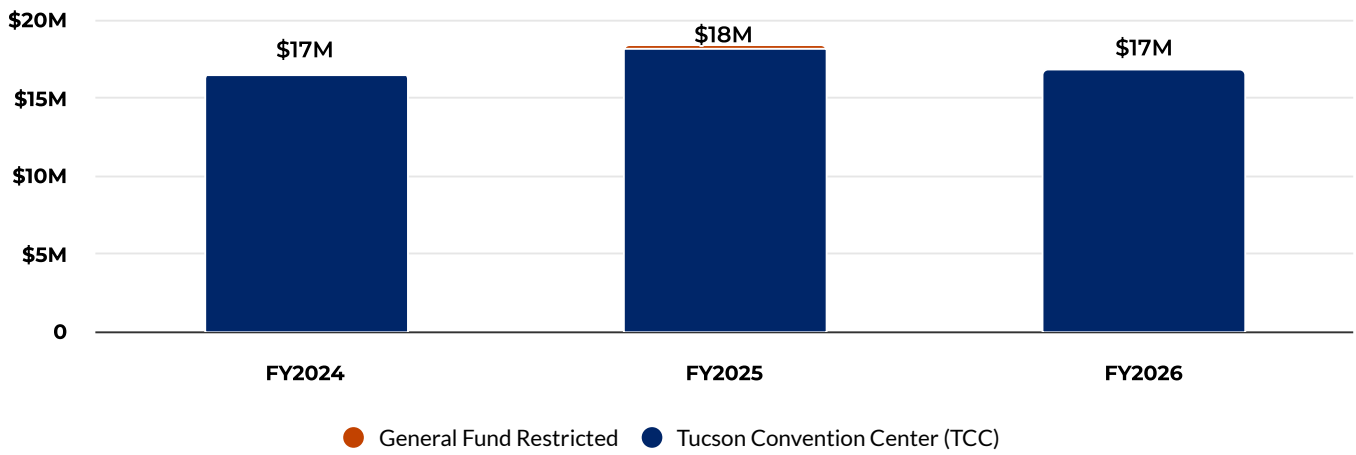
## Expenditures by Fund

The chart for the Tucson Convention Center (TCC) shows the following:

- Fiscal Year 2024: \$17 million,
- Fiscal Year 2025: \$18 million.
- Fiscal Year 2026: \$17 million.

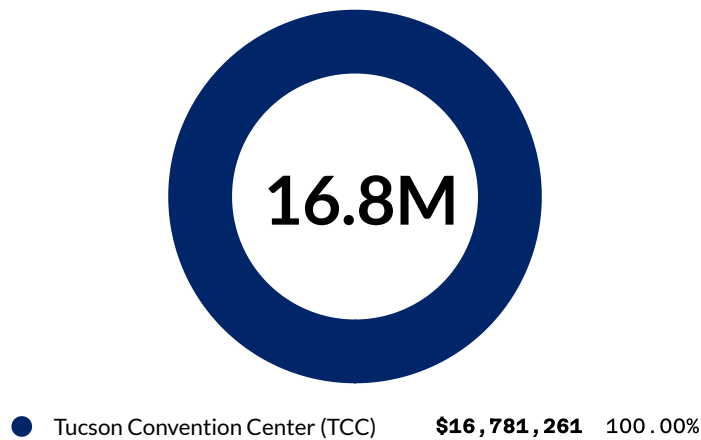
The Fiscal Year 2026 budget reflects a streamlined funding structure, with all expenditures now supported exclusively by the Tucson Convention Center Fund. While total expenditures decreased modestly, the elimination of the General Fund Restricted contribution underscores a shift toward greater self-sufficiency in funding ongoing convention center operations.

Historical Expenditures by Fund



Note: Amounts shown in the graphs are rounded up.

Fiscal Year 2026 Expenditures by Fund



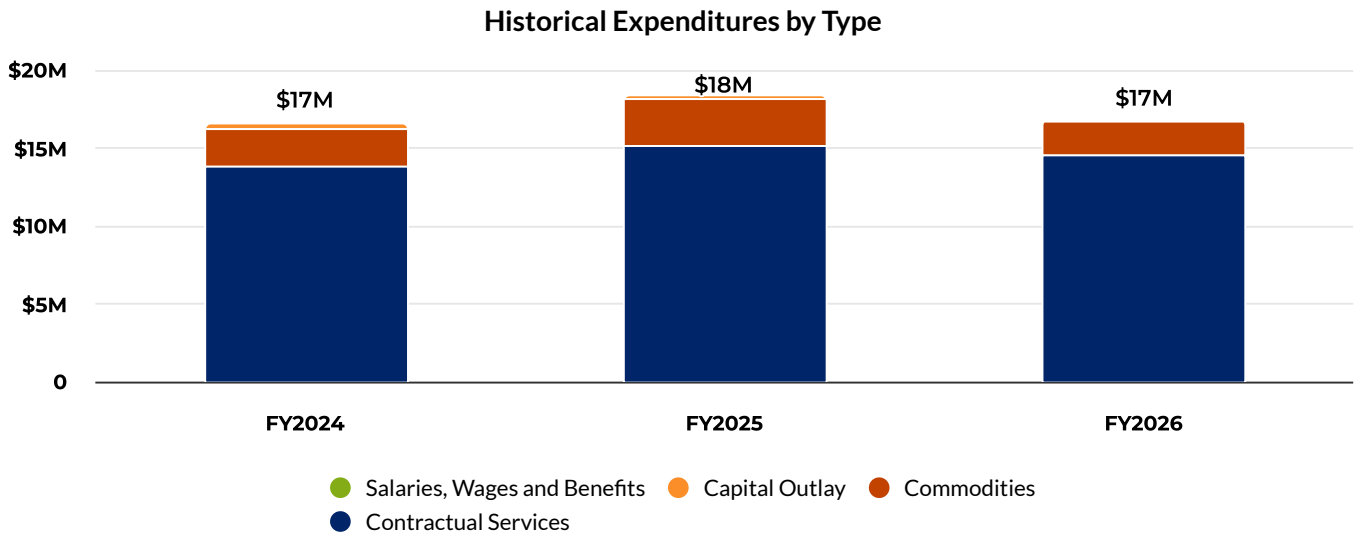
## Expenditures by Type

This chart outlines how the Tucson Convention Center (TCC) has allocated its spending across various categories over the past three fiscal years:

Fiscal Year 2024: Total expenditures were \$17 million, with the majority directed toward Contractual Services and Commodities, reflecting the TCC’s reliance on vendor partnerships and operational supplies.

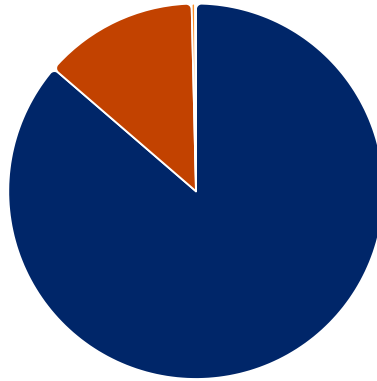
Fiscal Year 2025: Spending increased to \$18 million, primarily due to significant reductions in Contractual Services and Capital Outlay, following the completion of select projects and cost containment measures.

Fiscal Year 2026: Expenditures are projected to decrease slightly to \$17 million, driven by a slight decline in Contractual Services. This reflects the TCC’s ongoing operational model, which depends heavily on third-party service providers for event management and facility operations.



*Note: Amounts shown in the graphs are rounded up.*

### Fiscal Year 2026 Expenditures by Type



● Contractual Services	<b>\$14,487,170</b>	86.33%
● Commodities	<b>\$2,231,390</b>	13.30%
● Salaries, Wages and Benefits	<b>\$50,701</b>	0.30%
● Capital Outlay	<b>\$12,000</b>	0.07%

Notes: Charts may not total 100% due to rounding.

## Expenditures by Cost Center

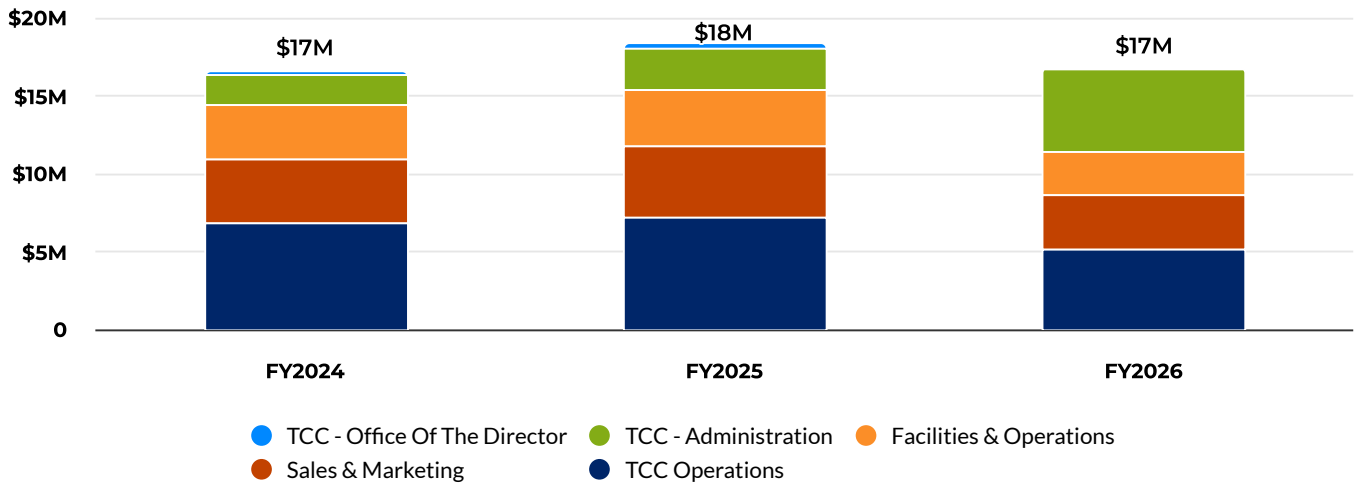
This chart for the Tucson Convention Center (TCC) illustrates how operational spending has been distributed across departments over the past three fiscal years:

Fiscal Year 2024: Total expenditures were \$17 million, with most funding allocated to TCC Operations and Sales & Marketing, supporting day-to-day event delivery and venue promotion.

Fiscal Year 2025: Expenditures increased to \$18 million, reflecting an increase in Operations and TCC Administration.

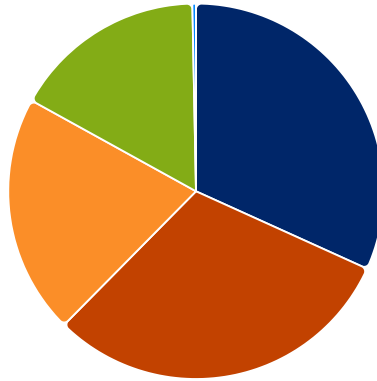
Fiscal Year 2026: Spending is projected at \$17 million, signaling a slight decline, particularly in Operations and an increase in Administration.

Historical Expenditures by Cost Center



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Cost Center



● TCC - Administration	<b>\$5,329,160</b>	31.76%
● TCC Operations	<b>\$5,142,460</b>	30.64%
● Sales & Marketing	<b>\$3,461,360</b>	20.63%
● Facilities & Operations	<b>\$2,797,580</b>	16.67%
● TCC - Office Of The Director	<b>\$50,701</b>	0.30%

*Notes: Charts may not total 100% due to rounding.*

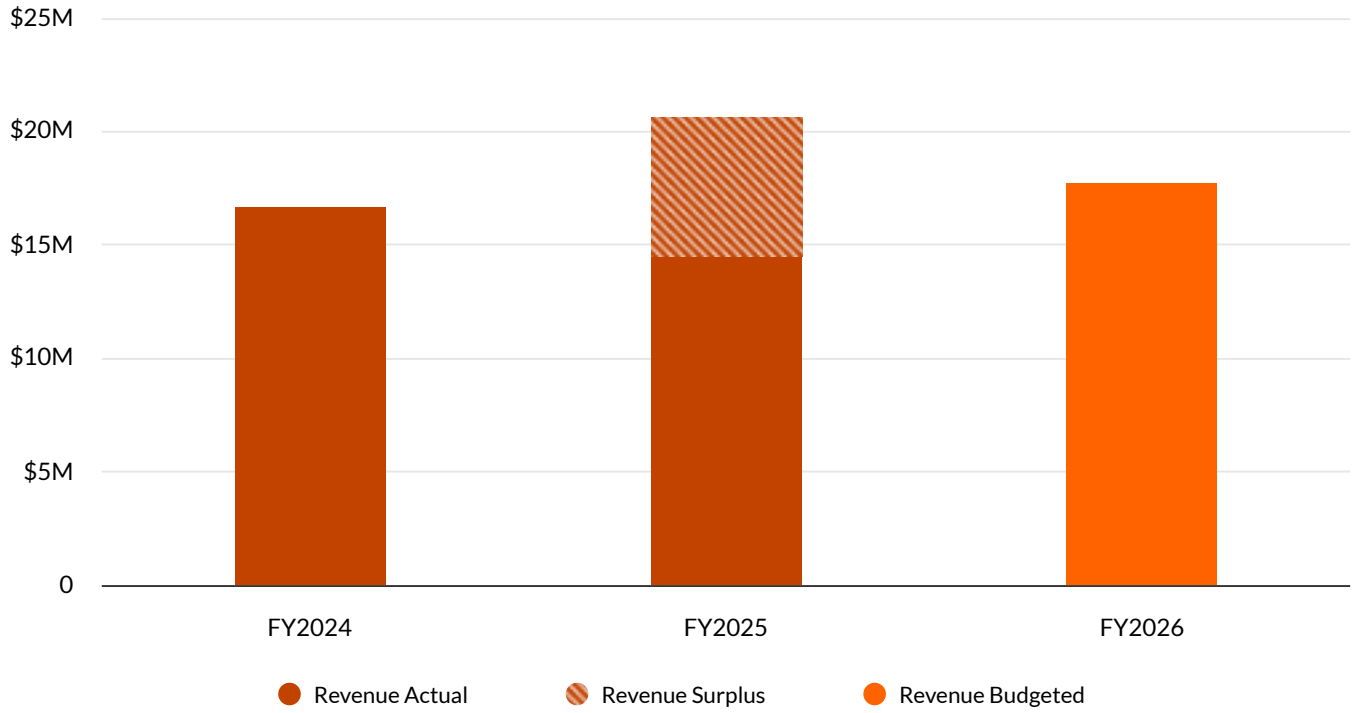
# Revenue Summary

\$17,681,260

Includes Transfers In and Out

\$3,211,700 / 22.20% Higher Than the Prior Year's Budget

## Historical Revenues and Transfers Across Department



Note: Amounts shown in the graphs are rounded up.

## Revenues by Fund

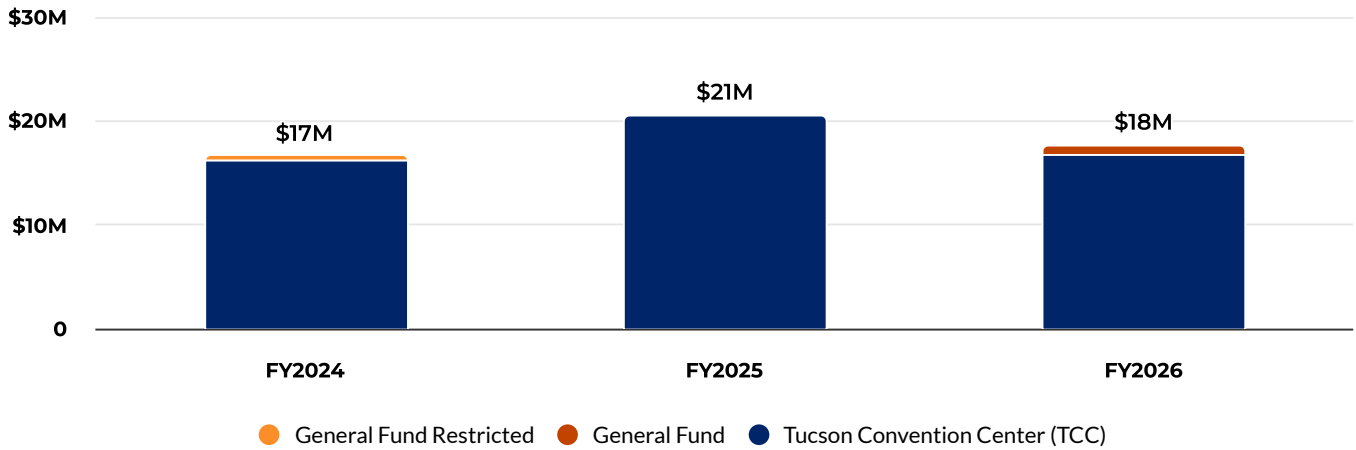
This chart illustrates revenue trends for the Tucson Convention Center (TCC) over the past three fiscal years, highlighting the impact of event activity and operational stability:

In Fiscal Year 2026, total revenue for the Tucson Convention Center is budgeted at \$17.7 million, reflecting a 14.16% decrease compared to FY2025 actual revenues of \$20.6 million. The Fiscal Year 2026 decline is attributable to conservative revenue estimates for the Convention Center Fund.

### Major Revenue Sources

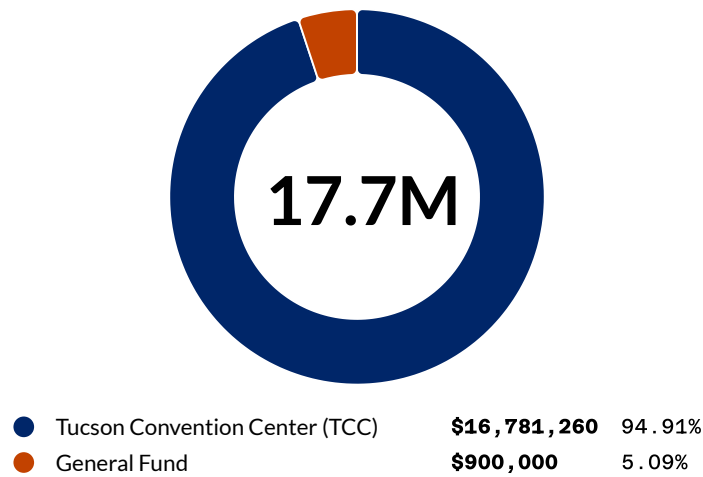
- For Fiscal Year 2026, the Tucson Convention Center Fund and TCC activities will provide an anticipated \$12.5 million in revenue and \$4.23 million in support from the General Fund.. Prior year actuals totaled \$16.5 million (exceeding the budgeted \$10.3 million).

Historical Revenues by Fund



Note: Amounts shown in the graphs are rounded up.

FY26 Revenues by Fund



Notes: Charts may not total 100% due to rounding.

## Revenues by Funding Source

This chart for the Tucson Convention Center (TCC) displays revenue trends and sources over the past three fiscal years:

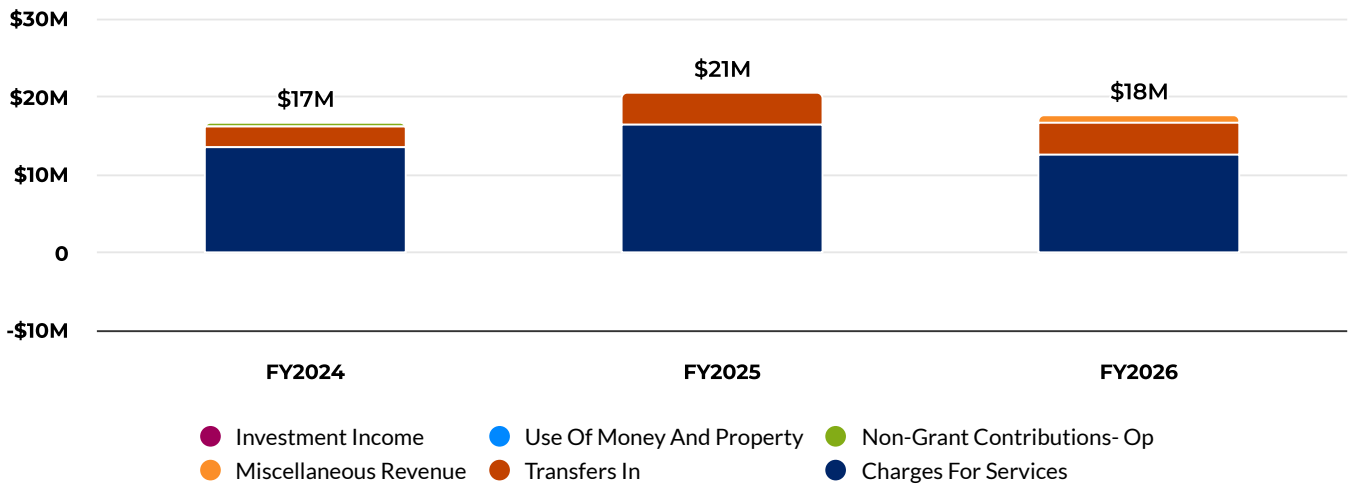
- Fiscal Year 2024: \$17 million
- Fiscal Year 2025: \$21 million
- Fiscal Year 2026: \$18 million (projected)

In Fiscal Year 2026, the Tucson Convention Center's total revenue decreased by 14.16% to \$17.7 million compared to the previous year. Charges For Services, the largest revenue category, declined by 23.7% to \$12.4 million, representing 70.23% of the total revenue, down from 79.02% in the prior year.

Transfers In increased slightly by 2.23% to \$4.2 million, making up 23.95% of total revenue, up from 20.11%. Miscellaneous Revenue saw a significant increase to \$901,000, accounting for 5.1% of total revenue, up from a negative value of -\$1,850 the previous year. Use Of Money And Property also rose substantially by 117.25% to \$128,000, representing 0.72% of total revenue.

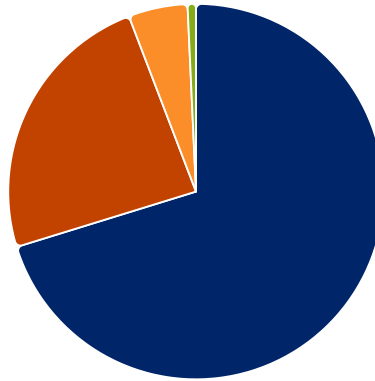
Investment Income dropped completely to \$0, a 100% decrease from \$123,341 the prior year. Non-Grant Contributions- Op remained at \$0 for both years. Overall, the revenue composition shifted with decreases in Charges For Services and Investment Income, while Miscellaneous Revenue, Transfers In, and Use Of Money And Property experienced notable increases.

Historical Revenues by Revenue Type



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Type



● Charges For Services	<b>\$12,418,150</b>	70.23%
● Transfers In	<b>\$4,234,110</b>	23.95%
● Miscellaneous Revenue	<b>\$901,000</b>	5.10%
● Use Of Money And Property	<b>\$128,000</b>	0.72%

Note: Charts may not total 100% due to rounding.

## Position Resources

\*No budgeted FTEs as Tucson Convention Center is managed by SMG, a contracting company.

# Tucson Fire Department Overview



## Mission Statement

The mission of the Tucson Fire Department is to prevent, respond, and serve — anytime, anywhere.

The Tucson Fire Department (TFD) strives to deliver the highest quality service in a timely and safe manner, while supporting the community and its partners. Central to this mission is our commitment to protecting and enhancing the quality of life for our citizens by responding swiftly, performing with excellence, and providing public education on how to stay safe and aware during emergencies. All emergency and non-emergency services are managed by expertly trained professionals dedicated to serving the community.

To effectively fulfill its mission, the Office of the Fire Chief outlines the department's vision and objectives. TFD is organized into four divisions: Operations, Essential Services, Innovation and Special Services, and Employee and Community Services.

The Operations Division is the largest, responsible for the day-to-day execution of emergency services. It consists of four battalions, each covering different sections of the city. Commissioned fire personnel operate 24 hours a day, 365 days a year, responding to over 106,000 calls per year for fire, EMS and all-hazard emergencies.

The Essential Services Division encompasses logistics, supply, training, and medical oversight, all of which significantly contribute to operational effectiveness. Fire prevention, encompassing inspection and investigation, falls under this division, making it the second largest in the department, with a substantial operating budget necessary for delivering apparatus, equipment, and specialized training.

Innovation and Special Services is a relatively new division within TFD, comprising a small team of data and technology experts. This division manages special and capital projects, including the construction of new fire stations and initiatives aimed at reducing call volume and apparatus utilization, ultimately resulting in cost savings.

The Employee and Community Services Division provides critical support to department employees through a safety and wellness team. It also collaborates with community partners and initiatives through TC3 (Tucson Community Collaborative) and offers public education programs. The division also works hand in hand with human resources to ensure department policies and procedures are in line with city policies and procedures. Lastly, our public information office is responsible for internal and external communications, including providing the content on the social media platforms for the department.

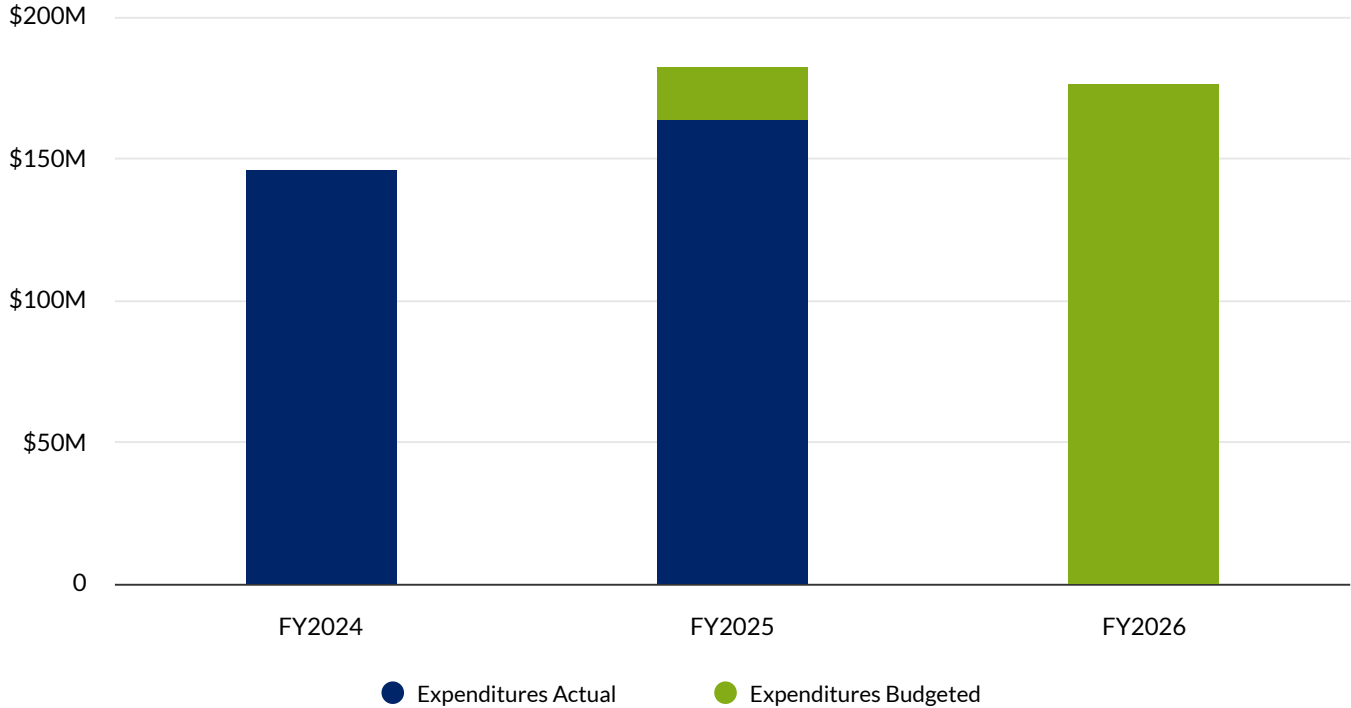
Together, the divisions and assistant chiefs closely collaborate with the Fire Chief to develop practical and efficient solutions for the fire service, while maintaining the integrity and responsiveness that the Tucson Fire Department is renowned for.

## Expenditure Summary

**\$176,173,765**

-\$5,908,976 / 3.25% Lower Than the Prior Year's Budget

### Historical Expenditures Across Department



*Note: Amounts shown in the graphs are rounded up.*

#### Significant Changes

The Tucson Fire Department (TFD) has budgeted expenditures of \$126.2 million for Fiscal Year 2026 , which includes the operating budget. Apart from the budgeted amount, the overall budget includes additional funds, specifically \$7.1 million in Investment Plan funds, \$16.8 million in Capital funds, \$21.8 million in the Pension Trust fund, \$2.5 million in Grant Funding, and other miscellaneous funds, totaling \$176 million. In previous years, all the listed funding accounts would be displayed as the department’s approved budget. However, in FY26, the City made adept changes to the sources, better aligning them with the actual department expenditure availability, resulting in a noticeable overall change in budgeted amounts.

The \$126.2 million represents an increase of approximately 2% from FY25. The rise in funding is primarily due to the addition of 15 14 personnel for the Peak Volume Truck (PVT) program, as well as one Emergency Vehicle Technician (EVT), to ensure proper and cost-saving maintenance of the fire apparatus.

Additionally, there is an increase in critical personal protective equipment (PPE) and necessary medical supplies and equipment, which were previously requested as supplemental funding but have now been incorporated into the base operating budget for Fiscal Year 2026.

#### Trends

The TFD budget is over 90% of personnel costs, focused on salaries, wages, and other compensation, including benefit packages and incentives.

As an industry, the fire department continues to face increasing costs for commodities, such as medical supplies and pharmaceuticals, and for capital items like fire apparatus (fire engines, ladders, and paramedic trucks), which have approximately doubled in cost since 2020. The cost of repair items for the apparatus is also increasing rapidly.

Technology updates and reporting and billing requirements necessitate an investment in patient care reporting, a predictable need that will continue to evolve as technological and data collection requirements evolve.

## Expenditures by Fund

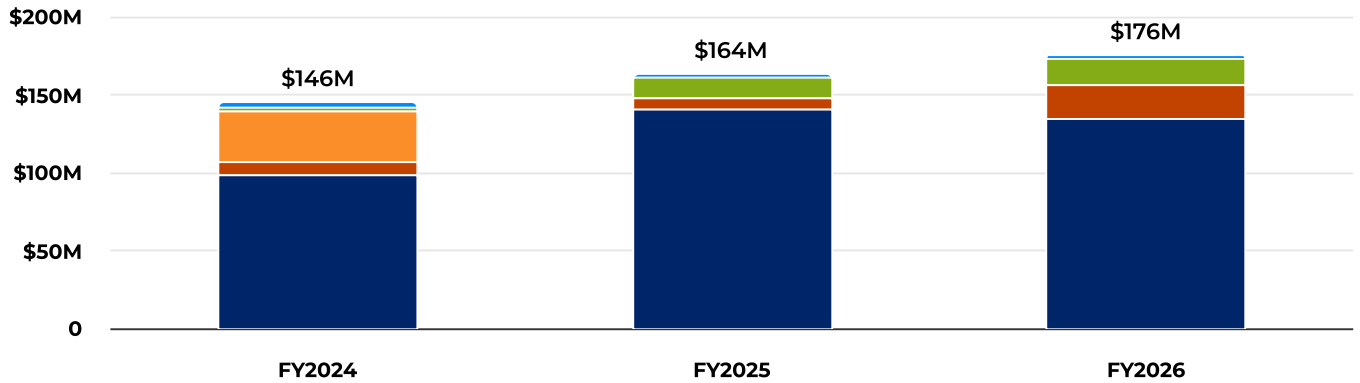
Fiscal Year 2024: Total expenditures were approximately \$146 million, with the majority funded by the General Fund. Small allocations came from including the Section 115 Pension Trust and a large American Rescue Plan at \$33 million.

Fiscal Year 2025: Spending increased to about \$164 million, continuing to rely heavily on the General Fund. The department also maintained steady use of grants, Safer City, and a portion of the Section 115 Pension Trust.

Fiscal Year 2026: Expenditures rose sharply to \$176 million, reflecting strategic investments in public safety services. While the General Fund remains the primary source, there has been a notable increase in support from:

- Safer City funds
- Section 115 Pension Trust
- Miscellaneous Grant Fund

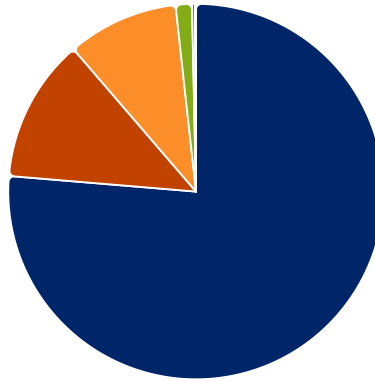
Historical Expenditures by Fund



- Civic Contributions
- Central District Impact Fees (Post 12/31/2011)
- Fire Impact Fees (Post 12/31/2011)
- Miscellaneous Non Federal Grant Funds
- Risk Management / Self Insurance
- Miscellaneous Federal Grant Funds
- Safer City
- American Rescue Plan
- Section 115 Pension Trust
- General Fund

Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Fund



● General Fund	<b>\$134,474,339</b>	76.33%
● Section 115 Pension Trust	<b>\$21,779,793</b>	12.36%
● Safer City	<b>\$16,840,240</b>	9.56%
● Miscellaneous Federal Grant Funds	<b>\$2,485,226</b>	1.41%
● Risk Management / Self Insurance	<b>\$495,737</b>	0.28%
● Miscellaneous Non Federal Grant Funds	<b>\$39,550</b>	0.02%
● Fire Impact Fees (Post 12/31/2011)	<b>\$29,440</b>	0.02%
● Central District Impact Fees (Post 12/31/2011)	<b>\$29,440</b>	0.02%

*Notes: Charts may not total 100% due to rounding.*

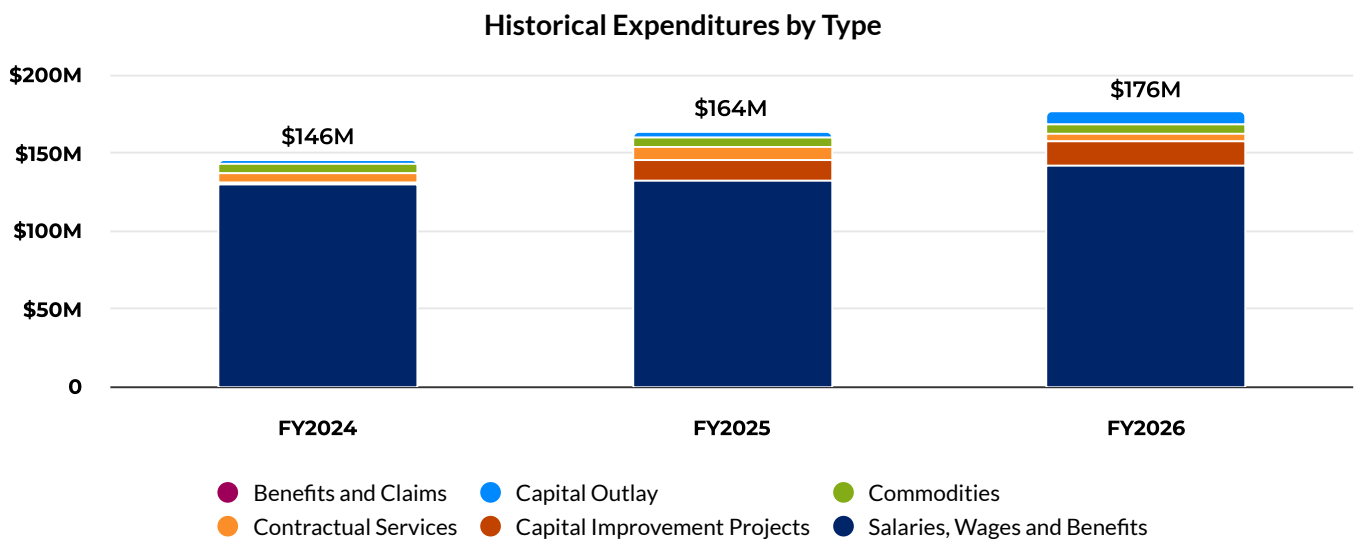
## Expenditures by Type

The Tucson Fire Department's expenditures have steadily increased over the past three fiscal years, reflecting the City's ongoing investment in emergency services, personnel, and operational capacity.

Fiscal Year 2024: Total expenditures reached \$146 million, with the majority allocated to Salaries, Wages, and Benefits, supporting the department's core workforce. A small portion was directed toward Capital Improvement Projects.

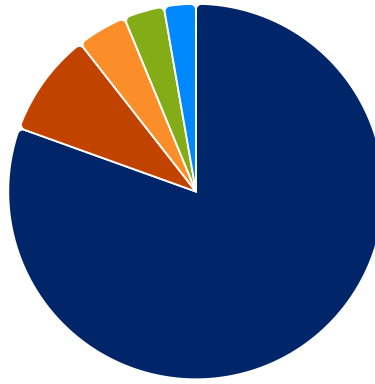
Fiscal Year 2025: Spending rose to \$164 million, continuing to prioritize personnel costs and service contracts. A substantial decrease in Commodities but a notable increase in Capital Improvement Plans.

Fiscal Year 2026: Expenditures are projected to climb to \$176 million, with Salary, Benefits and Wages becoming a notable cost category. This likely reflects increased retirements, rising healthcare costs, and long-term benefit obligations, pointing to the financial impact of an evolving workforce and expanding service responsibilities.



*Note: Amounts shown in the graphs are rounded up.*

### Fiscal Year 2026 Expenditures by Fund



● Salaries, Wages and Benefits	<b>\$141,820,683</b>	80.50%
● Capital Improvement Projects	<b>\$15,760,148</b>	8.95%
● Capital Outlay	<b>\$7,625,363</b>	4.33%
● Commodities	<b>\$6,128,006</b>	3.48%
● Contractual Services	<b>\$4,839,565</b>	2.75%

Note: Charts may not total 100% due to rounding.

## Expenditures by Cost Center

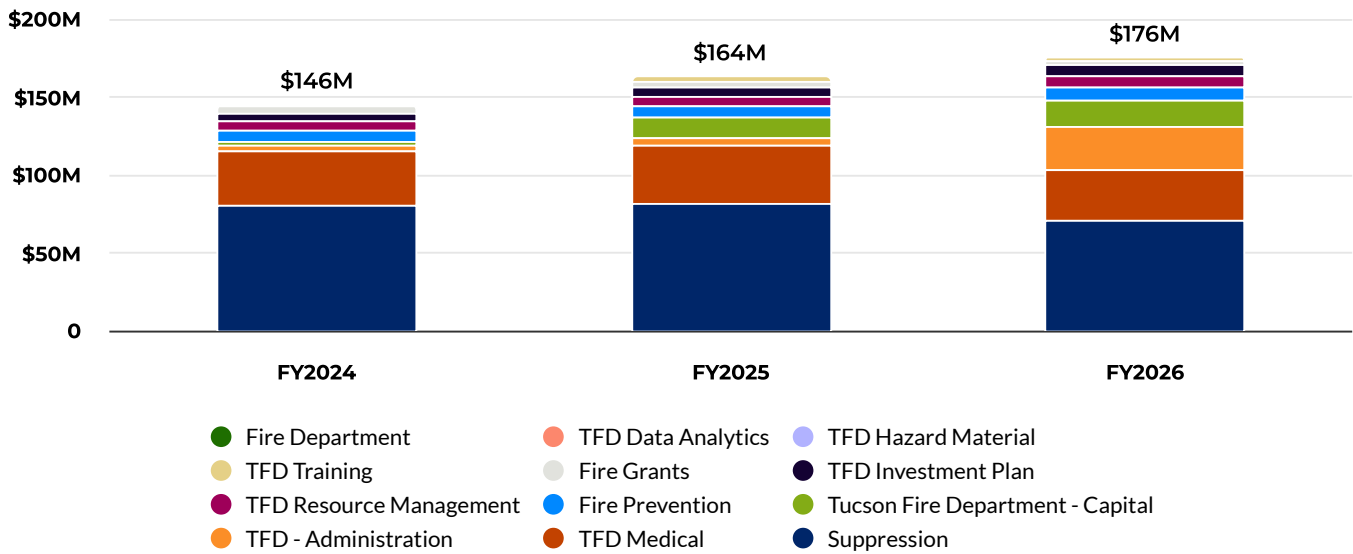
The Tucson Fire Department’s expenditures have shown a consistent upward trend from Fiscal Year 2024 through Fiscal Year 2026, reflecting both growth in suppression and TFD medical.

Fiscal Year 2024: Total expenditures reached \$146 million, with the bulk of funding allocated to Suppression and Medical Services. Administration, Fire Prevention, and Training received steady but modest funding.

Fiscal Year 2025: Spending increased to \$164 million, marked by moderate growth across most cost centers. Suppression and Medical Services continued to lead in funding.

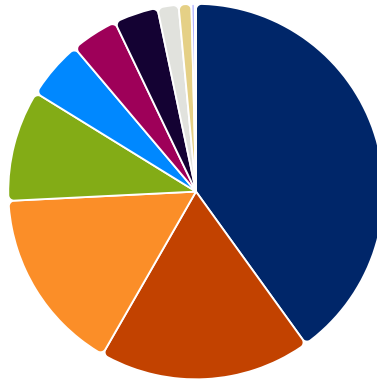
Fiscal Year 2026 (Projected): Expenditures are expected to surge to \$176 million, driven by a significant expansion in Medical Services, Suppression, and Administration. Every cost center is slated to receive additional funding, demonstrating the department’s broad commitment to service enhancement and modernization.

Historical Expenditures by Cost Center



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Cost Center



● Suppression	<b>\$70,565,741</b>	40.05%
● TFD Medical	<b>\$32,130,426</b>	18.24%
● TFD - Administration	<b>\$28,031,227</b>	15.91%
● Tucson Fire Department - Capital	<b>\$16,899,120</b>	9.59%
● Fire Prevention	<b>\$8,882,491</b>	5.04%
● TFD Investment Plan	<b>\$7,155,323</b>	4.06%
● TFD Resource Management	<b>\$6,681,630</b>	3.79%
● TFD Training	<b>\$3,197,381</b>	1.81%
● Fire Grants	<b>\$1,944,960</b>	1.10%
● TFD Hazard Material	<b>\$493,097</b>	0.28%
● TFD Data Analytics	<b>\$156,893</b>	0.09%
● Fire Department	<b>\$35,475</b>	0.02%

*Notes: Charts may not total 100% due to rounding.*

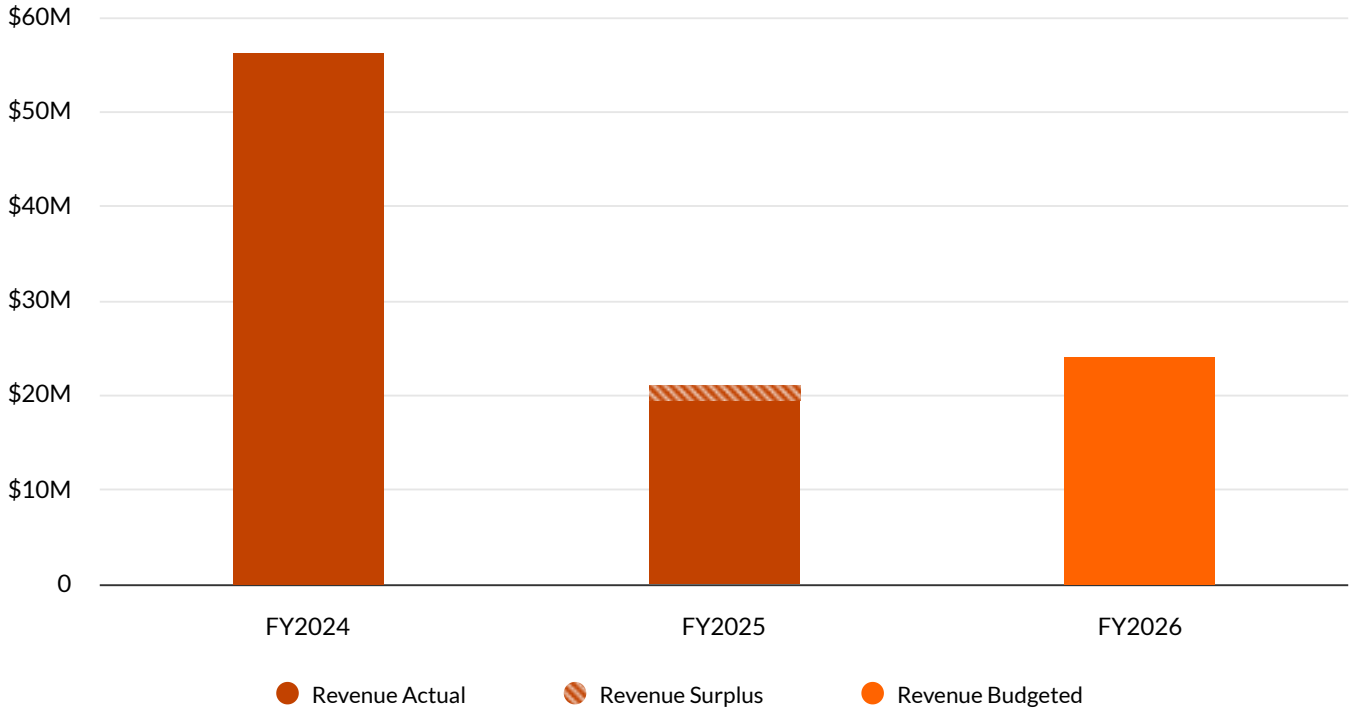
# Revenue Summary

\$23,970,480

Includes Transfers In and Out

\$4,457,070 / 22.84% Higher Than the Prior Year's Budget

## Historical Revenues Across Department



## Revenues by Fund

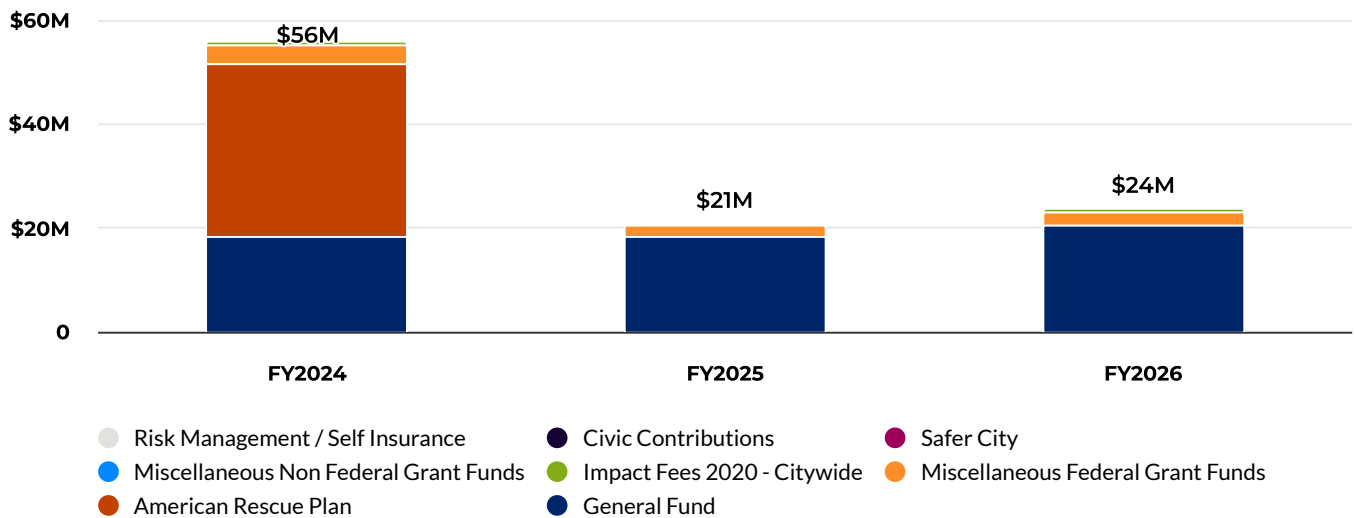
Over the past three fiscal years, the Tucson Fire Department has experienced a decline in total revenues, falling from \$56 million in Fiscal Year 2024 to \$23 million in Fiscal Year 2026.

Fiscal Year 2024: Actual Revenues totaled \$56.1 million, primarily sourced from the General Fund and American Rescue Plan.

Fiscal Year 2025: Actual Revenues declined to \$21 million primarily from General Funds.

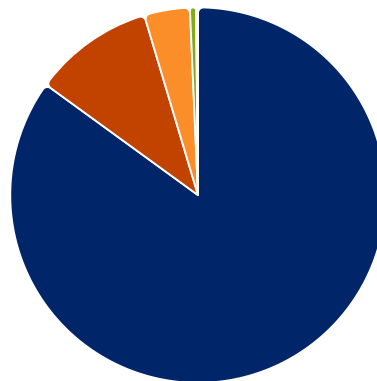
Fiscal Year 2026: Revenue projected to be at \$24 million, primarily from General Funds and Miscellaneous Grant Funds. This decrease is evidently because of the removal of the American Rescue Plan.

### Historical Revenues by Fund



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Fund



General Fund	\$20,375,740	85.00%
Miscellaneous Federal Grant Funds	\$2,485,230	10.37%
Impact Fees 2020 - Citywide	\$944,920	3.94%
Safer City	\$125,040	0.52%
Miscellaneous Non Federal Grant Funds	\$39,550	0.16%

Note: *Charts may not total 100% due to rounding.*

## Revenues by Funding Source

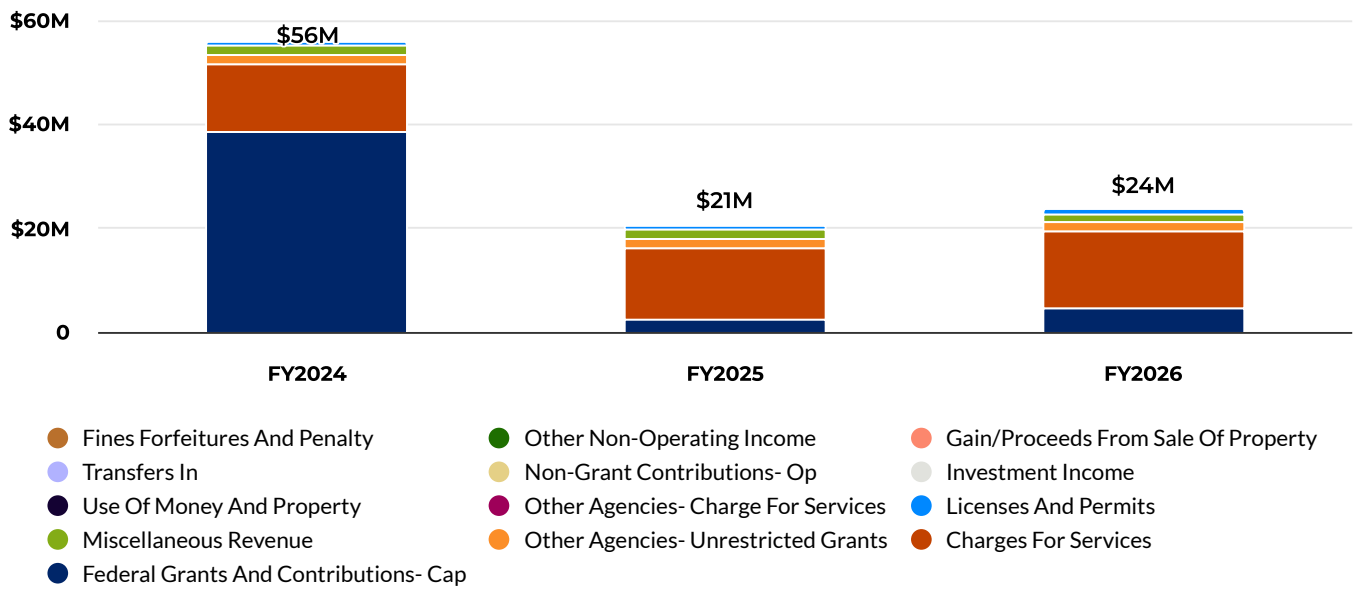
Revenue for the Tucson Fire Department declined from \$56 million in Fiscal Year 2024 to \$24 million in Fiscal Year 2026, reflecting a decrease from Federal Grants and Contributions.

Fiscal Year 2024: Total revenue reached \$56 million, driven primarily by Federal Grants and Contributions and Charges for Services and with additional support from Licenses and Permits.

Fiscal Year 2025: Revenues dropped to \$21 million, largely due to a reduction from Federal Grants received. Charges for Services quietly remain the same, investment income and other minimal revenues are included.

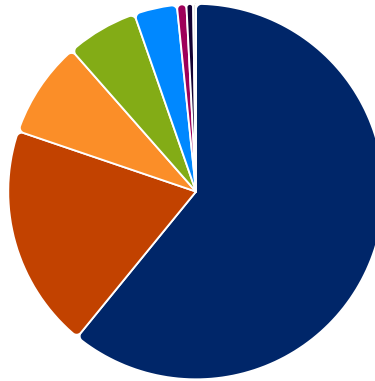
Fiscal Year 2026: Revenues are projected to go up at \$24 million, though with further slightly in Charges for Services, Grants, and Charges for Services.

Historical Revenues by Revenue Type



Note: Amounts shown in the graphs are rounded up.

### FY26 Revenues by Revenue Type



Charges For Services	<b>\$14,596,210</b>	60.89%
Federal Grants And Contributions- Cap	<b>\$4,629,090</b>	19.31%
Other Agencies- Unrestricted Grants	<b>\$1,991,880</b>	8.31%
Miscellaneous Revenue	<b>\$1,477,890</b>	6.17%
Licenses And Permits	<b>\$884,960</b>	3.69%
Other Agencies- Charge For Services	<b>\$195,330</b>	0.81%
Investment Income	<b>\$138,040</b>	0.58%
Use Of Money And Property	<b>\$56,320</b>	0.23%
Gain/Proceeds From Sale Of Property	<b>\$440</b>	0.00%
Fines Forfeitures And Penalty	<b>\$320</b>	0.00%

*Notes: Charts may not total 100% due to rounding.*

## Accomplishments

**Enhanced Fire Suppression & Emergency Response** – Improved service delivery through optimized unit staffing, implementation and utilization of alternative response vehicles, and refined efficiency-driven dispatch protocols.

**Advanced Training & Certification** – Expanded firefighter and paramedic training programs in areas such as wildland firefighting, advanced life support (ALS), and hazardous materials, ensuring skills remain current and high standards are maintained.

**Modernized Equipment & Fleet Upgrades** – Deployed four new fire engines, a technical rescue unit, and additional life safety equipment to upgrade an aging fleet, improve reliability, and reduce maintenance downtime.

**Infrastructure & Station Improvement Projects** – Completed or began capital improvements to fire stations to improve the safety and comfort of employees in their work environment, especially in a field that demands 24/7 staffing and on-site living.

**Community Risk Reduction & Public Education** – Expanded fire prevention outreach: smoke alarm installations, wildfire risk reduction education, fall prevention, school safety programs, Narcan distribution, car seat installation, and community CPR & AED training.

**Integrated Emergency Medical Services (EMS) Enhancements** – Improved EMS protocols to match science-based best practice, collaboration with health providers, and deployment of advanced medical equipment to improve prehospital care and patient outcomes.

**Interagency Coordination & Mutual Aid** – Continued to bolster coordination with regional fire, EMS, law enforcement, and disaster response partners to streamline mutual aid, joint training, and large-incident response readiness.

## Future Objectives

**Continue Reducing Response Times & Improving Coverage** – Recognizing that a single minute can mean the difference between life and death, we will utilize data-driven analyses of station locations, resource reallocation, and staffing modifications to address coverage gaps and enhance performance in underserved areas.

**Advance Wildland & All-Hazards Readiness** – Strengthen our readiness against wildfires, climate-driven events, and multi-hazard situations through training, strategic equipment acquisition, and strong community mitigation partnerships.

**Further Modernize Fleet & Equipment** – Replace aging apparatus and roll out new-generation firefighting, rescue, and EMS vehicles. Standardize maintenance processes to minimize fleet downtime.

**Expand Fire Prevention, Resilience & Outreach Programs** – Expand public education efforts, enhance collaboration with neighborhoods on defensible space strategies for wildland-urban interface fires (WUI), and implement citywide fire risk reduction initiatives.

**Optimize EMS Integration & Community Health Response** – Emphasize co-response models, telemedicine integration, and advanced EMS protocols to ensure the most timely, appropriate care for our citizens. Coordinate more with healthcare providers, social services, and behavioral health partners to right-source non-emergent calls to a more appropriate and meaningful resource.

**Invest in Workforce Wellness** – Improve mental health, resilience, and support programs for firefighters to extend careers, reduce injury and illness and reduce risk associated human and monetary costs.

**Succession Planning** – Enhance career pathways, leadership development, and cross-training to better prepare for future leadership transitions and continuity of community care.

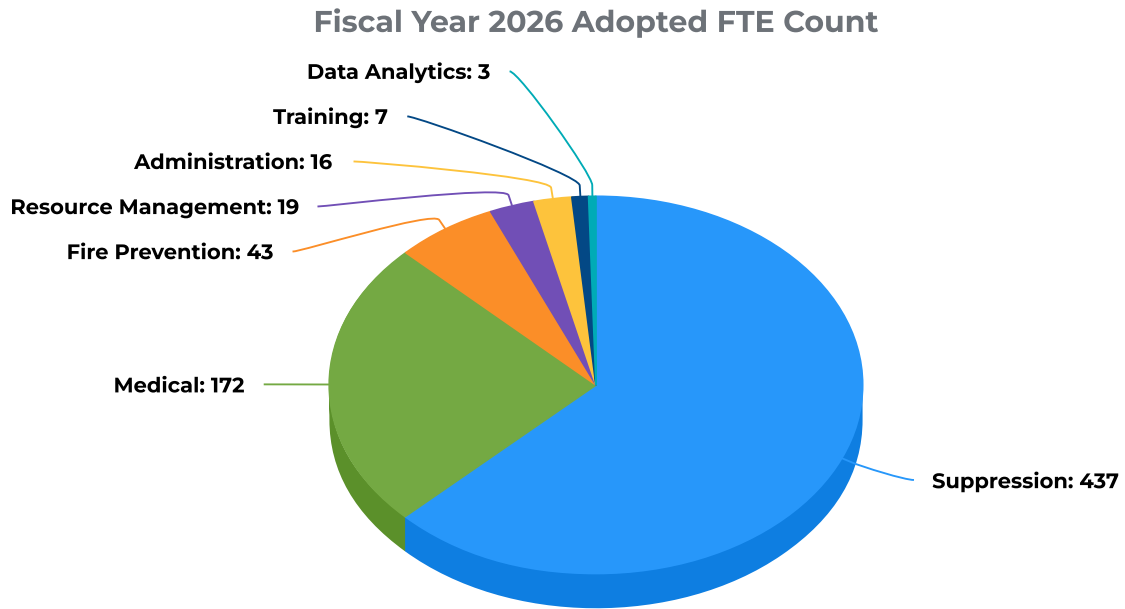
**Performance Metrics, Data Analytics & Transparency** – Implement dashboards to track key metrics, such as response times, patient outcomes, fire incidents, and cost per call. Publish performance summaries to enhance public accountability and study outcomes to improve efficiency and enhance cost savings.

**Sustainability & Infrastructure Resilience** – Incorporate energy-efficient renewable systems, such as solar panels, and upgrade facilities to reduce operational costs and minimize environmental impact. Ensure that fire station designs account for climate change, water scarcity, and natural hazards.

# Position Resources

*\*Full-Time Equivalent Employee (FTE)*

*\*\*645 of the 699 FTE for Fiscal Year 2024/25 are Commissioned*



# Tucson Police Department Overview



## Mission Statement

The mission of the Tucson Police Department (TPD) is to serve and protect the community in partnership with the public. TPD is dedicated to safeguarding life and property, preventing crime, and solving problems to enhance the safety and well-being of all who live, work, and visit Tucson.

To fulfill this mission, the department operates through several key divisions, each contributing to the overall success and accountability of the department:

The **Chief's Executive Leadership Team** division guides department strategy, sets policy direction, and ensures alignment across all divisions.

The **Administrative Services** division provides critical support functions such as records management, capital asset oversight, and health and wellness initiatives to ensure operational sustainability.

The **Special Services and Innovation** division focuses on accountability, data-driven practices, community engagement, and strategic communication to promote trust and innovation.

The **Patrol Services** division delivers frontline public safety services, responding to emergencies, disasters, and daily public needs with a focus on crime prevention and community readiness.

The **Investigative Services** division oversees investigations and the strategic use of RICO and forfeiture funds to enhance law enforcement objectives.

The **Executive Office - Vehicle Impound Program** manages vehicle impound operations in compliance with state laws and oversees the use of related revenue to support department activities.

The **Grants Management** division administers and tracks grant funds to support initiatives that align with department goals and community safety priorities.

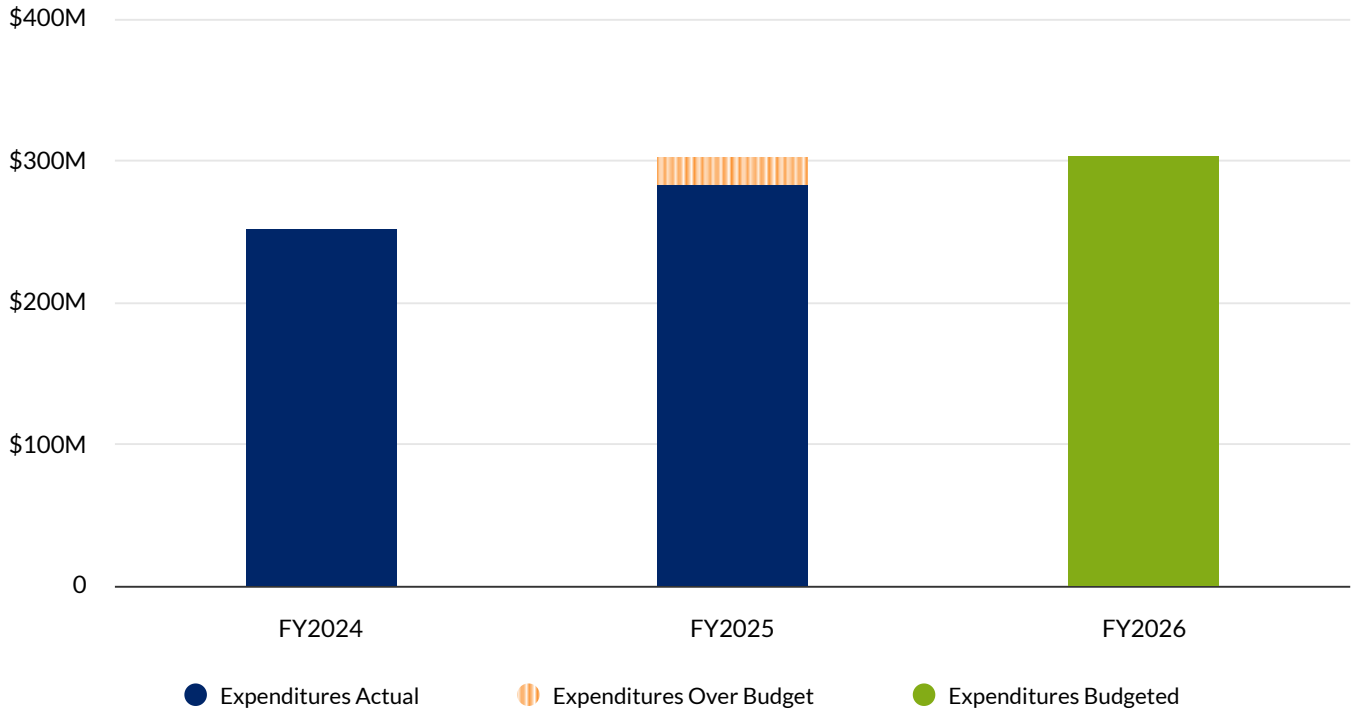
Through these interconnected divisions, TPD is committed to innovative, effective, and community-centered policing.

## Expenditure Summary

**\$302,904,196**

\$19,307,276 / 6.81% Higher Than the Prior Year's Budget

### Historical Expenditures Across Department



*Note: Amounts shown in the graphs are rounded up.*

### Significant Changes

The Tucson Police Department’s budgeted expenditures for Fiscal Year 2026 are set at \$302.9 million, representing a 6.81% increase compared to the Fiscal Year 2025 budget of \$283.6 million. This marks a continuation of the department’s overall upward spending trend.

In Fiscal Year 2025, actual expenditures totaled \$301.5 million, which was 6.34% above budgeted levels and reflected a 19.62% increase over the prior year’s spending. The variance between budgeted and actual spending underscores the department’s significant resource needs, particularly in support of personnel, public safety operations, and service demands.

### Trends

In Fiscal Year 2025, TPD remained focused on meeting day-to-day operational demands while aligning with the City’s broader goals for policing. The department has made progress in using technology and data analysis to strengthen evidence-based policing, helping improve public safety outcomes across the community.

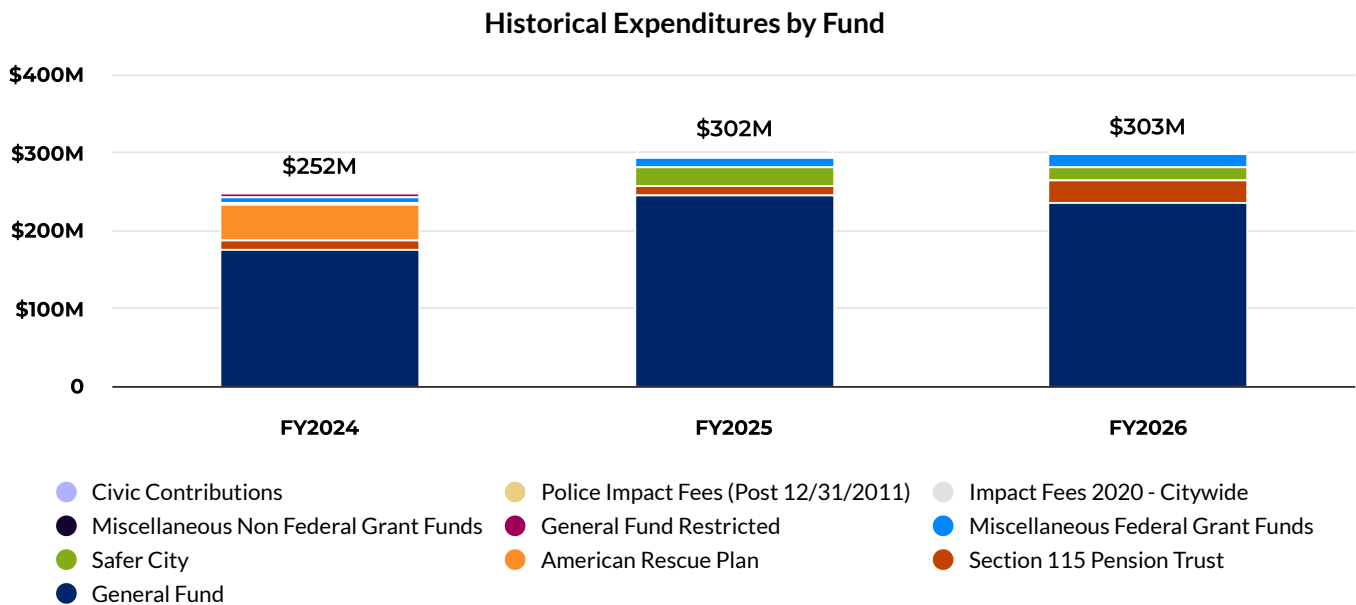
## Expenditures by Fund

This chart highlights the historical trend in expenditures by fund source over three fiscal years, with the General Fund consistently serving as the primary funding source.

Fiscal Year 2024: Total expenditures were \$252 million, funded almost mostly by the General Fund.

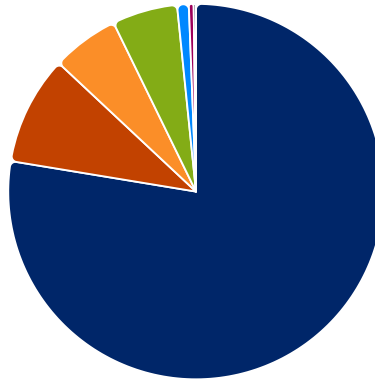
Fiscal Year 2025: Spending increased to \$302 million, maintaining a strong reliance on the General Fund.

Fiscal Year 2026: Expenditures are projected to rise slightly to \$303 million. The General Fund continues to account for the vast majority of funding, while contributions from the Section 115 Pension Trust, Safer City, and Miscellaneous Federal and Non-Federal Grants remain steady or show modest growth.



*Note: Amounts shown in the graphs are rounded up.*

### Fiscal Year 2026 Expenditures by Fund



● General Fund	<b>\$235,044,650</b>	77.60%
● Section 115 Pension Trust	<b>\$28,426,169</b>	9.38%
● Miscellaneous Federal Grant Funds	<b>\$17,532,549</b>	5.79%
● Safer City	<b>\$17,033,625</b>	5.62%
● Miscellaneous Non Federal Grant Funds	<b>\$2,993,135</b>	0.99%
● General Fund Restricted	<b>\$1,259,069</b>	0.42%
● Police Impact Fees (Post 12/31/2011)	<b>\$600,000</b>	0.20%
● Civic Contributions	<b>\$15,000</b>	0.00%

*Notes: Charts may not total 100% due to rounding.*

## Expenditures by Type

The chart illustrates a department focused on its core pillars: people, technology, and infrastructure.

Fiscal Year 2024: Total expenditures reached \$252 million, with the majority allocated to Salaries, Wages, and Benefits. A smaller portion was directed toward Contractual Services.

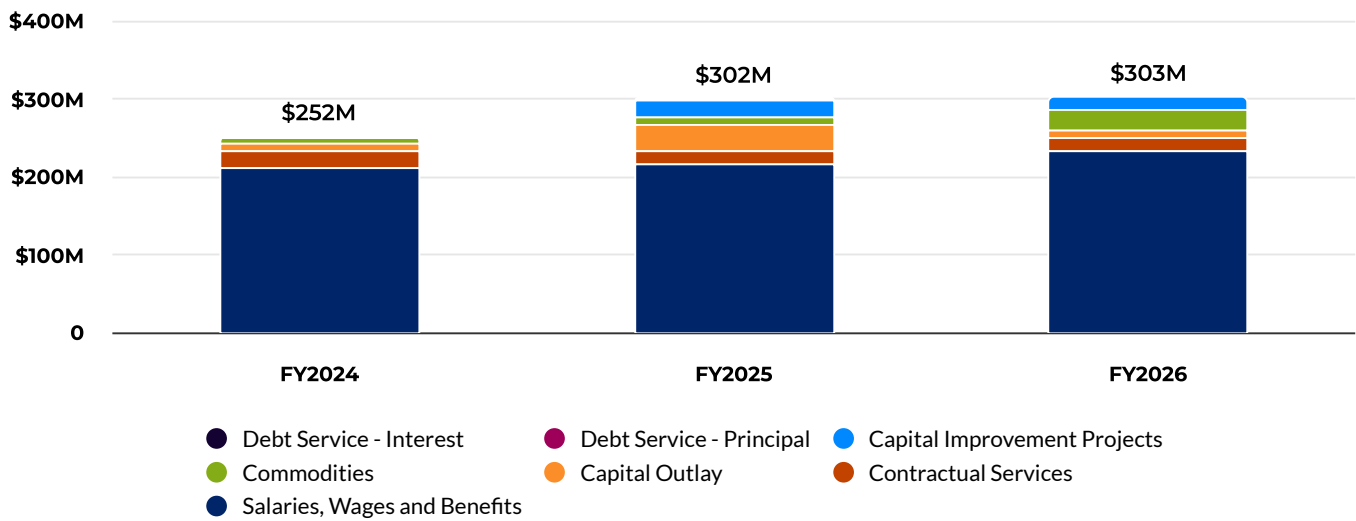
Fiscal Year 2025: Spending rose to \$302 million, driven by a slight increase in personnel costs and modest growth in Commodities and Capital Outlay.

Fiscal Year 2026: Expenditures are projected to increase slightly to \$303 million, reflecting:

- Continued growth in Salaries, Wages, and Benefits;
- A notable decrease in Contractual Services but an increase in Commodities.

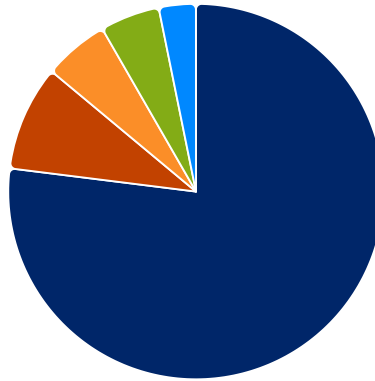
This upward trend underscores the department’s commitment to strengthening its workforce, investing in technology, and improving infrastructure to meet the city’s evolving needs.

Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Type



● Salaries, Wages and Benefits	<b>\$233,190,797</b>	76.99%
● Commodities	<b>\$27,460,357</b>	9.07%
● Capital Improvement Projects	<b>\$17,088,025</b>	5.64%
● Contractual Services	<b>\$15,513,017</b>	5.12%
● Capital Outlay	<b>\$9,652,000</b>	3.19%

*Notes: Charts may not total 100% due to rounding.*

# Expenditures by Cost Center

The chart illustrates how the Tucson Police Department has allocated resources across internal divisions over the past three fiscal years, reflecting both stability in core services and strategic evolution.

Fiscal Year 2024: Total expenditures were \$252 million, primarily directed toward the Patrol Services Bureau and Investigative Services Bureau. Smaller portions supported the Special Services.

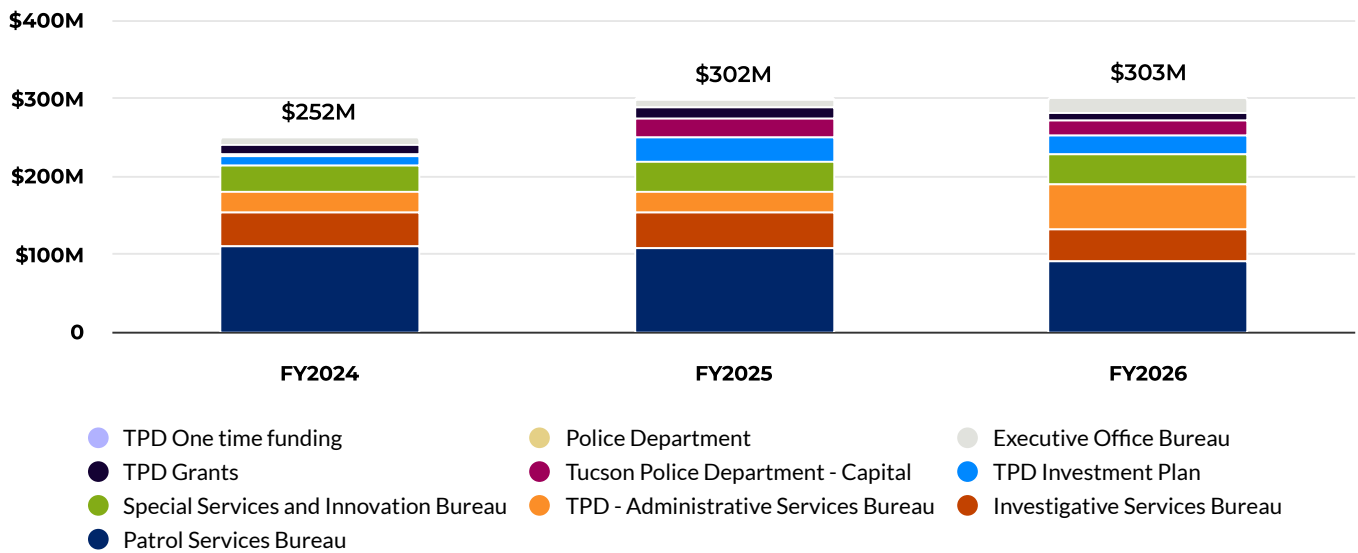
Fiscal Year 2025: Spending increased to \$302 million, with continued emphasis on the Patrol and Investigative Services Bureaus, reinforcing the department’s commitment to front-line public safety.

Fiscal Year 2026: Expenditures are projected to rise slightly to \$303 million, maintaining strong support for core operations while also reflecting increased investment in:

- The TPD Administrative Services Bureau

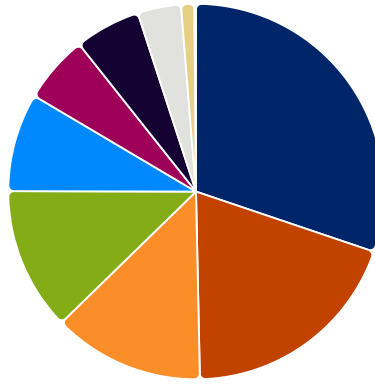
This trend underscores a department expanding to meet growing service demands while also evolving. Fiscal Year 2026 marks a shift toward a more diversified investment strategy, with greater emphasis on technology, data analytics, innovation, and long-term planning alongside traditional public safety functions.

**Historical Expenditures by Cost Center**



*Note: Amounts shown in the graphs are rounded up.*

### Fiscal Year 2026 Expenditures by Cost Center



● Patrol Services Bureau	<b>\$91,444,195</b>	30.19%
● TPD - Administrative Services Bureau	<b>\$59,020,436</b>	19.48%
● Investigative Services Bureau	<b>\$39,467,087</b>	13.03%
● Special Services and Innovation Bureau	<b>\$37,360,662</b>	12.33%
● TPD Investment Plan	<b>\$25,647,467</b>	8.47%
● Tucson Police Department - Capital	<b>\$17,633,625</b>	5.82%
● Executive Office Bureau	<b>\$17,142,284</b>	5.66%
● TPD Grants	<b>\$11,301,549</b>	3.73%
● Police Department	<b>\$3,465,892</b>	1.14%
● TPD One time funding	<b>\$421,000</b>	0.14%

*Notes: Charts may not total 100% due to rounding.*

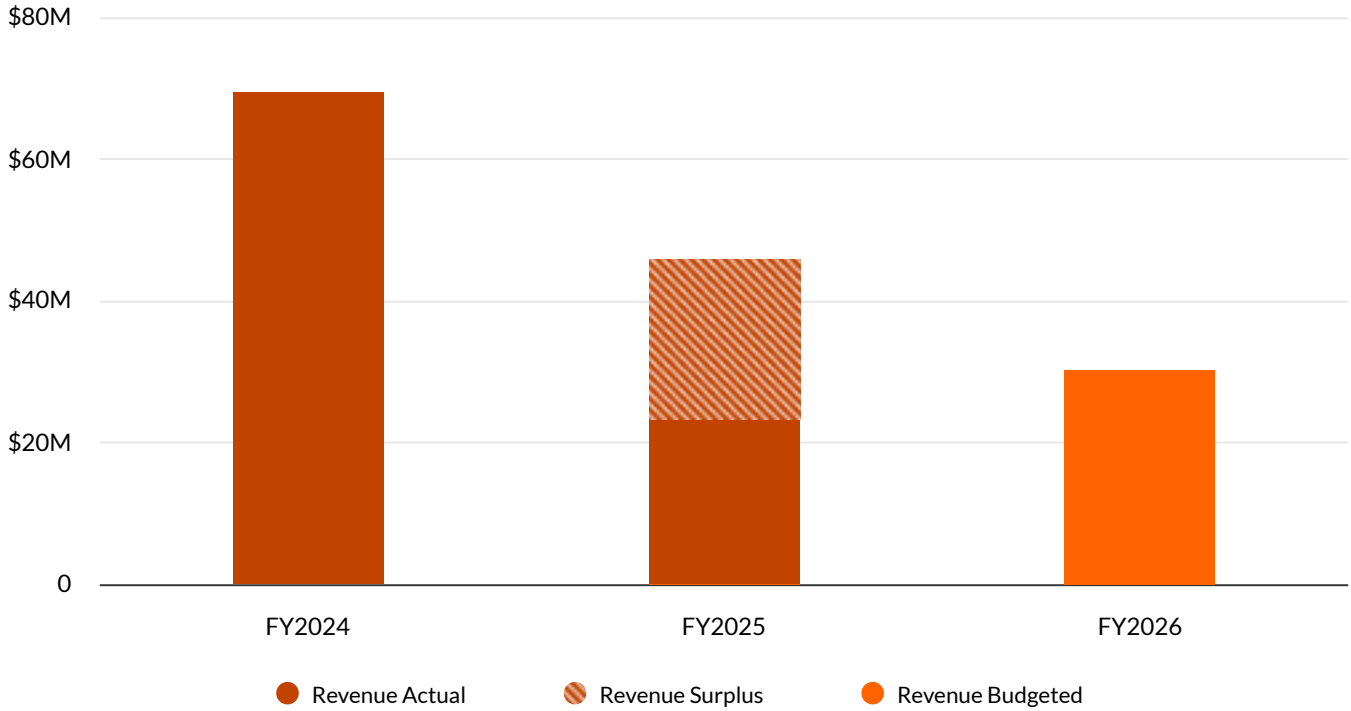
# Revenue Summary

\$30,122,810

Includes Transfers In and Out

\$6,763,267 / 28.95% Higher Than the Prior Year's Budget

## Historical Revenues Across Department



Note: Amounts shown in the graphs are rounded up.

# Revenues by Fund

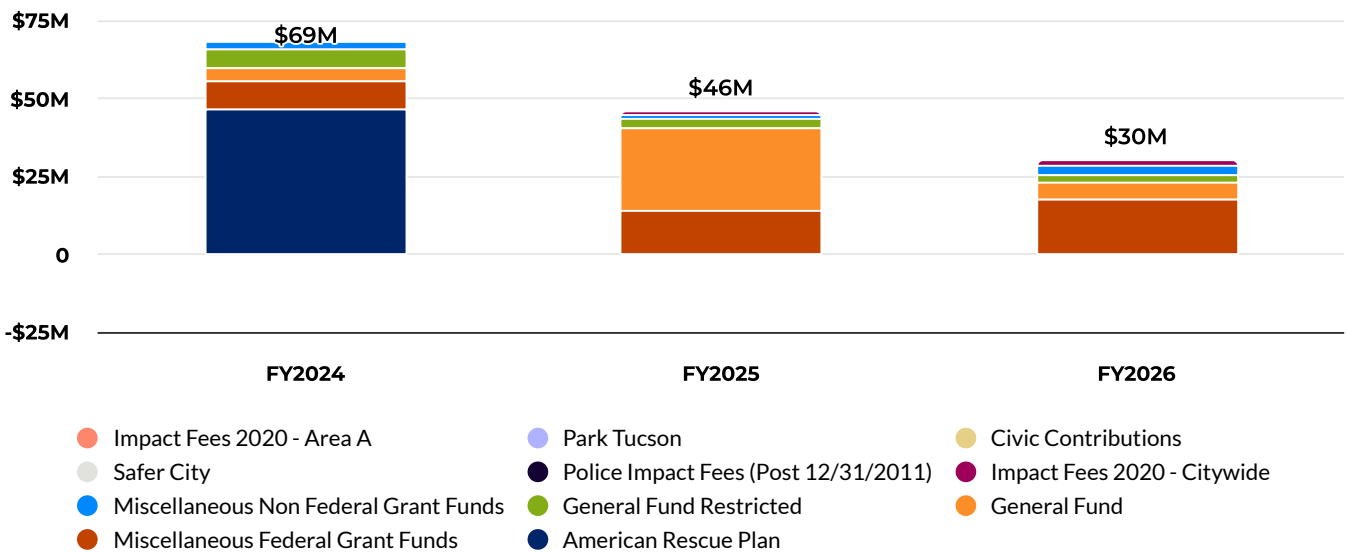
This chart illustrates total revenues and their funding sources over the past three fiscal years, reflecting a blend of Miscellaneous Federal Grant Funds and General Fund support.

Fiscal Year 2024: Total revenues were \$69 million, primarily supported by the American Rescue Plan, Miscellaneous Federal Grant Funds and the General Fund.

Fiscal Year 2025: Revenues decreased to \$46 million, driven by the notable removal of the American Rescue Plan in both Federal and Non-Federal Grant Funds. The General Fund contribution evidently declined.

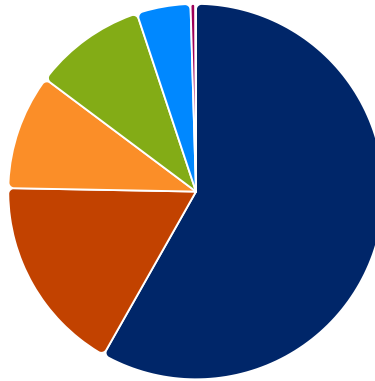
Fiscal Year 2026: Revenues are projected to dip slightly to \$30 million. While overall funding decreased, Miscellaneous-Federal Grant support continues to grow.

Historical Revenues by Fund



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Fund



● Miscellaneous Federal Grant Funds	<b>\$17,532,550</b>	58.20%
● General Fund	<b>\$5,146,610</b>	17.09%
● Miscellaneous Non Federal Grant Funds	<b>\$2,993,140</b>	9.94%
● General Fund Restricted	<b>\$2,916,230</b>	9.68%
● Impact Fees 2020 - Citywide	<b>\$1,394,240</b>	4.63%
● Safer City	<b>\$125,040</b>	0.42%
● Civic Contributions	<b>\$15,000</b>	0.05%

*Notes: Charts may not total 100% due to rounding.*

# Revenues by Funding Source

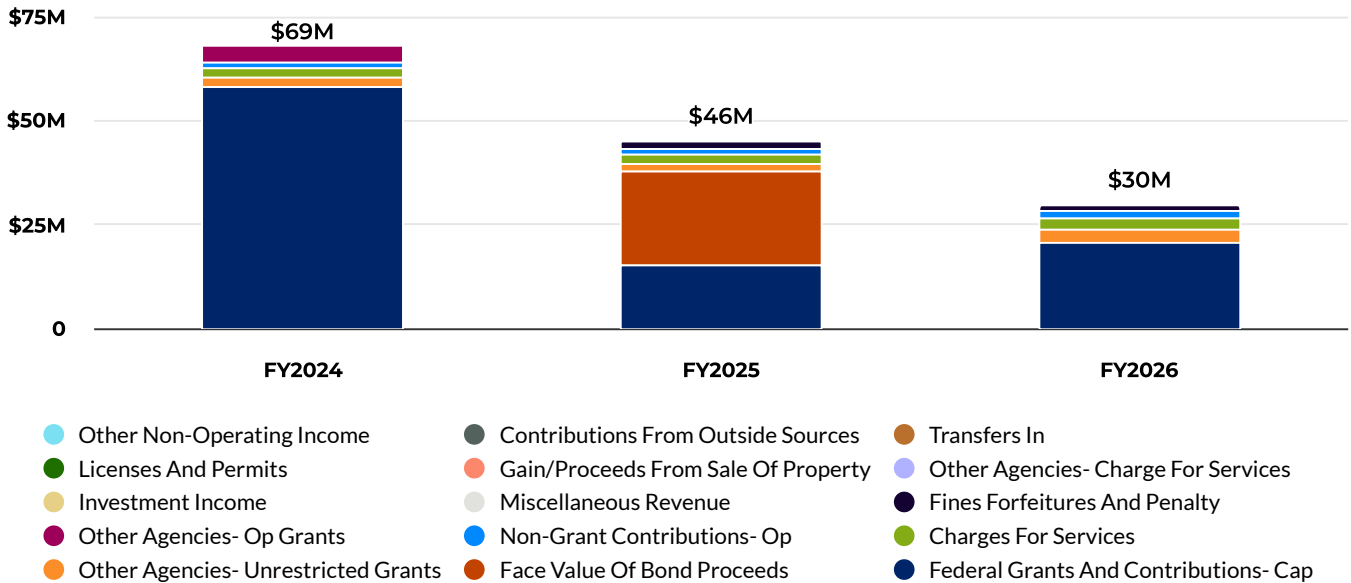
The chart highlights how revenues were generated over the past three fiscal years, demonstrating both the diversity and stability of the department’s funding sources.

Fiscal Year 2024: The unit received \$69 million, with Federal Grants and Contributions serving as the primary funding source—supporting key operational functions across the department.

Fiscal Year 2025: Revenues decreased to \$46 million, driven by a notable drop in Federal Grants and Contributions, which afloat administrative and financial capacity.

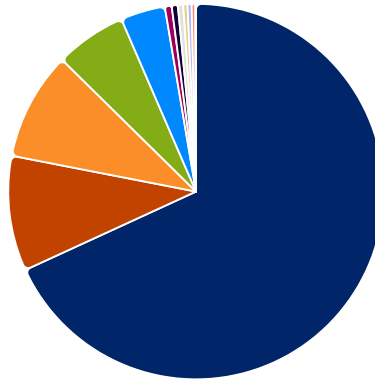
Fiscal Year 2026: Revenues are projected to decrease heavily to \$30 million. Face Value Of Bond Proceeds, which was the largest category in the previous year Fiscal Year 2025 at \$22.3 million (48.67% of total), dropped completely to zero, a 100% decrease for Fiscal Year 2026.

Historical Revenues by Revenue Type



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Funding Source

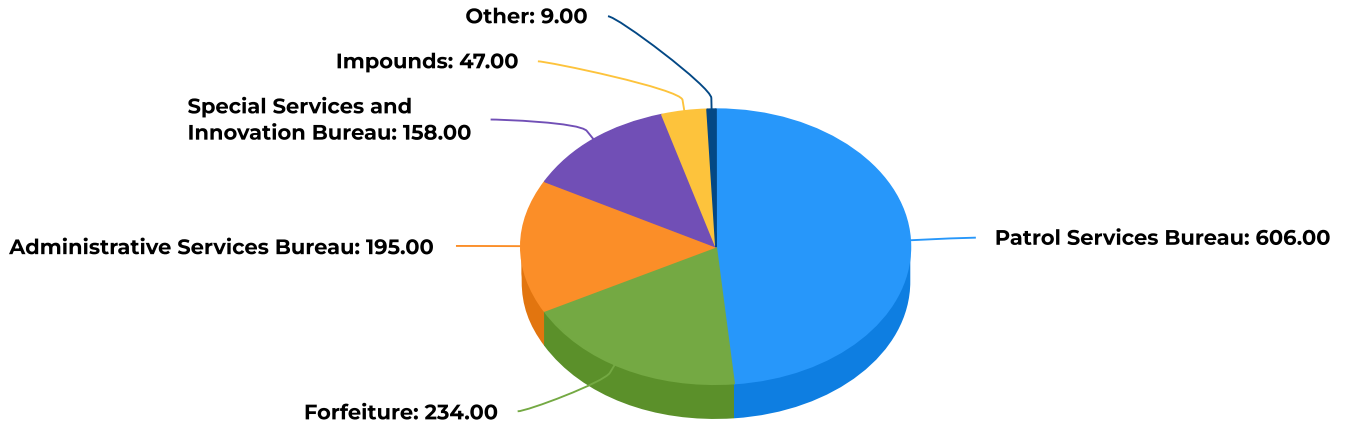


● Federal Grants And Contributions- Cap	<b>\$20,525,690</b>	68.14%
● Other Agencies- Unrestricted Grants	<b>\$2,987,820</b>	9.92%
● Charges For Services	<b>\$2,804,820</b>	9.31%
● Non-Grant Contributions- Op	<b>\$1,845,500</b>	6.13%
● Fines Forfeitures And Penalty	<b>\$1,158,580</b>	3.85%
● Other Agencies- Charge For Services	<b>\$173,140</b>	0.57%
● Gain/Proceeds From Sale Of Property	<b>\$159,820</b>	0.53%
● Investment Income	<b>\$138,560</b>	0.46%
● Other Agencies- Op Grants	<b>\$111,660</b>	0.37%
● Miscellaneous Revenue	<b>\$105,220</b>	0.35%
● Licenses And Permits	<b>\$97,000</b>	0.32%
● Contributions From Outside Sources	<b>\$15,000</b>	0.05%

*Notes: Charts may not total 100% due to rounding.*

# Position Resources

### Fiscal Year 2026 Adopted FTE Count



# Tucson Water Department Overview



## Mission Statement

To ensure customers receive high-quality water and excellent service in a safe, reliable, efficient, and environmentally responsible manner with reasonable, fair and affordable water rates for citizens. Provide the necessary resources to balance the need to maintain Tucson Water's critical infrastructure with the established rates. Above all, to continue to provide excellent customer service, professional development, and continuous process improvement.

The following divisions and functions are included in this department:

The **Conservation and Stormwater Resources** division oversees the maintenance, capital improvements, planning, outreach, and stakeholder and public involvement of green stormwater infrastructure. Key responsibilities include setting up the infrastructure that captures rainwater resources for beneficial reuse, flood protection, re-greening and beautifying neighborhoods, improving air and water quality, and mitigating urban heat island effects.

The **Business and Organizational Support Services** division promotes service excellence by providing centralized administrative support to the department, the City Manager, the Mayor and Council, and the Citizens' Water Advisory Committee (CWAC). Key responsibilities include providing financial services and analysis related to water rates and revenues, managing organizational development, driving Focus 21 initiatives, budgeting development in coordination (operating and capital) with the Business Service Department, and system administration for the utility billing system.

The **Customer Service** division oversees water service-related activities, including meter reading, service turn-on and turn-off, and issuing monthly water, sewer, and refuse bills. In addition, the call center and customer service representatives serve as the primary customer contact for most Tucson Water customers. Key responsibilities include conducting high-bill investigations, investigating water waste complaints, and providing other customer assistance services. The division responds to water complaint issues and provides water audit services to customers with high bills and high water-use landscaping.

The **Director's Office** provides vision for the future and leadership for Tucson Water, overseeing the utility's programs, activities, and strategic planning process to ensure proactive compliance with the Mayor and Council's water policies, City Manager direction, regulatory requirements, and community expectations. This office supports all the utility's commitments and strategic initiatives. Key responsibilities include coordinating and facilitating communication with customers, the Mayor and Council, outside agencies, other city departments, and the media; providing personnel, training, and safety programs; developing efficiency improvements; promoting water conservation through educational information; and training.

The **Planning and Engineering** division ensures that water production and distribution systems are planned, designed, constructed, and protected in a manner that meets customer needs, and complies with city, state, and federal consumer regulations. Key responsibilities include innovating and delivering the Capital Improvement Program (CIP) project through the use of existing alternate delivery methods and by developing new delivery methods using Job Ordering Contract resources and "Sketch-Build-Document".

The **Water Quality and Operations** division provides water quality sampling, analysis, and treatment to ensure that the highest quality water is available to our customers. Key responsibilities include overseeing all functions of water quality, including the operation of all water delivery facilities, maintaining regulatory compliance with all state, county, and federal agencies, and providing analytical support to the City of Tucson through its state-of-the-art laboratory facilities.

The **Source Water** division provides comprehensive planning to determine future water system needs. Key responsibilities include implementing methods to preserve groundwater, efficiently utilizing CAP water, and enhancing the use of alternative water resources, such as reclaimed.

The **Water Maintenance** division ensures a continuous supply of water acceptable to customers in terms of cleanliness, clarity, flow, and pressure. Key responsibilities include maintaining all water production, disinfection, and distribution facilities and installing and maintaining new water services and meters.

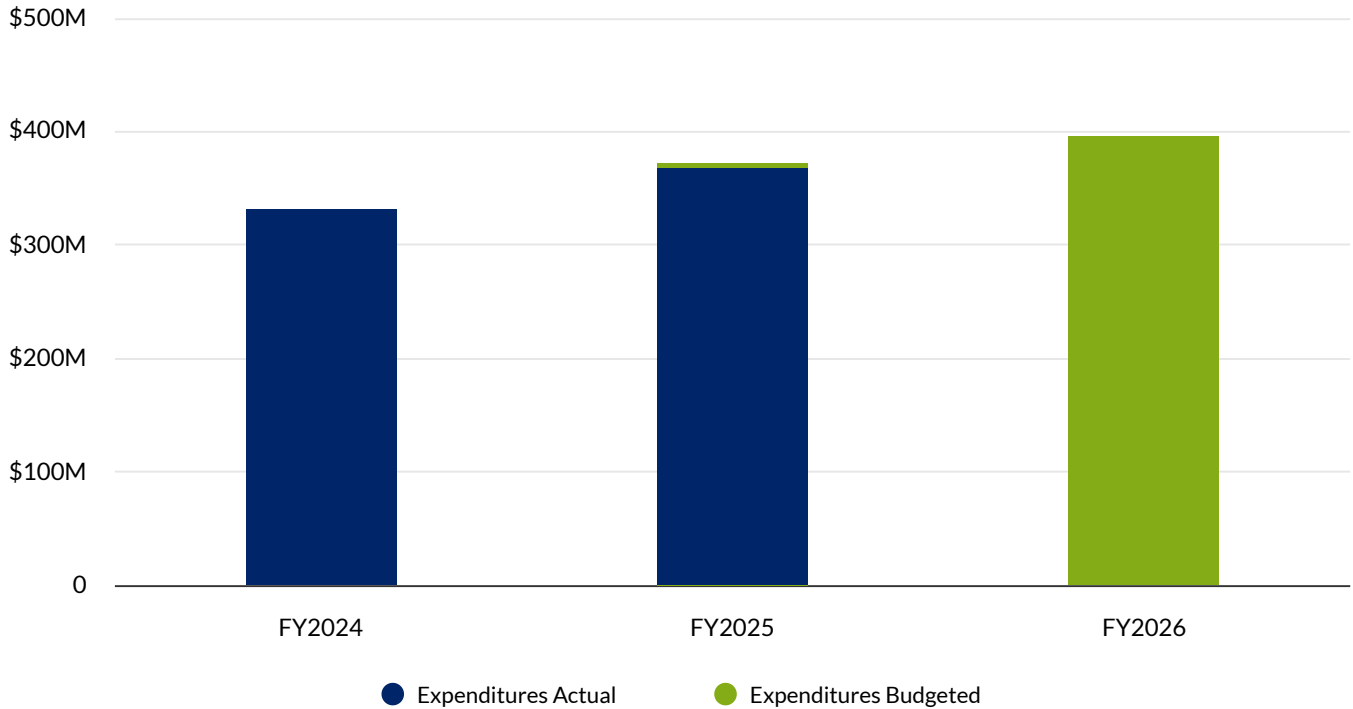
The **Water Other Utility** division provides budget capacity for various expenses not associated with specific programs within Tucson Water. Key responsibilities include budgeting general expenses, and the administration of service charges.

## Expenditure Summary

**\$396,448,312**

\$24,198,030 / 6.50% Higher Than the Prior Year's Budget

### Historical Expenditures Across Department



*Note: Amounts shown in the graphs are rounded up.*

#### Significant Changes

The Tucson Water Department’s budgeted expenditures for Fiscal Year 2026 are set at \$396.4 million, representing a 6.5% increase compared to the Fiscal Year 2025 budget of \$372.3 million. This marks the continuation of an upward trend in departmental spending.

In Fiscal Year 2025, actual expenditures totaled \$367.5 million, which was 98.73% of the budgeted amount, indicating strong alignment with planned spending levels. This figure also represented a 10.98% increase from the prior year, underscoring sustained growth in water-related operational and capital costs.

#### Trends

The Fiscal Year 2026 budget reflects a planned expansion in expenditures that builds on recent growth while maintaining consistency with prior spending patterns. This upward adjustment highlights Tucson Water’s ongoing commitment to infrastructure investment, operational reliability, and service delivery, ensuring adequate funding for both current operations and long-term system needs.

# Expenditures by Fund

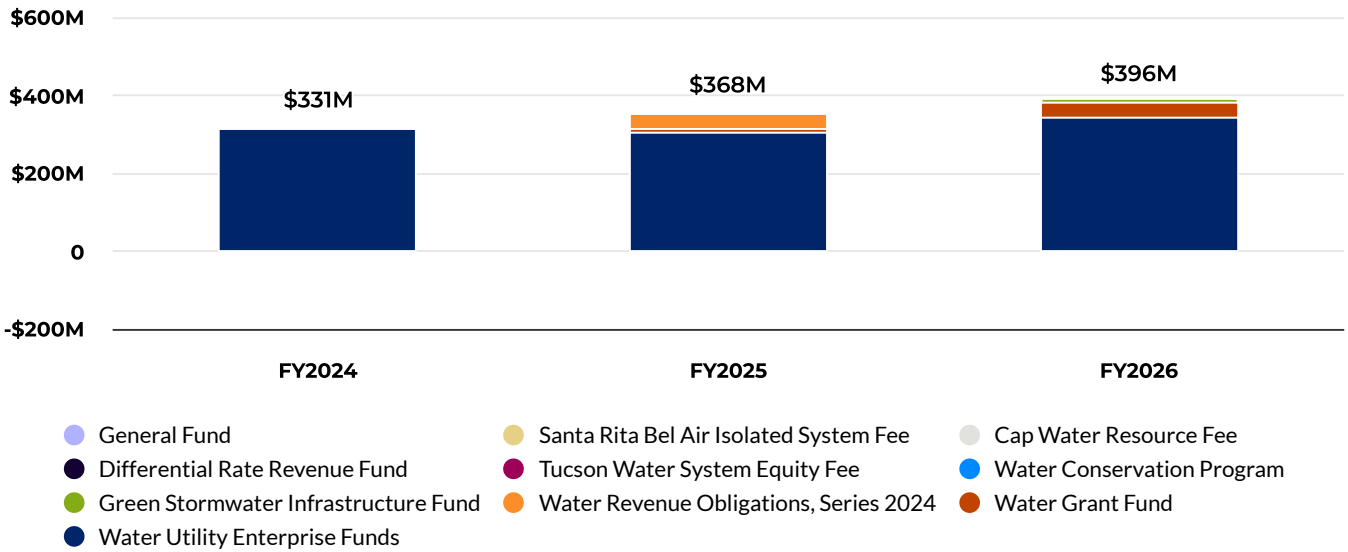
Tucson Water’s adopted budget for Fiscal Year 2026 is \$396 million—a significant increase from \$367 million in Fiscal Year 2025 and \$331 million in Fiscal Year 2024. This growth reflects the community’s strategic commitment to long-term water reliability, infrastructure improvements, and environmental sustainability.

Fiscal Year 2024: Expenditures totaled \$331 million, funded almost entirely by the Water Utility Enterprise Fund.

Fiscal Year 2025: Expenditures increase slightly to \$368 million, with continued reliance on the Water Utility Enterprise Fund. Modest contributions came from the Water Grant Fund.

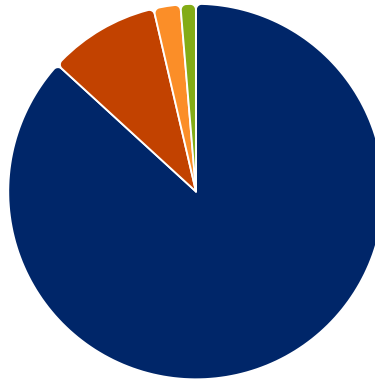
Fiscal Year 2026: Expenditures are projected to rise sharply to \$396 million. This increase is primarily driven by expanded investment through the Water Utility Enterprise Fund and enhanced support from the Water Grant Fund.

**Historical Expenditures by Fund**



*Note: Amounts shown in the graphs are rounded up.*

### Fiscal Year 2026 Expenditures by Fund



● Water Utility Enterprise Funds	<b>\$344,111,021</b>	86.80%
● Water Grant Fund	<b>\$37,939,692</b>	9.57%
● Green Stormwater Infrastructure Fund	<b>\$9,158,759</b>	2.31%
● Water Conservation Program	<b>\$5,238,840</b>	1.32%

Note: Charts may not total 100% due to rounding.

## Expenditures by Type

This chart illustrates the historical trend of Tucson Water’s expenditures over the past three fiscal years, highlighting strategic shifts in spending across core operational areas.

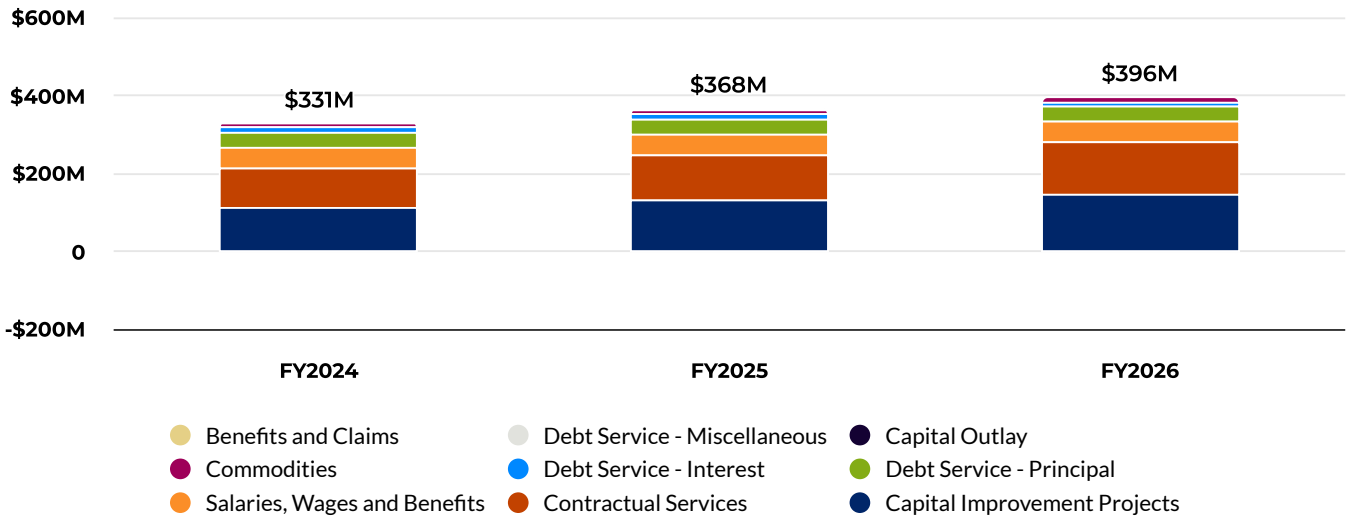
Fiscal Year 2024: Total expenditures reached \$331 million, distributed primarily among Contractual Services, Capital Improvement Projects, and Salaries, Wages & Benefits. A smaller portion was allocated to commodities.

Fiscal Year 2025: Expenditures slightly increased to \$368 million, with a spending distribution similar to the previous year. Contractual Services saw a modest increase, along with a slight rise in Capital Improvements.

For Fiscal Year 2026, the adopted expenditure budget is \$396 million—marking a significant investment in infrastructure, operations, and long-term sustainability.

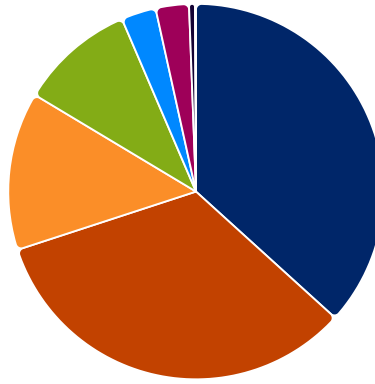
- Capital Improvement Projects: budgeted for \$145 million—the largest area of growth—funded in part through low-interest loans and federal infrastructure support, aimed at strengthening water infrastructure.
- Contractual Services at \$131 million.

Historical Expenditures by Type



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Type



● Capital Improvement Projects	<b>\$145,614,000</b>	36.73%
● Contractual Services	<b>\$131,809,309</b>	33.25%
● Salaries, Wages and Benefits	<b>\$53,989,303</b>	13.62%
● Debt Service - Principal	<b>\$39,464,500</b>	9.95%
● Commodities	<b>\$11,825,800</b>	2.98%
● Debt Service - Interest	<b>\$11,398,600</b>	2.88%
● Capital Outlay	<b>\$1,992,000</b>	0.50%
● Debt Service - Miscellaneous	<b>\$354,800</b>	0.09%

*Notes: Charts may not total 100% due to rounding.*

# Expenditures by Cost Center

This chart illustrates how Tucson Water has distributed funding across key roles and operational units over the past three fiscal years, reflecting the department’s evolving priorities and commitment to service excellence.

Fiscal Year 2024: Total expenditures were \$331 million, with the majority allocated to:

- Tucson Water – Capital
- WT – Water Other Utility
- WT – Water Quality and Operations

Fiscal Year 2025: Expenditures increase to \$368 million, primarily due to a notable reduction in Tucson Water – Capital spending. However, this was due to growth in:

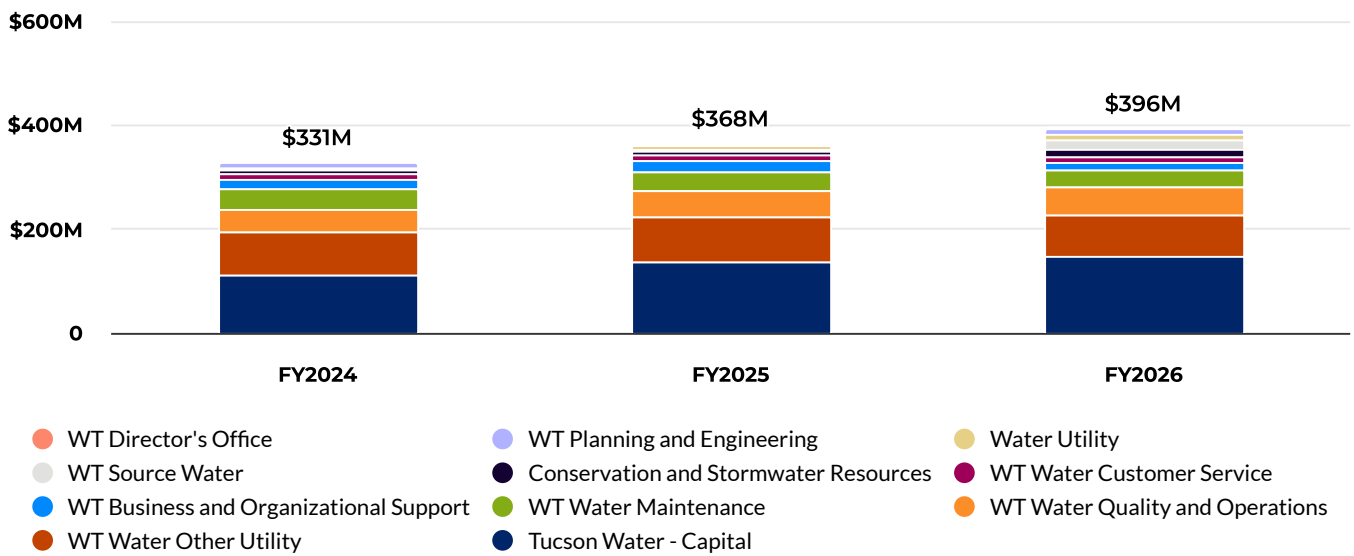
- WT – Water Other Utility
- WT – Water Quality and Operations

Fiscal Year 2026 Expenditures rose significantly to \$396 million, with substantial funding directed toward:

- Capital Projects: The largest expenditure category, capital investment increased significantly to support infrastructure renewal, water main upgrades, and new facility development. These efforts are largely funded through Water Infrastructure Finance Authority (WIFA) loans and Bipartisan Infrastructure Law grants.
- Water Quality and Operations: Increased funding ensures compliance with evolving water quality regulations, upgrades treatment technologies, and supports growing service demand.
- Water Maintenance: Expanded investment strengthens system reliability through proactive repairs, service line replacements, and pressure zone optimization to meet regional needs.

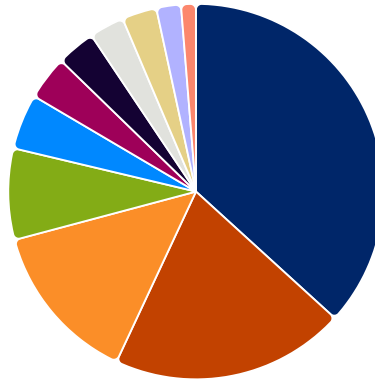
This distribution underscores Tucson Water’s comprehensive approach to service delivery—balancing immediate operational needs with long-term sustainability, system resilience, and community-focused investment.

## Historical Expenditures by Cost Center



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Expenditures by Cost Center



● Tucson Water - Capital	<b>\$145,748,692</b>	36.76%
● WT Water Other Utility	<b>\$80,069,900</b>	20.20%
● WT Water Quality and Operations	<b>\$55,090,330</b>	13.90%
● WT Water Maintenance	<b>\$31,180,683</b>	7.87%
● WT Source Water	<b>\$18,863,961</b>	4.76%
● Conservation and Stormwater Resources	<b>\$14,981,477</b>	3.78%
● WT Business and Organizational Support	<b>\$13,240,760</b>	3.34%
● WT Water Customer Service	<b>\$11,976,986</b>	3.02%
● Water Utility	<b>\$11,806,135</b>	2.98%
● WT Planning and Engineering	<b>\$8,388,304</b>	2.12%
● WT Director's Office	<b>\$5,101,083</b>	1.29%

*Notes: Charts may not total 100% due to rounding.*

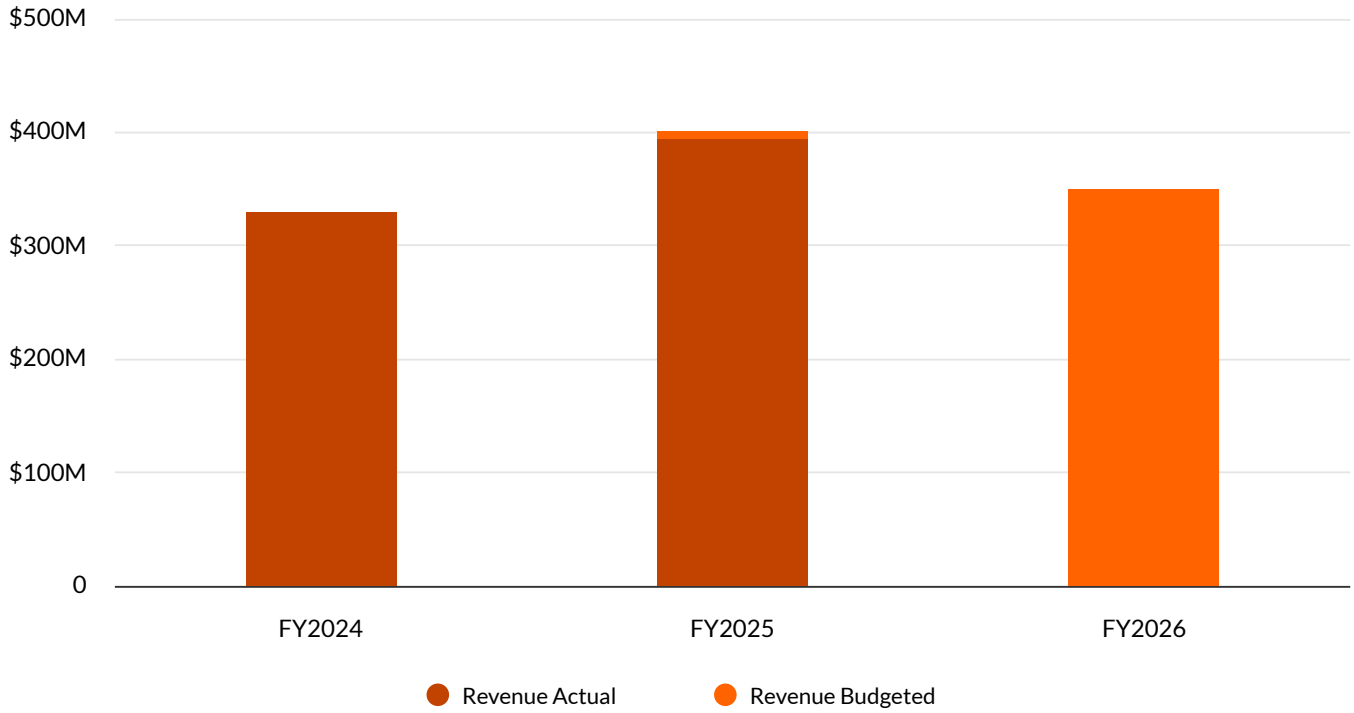
# Revenue Summary

\$349,122,192

Includes Transfers In and Out

-\$51,070,752 / 12.76% Lower Than the Prior Year's Budget

## Historical Revenues Across Department



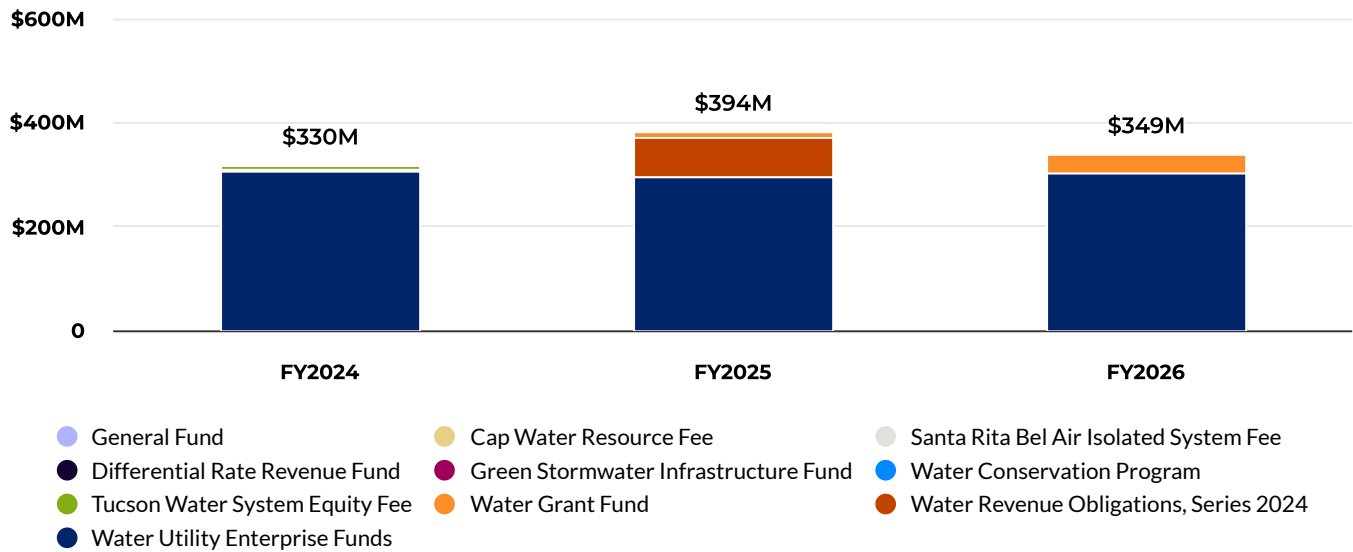
Note: Amounts shown in the graphs are rounded up.

## Revenues by Fund

Over the past three fiscal years, the City has seen steady growth in water-related revenues, reflecting a strong commitment to supporting essential services, infrastructure, and long-term sustainability.

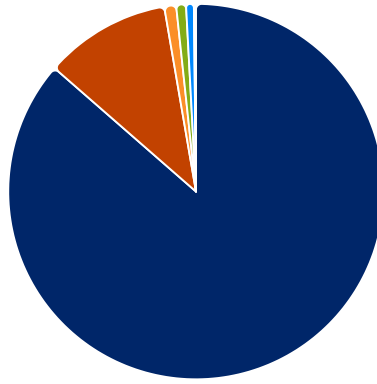
- Fiscal Year 2024: Total revenues were approximately \$330 million, primarily from the Water Utility Enterprise Funds.
- Fiscal Year 2025: Revenues increased to roughly \$394 million, driven by higher utility-related income and improved performance across multiple funding areas
- Fiscal Year 2026, Tucson Water's total revenue by fund decreased by 11.41% to \$349.1 million compared to the previous year. The largest revenue source, Water Utility Enterprise Funds, increased by \$6.5 million or 2.2%, reaching \$301.7 million.

**Historical Revenues by Fund**



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Fund



●	Water Utility Enterprise Funds	<b>\$301,694,700</b>	86.42%
●	Water Grant Fund	<b>\$37,939,692</b>	10.87%
●	Water Conservation Program	<b>\$3,550,400</b>	1.02%
●	Green Stormwater Infrastructure Fund	<b>\$2,987,400</b>	0.86%
●	Tucson Water System Equity Fee	<b>\$2,300,000</b>	0.66%
●	Cap Water Resource Fee	<b>\$350,000</b>	0.10%
●	Santa Rita Bel Air Isolated System Fee	<b>\$300,000</b>	0.09%

Note: Charts may not total 100% due to rounding.

## Revenues by Funding Source

The City's water-related revenues have demonstrated motion over the past three fiscal years, driven by increases in service charges and the introduction of new funding sources.

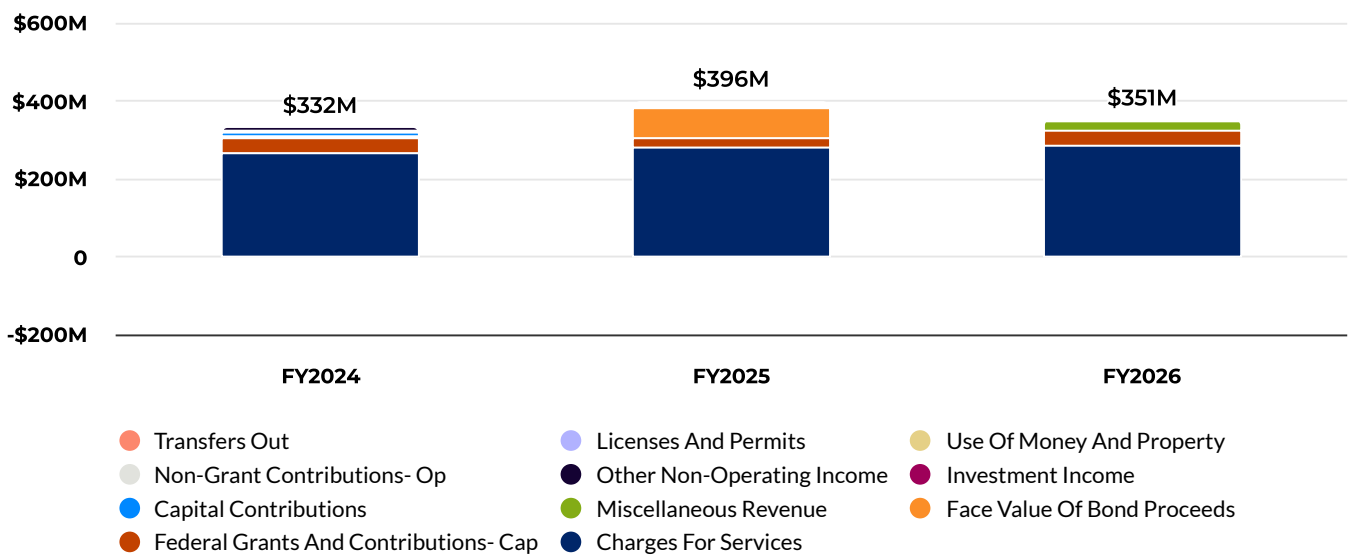
Fiscal Year 2024: Revenues totaled at \$332 million, primarily generated from Charges for Services (water utility billing).

Fiscal Year 2025: Revenues rose to \$396 million, continuing to rely heavily on service charges. T

Fiscal Year 2026: Revenues are projected to decline at \$351 million, reflecting a substantial loss from bond proceeds.

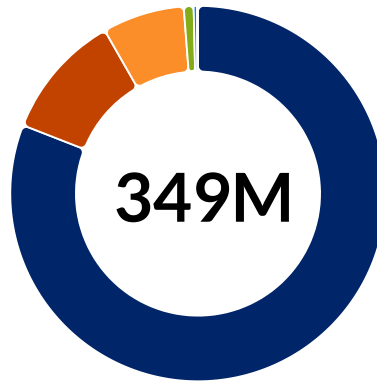
Overall, the revenue composition shifted with Charges For Services increasing its share, while Bond Proceeds and several smaller categories were eliminated or significantly reduced, contributing to the total revenue decline in Fiscal Year 2026.

Historical Revenues by Revenue Type



Note: Amounts shown in the graphs are rounded up.

### Fiscal Year 2026 Revenues by Type

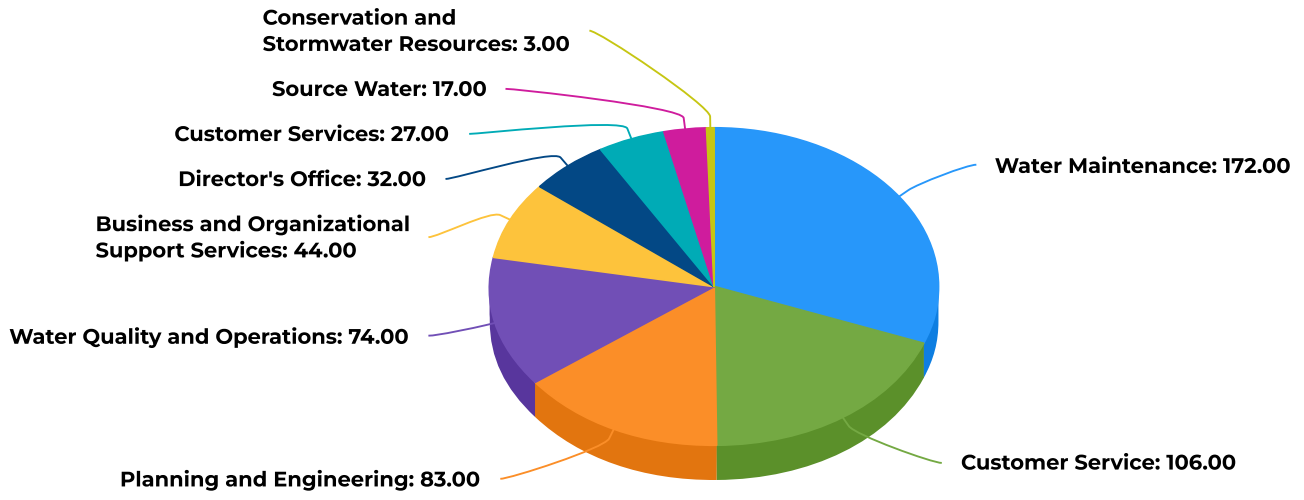


● Charges For Services	<b>\$284,148,300</b>	81.39%
● Federal Grants And Contributions-Cap	<b>\$37,939,692</b>	10.87%
● Miscellaneous Revenue	<b>\$24,772,900</b>	7.10%
● Capital Contributions	<b>\$2,950,000</b>	0.84%
● Investment Income	<b>\$1,000,000</b>	0.29%
● Use Of Money And Property	<b>\$308,600</b>	0.09%
● Transfers Out	<b>-\$1,997,300</b>	-0.57%

Notes: Charts may not total 100% due to rounding.

# Position Resources

### Fiscal Year 2026 Adopted FTE Count



# Authorized Position by Fiscal Year 2026

Departments	FY 2024 Adopted	FY 2025 Adopted	FY 2026 Adopted
Business Services Department	227.50	210.00	209.00
City Attorney	93.00	94.00	94.00
City Clerk	27.00	28.00	27.00
City Court	117.00	118.00	112.00
City Manager	70.00	68.00	60.00
City Public Defender	32.00	36.00	33.00
Department of Transportation and Mobility	311.00	309.00	295.00
Environmental Services	259.00	258.00	240.00
Fire Department	699.00	699.00	717.50
General Services Department	189.00	186.00	186.00
Housing and Community Development	165.50	199.00	212.50
Human Resources Department	85.00	84.00	84.00
Information Technology	126.00	131.00	133.00
Mayor and Council	48.50	51.00	51.50
Parks and Recreation	238.00	240.00	237.00
Planning and Development Services Center	87.00	95.00	120.00
Police Department	1236.00	1249.00	1291.00
Public Safety Communications	181.00	184.00	188.00
Self Health Insurance			
Tucson Supplemental Retirement System			
Water Utility	560.50	558.00	556.50
<b>Grand Total</b>	<b>4752.00</b>	<b>4797.00</b>	<b>4847.00</b>
<p>**Environmental and General Services are combined in Department review.</p> <p>***Including the 36 Frozen Positions for Fiscal Year 2026</p> <p>*Self Health Insurance and Tucson Supplemental Retirement System fall under the BSD Department.</p>			



# Capital Improvement Plan

# Capital Improvement Policy and Process

## Overview of the Five-Year Capital Improvement Program

A Capital Improvement Plan (CIP) is a critical community planning and fiscal management tool that coordinates the location, timing, and financing of major capital improvements over a five-year horizon. Capital improvements are defined as non-recurring physical expenditures, typically costing \$100,000 or more, including land, facilities, infrastructure, and major equipment.

The CIP ensures that the City of Tucson invests in infrastructure that supports the community's economic, aesthetic, and functional vitality. This planning process helps City officials make informed decisions, align long-range goals with available resources, and maintain transparency with residents.

The City of Tucson develops, maintains, and updates its CIP annually. The Fiscal Year (FY) 2026 Budget incorporates the first year of the five-year CIP, covering Fiscal Year 2026 through Fiscal Year 2030.

## Capital Improvement Program Process

To be included in the CIP, a project must meet one of the following criteria:

- Construction or expansion of a City-owned asset, including land acquisition, planning, design, construction, and related equipment.
- Initial acquisition of a major equipment system costing \$100,000 or more with a useful life of at least six years.
- Major renovation of an existing City-owned facility costing \$100,000 or more that extends the facility's life.

Exceptions are made for projects such as Sun Tran buses, Sun Van paratransit vans, and voter-approved initiatives like Tucson Delivers (parks, streets, and connections), to provide visibility into key community investments.

Each year, the process begins with guidance from the Budget and Long-Term Financial Planning Division. Departments submit proposals, which are reviewed, refined, and ultimately incorporated into the Recommended Budget presented to Mayor and Council in April. Following study sessions and public hearings, the CIP is adopted as part of the final budget in June.

The Fiscal Year 2026 Capital Improvement Plan represents a balanced, forward-looking investment strategy totaling \$600.1 million. The plan prioritizes transportation, water infrastructure, and parks, while maintaining commitments to public safety, environmental services, and community development. This CIP reflects the City's strategic focus on equitable growth, sustainable infrastructure, and enhanced quality of life for Tucson residents.

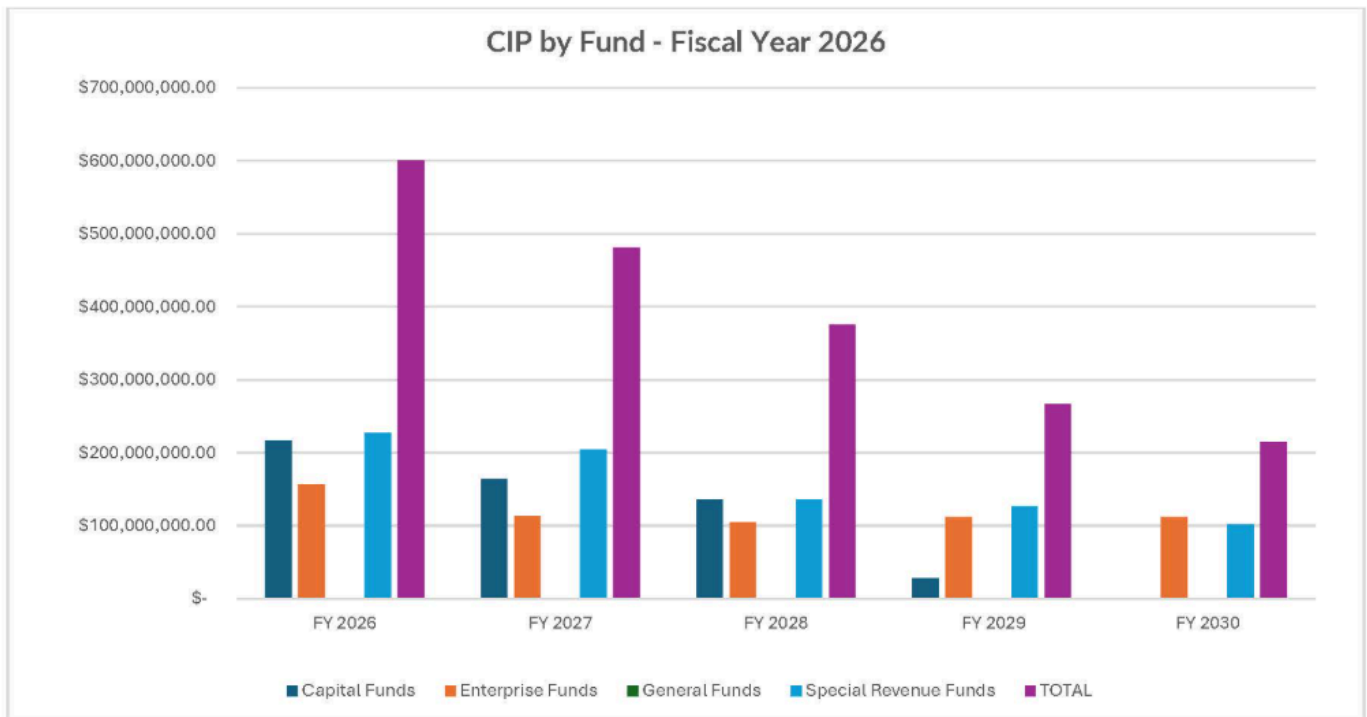
# Capital Improvements Plan - Five-Year Plan

The Five-Year Capital Improvements Plan (CIP) provides a forward-looking blueprint for infrastructure investment and development across the City of Tucson from Fiscal Year 2025 through Fiscal Year 2029. This plan ensures long-term planning and funding to meet the community’s growing needs and to maintain essential services and facilities.

## CIP by Fund

Over the next five years, the City will invest steadily across various fund types:

- Enterprise Funds and Special Revenue Funds consistently make up the largest portions of annual CIP budgets, with Fiscal Year 2025 peaking at over \$639 million.
- Investment gradually tapers through Fiscal Year 2029, aligning with the projected completion of major initiatives and evolving priorities.
- Capital Projects and General Funds remain steady contributors throughout the five-year horizon, supporting targeted improvements and citywide enhancements.

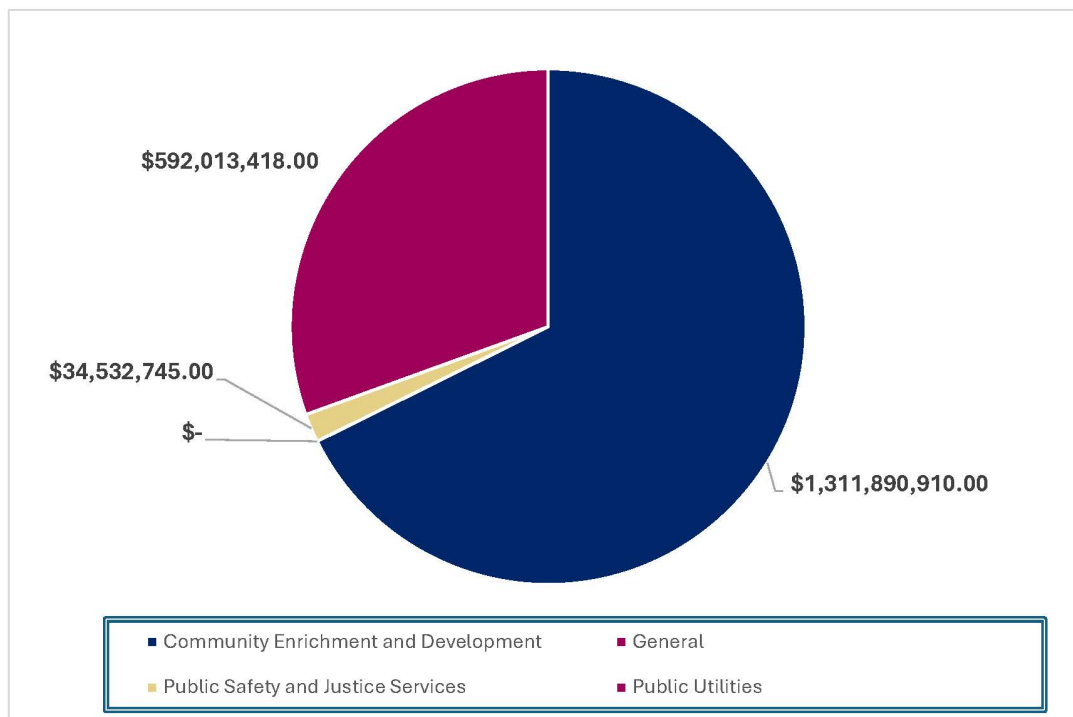


## CIP by Department

Capital investment by the department reflects the City's priorities:

- Community Enrichment and Development leads in Fiscal Year 2025 and Fiscal Year 2026, signaling strong support for neighborhoods, parks, and housing.
- Public Utility and Public Safety & Justice Services maintain steady funding levels, ensuring infrastructure reliability and community safety.
- General Government allocations ensure administrative and operational infrastructure keeps pace with service demands.

CIP by Department - Fiscal Year 2026



Together, these investments support Tucson's vision for a safe, sustainable, and thriving future—delivering long-term value to residents and reinforcing the City's commitment to equitable growth and service delivery.

# CIP Policy & Process - Fiscal Year 2026 to Fiscal Year 2030

## Fiscal Year 2026

### Defining a Capital Improvement

To be included in the CIP, projects need to meet one of the following criteria:

- Construction of a new City asset or expansion of an existing City-owned facility, including preliminary planning and surveys, cost of land, staff, and contractual services for design and construction, and related furnishings and equipment.
- Initial acquisition of a major equipment system which will become a City asset, with a cost of \$100,000 or more and a useful life of at least six years.
- Major renovation or rehabilitation of an existing City-owned facility that requires an expenditure of \$100,000 or more and will extend the life of the original City asset.

Exceptions have been made for the inclusion of a few projects that do not meet the above criteria (Sun Tran buses, Sun Van paratransit vans, street improvements, and Tucson Delivers: Parks and Connections) to make the planning, funding, and acquisition of these purchases more visible to the public and the governing body.

### Steps from Submittal to Approval

In December 2023, the CIP process commenced with the Budget and Long-Term Financial Planning Division of the Business Services Department, which provided direction and guidelines to department liaisons. Departments had approximately seven weeks to develop their CIP requests based on their needs assessment, existing bond authorizations, and grant awards. Departments include only projects with secured funding. Exceptions were made for annual federal grant appropriations from the Federal Transit Administration (FTA), other pending awards that would require budget capacity (including any non-federal grant or contribution), and future enterprise revenue bonds. Department requests were reviewed by the Budget and Financial Planning Division, and applicable revisions were made.

# CIP Budget Highlights

## Fiscal Year 2026

### Overview

To provide our local community and its citizens with critical services and shared public spaces, such as safe roads, top-notch public recreation areas and facilities, and world-class public safety, the City of Tucson maintains and executes a Capital Improvement Plan (CIP). The CIP is a community planning and fiscal management tool used to coordinate the location, timing, and financing of necessary capital improvements throughout the entire city.

A capital improvement, in this context, is defined as a physical expenditure with a cost of \$100,000 or more. Typical items that can be found in a CIP include, but are not limited to, items such as land, buildings, public infrastructure, and equipment. Based mainly on the level of expense and complexity associated with these types of projects, the City's CIP is designed to cover a five-year timeframe.

### Program Highlights

- The City of Tucson's Recommended Operating & Capital Budget for the Fiscal Year was submitted on April 22, 2025.
- The Adopted Budget for Fiscal Year 2026 was officially approved on June 3, 2025.
- The CIP is a five-year planning tool that coordinates the location, timing, and financing of capital needs to maintain and grow infrastructure and public assets.
- Projects typically involve large one-time expenditures (e.g., land, buildings, infrastructure) or major renovations (often exceeding \$100,000), but exceptions are made for "Tucson Delivers" initiatives (such as roads and parks).

### Key Programs & Project Areas

Here are the major capital programs and project types highlighted in Fiscal Year 2026:

Program / Initiative	Purpose / Scope	Representative Projects / Investments
<b>Tucson Delivers - "Better Streets / Safer Streets"</b>	Road repair, street resurfacing, safety upgrades	\$94.3 million allocated for repairs, repaving, and safety improvements.
<b>Public Safety Assets &amp; Facilities</b>	Upgrades, new apparatus, remodeling / rebuilding facilities	Rebuilding 4 fire stations, remodeling 9 stations, constructing a joint police & fire complex .
<b>Parks + Connections (Tucson Delivers / Prop 407)</b>	Improving parks, trails, multi-use paths, pedestrian & bike connectivity	Playground upgrades, greenways, paths, "connections" projects.
<b>Zoo &amp; Quality of Life</b>	Upgrading zoo infrastructure (Reid Park Zoo)	Modernization of animal habitats, new exhibits, improvements funded via zoo tax and capital set-asides .
<b>Transit &amp; Fleet / Facilities</b>	Upgrading transit fleet, facility improvements, ADA / station enhancements	Sun Tran / Sun Van vehicle replacements, facility upgrades, service support assets.
<b>Other departmental / internal capital</b>	Building improvements, systems upgrades, acquisitions	Various projects across city departments are guided by departmental requests in the CIP process .

## Budget & Financial Highlights

- The city is projecting ~\$2.1 billion in capital investment across the 5-year CIP horizon.
- For FY 2026 specifically, \$683 million is earmarked for advancing major capital projects.
- Road/street projects are a significant share of the allocation, reflecting high community and infrastructure demand.
- The CIP includes leveraging bonds, grants, and dedicated voter-approved taxes (e.g., for parks, safety) as funding sources.
- The failure of Proposition 414 (which would have funded specific public safety initiatives) is shaping constraints in later years, making capital prioritization more critical.

## Strategic Implications & Considerations

- The emphasis in Fiscal Year 2026 is primarily on maintenance and rehabilitation (roads, facilities) rather than significant new expansions, given funding constraints.
- Voter-approved initiatives (Tucson Delivers, Prop 407) continue to drive visible improvements in parks, connectivity, and safety infrastructure.
- Public safety infrastructure remains a top priority, particularly in joint facility development to optimize operations and facilitate cost sharing.
- Due to budget pressures, the city must be selective in timing improvements and balancing new versus deferred maintenance.
- Stakeholder and resident visibility remains important – high-impact corridor projects and neighborhood enhancements often gain community interest and support.

## Tucson Delivers – “Better Streets / Safer Streets”

In May 2022, Tucson voters approved extending the existing temporary half-cent sales tax for an additional 10 years. Importantly, this extension does not increase the City’s sales tax rate, which remains at 2.6%. Instead, it ensures the continuation of a dedicated funding stream to improve the condition and safety of Tucson’s transportation system.

Over the life of the extension, the half-cent sales tax is projected to generate approximately \$740 million. These revenues are legally restricted to transportation improvements and will be allocated as follows:

- 80% (\$590 million): Neighborhood Street Improvements  
Funds will be invested in the systematic rehabilitation of all City neighborhood streets. This ensures equitable allocation of resources across the entire community, improving roadway safety, reducing long-term maintenance costs, and enhancing neighborhood livability.
- 20% (\$150 million): Systemwide Safety Improvements  
Investments will address multimodal safety needs and are expected to include:
  - Street lighting
  - New and improved sidewalks
  - Bicycle network enhancements
  - Traffic signal technology upgrades
  - Traffic-calming features

### Criteria Alignment

- Policy Document: This initiative reflects voter direction and City policy, ensuring funding stability without raising the tax rate.
- Financial Plan: Provides a clear, 10-year revenue projection with a defined allocation strategy that prioritizes both maintenance and systemwide safety.
- Operations Guide: The program outlines specific project types (street rehabilitation, sidewalks, bicycle lanes, traffic control systems) that departments can use as guidance for annual capital planning.
- Communications Device: By committing to a transparent 80/20 allocation model, the City clearly communicates to residents how their tax dollars will be invested and what outcomes to expect.

### Performance & Accountability

The program emphasizes measurable outcomes. Success will be tracked through:

- Percentage of neighborhood streets improved (measured by pavement condition index and miles resurfaced annually).
- Reduction in systemwide crashes and fatalities (Vision Zero alignment).
- Expansion of pedestrian and bicycle infrastructure (linear miles of sidewalk and bike lanes added or improved).
- Energy and cost efficiency from upgraded traffic signal systems and lighting.

## Public Safety Assets & Facilities

In May 2017, voters approved Proposition 101, authorizing a five-year, half-cent sales tax (2017–2022) to fund critical improvements in public safety and road conditions. Of the \$250 million projected to be collected through the tax, \$150 million was explicitly dedicated to vehicles, equipment, and facilities for the Tucson Fire Department (TFD) and the Tucson Police Department (TPD).

### Vehicles and Equipment

Nearly \$55 million was allocated to upgrade public safety vehicles, ensuring first responders have reliable, modern equipment to protect the community. Investments include:

- Police patrol cars and motorcycles
- Fire trucks and ambulances
- Specialized and non-specialized support vehicles

These acquisitions reduce maintenance costs, extend fleet reliability, and ensure emergency responders can meet service demands effectively.

### Facilities Investments

Proposition 101 also funds critical upgrades and new construction to modernize and expand public safety facilities, including:

- Construction of a new Southside police substation
- Development of a police academy training track
- A southeast police annex to expand capacity
- Five fire stations were rebuilt, and eleven fire stations were remodeled.

These investments address long-deferred capital needs, improve operational efficiency, and enhance community access to emergency services.

By Fiscal Year 2026, the impacts of Proposition 101 continue to be realized, with multiple facility projects completed or under construction and the upgraded fleet actively in service. These improvements enhance Tucson's public safety infrastructure and directly contribute to the City's strategic priorities of community safety, neighborhood vitality, and infrastructure reliability.

### Criteria Alignment

- Policy Document: Demonstrates the City's commitment to delivering on voter-approved public safety priorities.
- Financial Plan: Provides transparency in the allocation of \$150 million in restricted-use funding, with clear categories for vehicles and facilities.
- Operations Guide: Identifies how investments in equipment and facilities support frontline operations, emergency response, and community safety outcomes.
- Communications Device: Shares with residents the tangible results of their tax investment, including new vehicles, rebuilt fire stations, and improved police facilities.

## Tucson Delivers: Proposition 407 - Great Parks and Strong Connections

In November 2018, voters in the City of Tucson overwhelmingly approved **Proposition 407**, authorizing a **\$225 million general obligation bond package** dedicated to enhancing park amenities and improving community connections. This program represents a long-term investment in Tucson's quality of life, with projects planned and delivered in **three phases over a ten-year period (2019-2028)**.

A **Bond Oversight Commission** was established to provide accountability, ensuring funds are spent as intended and that progress is transparent to the public.

### Scope of Projects

- **Parks Improvements:**

Investments include the rehabilitation and construction of playgrounds, sports fields, swimming pools, splash pads, recreation centers, and other amenities that strengthen community recreation and wellness.

- **Connections Investments:**

These projects enhance mobility and safety by building and improving greenways, shared-use paths, bicycle boulevards, and pedestrian safety infrastructure, contributing to Tucson's broader goals of walkability, sustainability, and multimodal accessibility.

As the Proposition 407 program enters its middle implementation years, FY 2026 represents a pivotal stage where multiple large-scale projects will be under construction or nearing completion. The City continues to coordinate Proposition 407 investments with other **Capital Improvement Plan (CIP) projects**, ensuring efficient use of resources, avoiding duplication, and maximizing community impact.

### Key priorities in Fiscal Year 2026 include:

- Continuing phased playground and aquatic facility upgrades, improving safety, and extending the lifespan of high-use amenities.
- Advancing connectivity projects that close gaps in Tucson's greenway and bicycle network, aligning with the City's **Vision Zero** and **Climate Action** commitments.
- Integrating safety enhancements—such as upgraded crossings and traffic-calming—into connection projects directly supports neighborhood livability.

### Criteria Alignment

- **Policy Document:** Proposition 407 reflects voter-approved priorities and long-term strategic alignment with **Plan Tucson**, the City's General and Sustainability Plan.
- **Financial Plan:** The \$225 million allocation is phased across the 10 years, ensuring fiscal responsibility while meeting community needs.
- **Operations Guide:** Annual budgets incorporate Proposition 407 projects, providing clarity for staff, Council, and the public on upcoming construction and expected outcomes.
- **Communications Device:** Regular reporting by the Bond Oversight Commission, along with its integration into the budget book, ensures transparency, accountability, and accessible information for all residents.

## Reid Park Zoo Quality of Life Tax: Propositions 202 and 203

In November 2017, Tucson voters approved Propositions 202 and 203, establishing a dedicated one-tenth of one percent (0.1%) sales tax to fund improvements at the Reid Park Zoo. This “Quality of Life” tax is in effect for 10 years (2018–2028) and is specifically restricted to support the Zoo’s capital improvement projects, facility enhancements, and program development.

### Scope of Project

The voter-approved tax provides a reliable, dedicated funding stream for projects that enhance the Zoo’s role as a premier regional attraction, a community educational resource, and a leader in animal welfare. The funds are legally restricted to:

- Capital improvements and new construction (e.g., expanded habitats, updated visitor facilities, sustainability upgrades).
- Animal care and welfare investments, ensuring facilities meet or exceed modern zoological standards.
- Education and conservation programming, strengthening the Zoo’s mission of connecting people with animals and nature.

### Key priorities in Fiscal Year 2026 include:

As the Quality of Life Tax reaches its midpoint, Fiscal Year 2026 represents a critical delivery phase in the Zoo’s long-term capital plan.

Key projects advancing during this period include:

- Expansion and modernization of animal habitats to support conservation and educational goals.
- Enhancements to the visitor experience, including new amenities, improved accessibility, and upgraded facilities.
- The integration of sustainable practices, including energy-efficient systems and water conservation measures, aligns with the City’s Climate Action and Adaptation goals.

### Governance and Accountability

- Revenues from the Quality of Life Tax are subject to voter approval and are managed with strong accountability mechanisms.
- Annual reporting ensures transparency, and progress updates are shared with the community to demonstrate the value of the investment.
- Oversight ensures expenditures remain aligned with the Zoo’s approved capital improvement plan.

### Criteria Alignment

- Policy Document: Reflects voter-approved policy priorities and aligns with the City’s broader cultural, recreational, and environmental goals.
- Financial Plan: Provides a stable, dedicated funding source that does not impact the General Fund, ensuring the Zoo’s sustainability.
- Operations Guide: Supports Zoo management in long-term planning and delivery of phased capital projects.
- Communications Device: Offers residents a clear view of how a dedicated tax is improving a treasured community asset, supporting transparency and accountability.

## Transit & Fleet / Facilities

In Fiscal Year 2026, the City of Tucson continues to invest strategically in its transit infrastructure through the **Transit & Fleet / Facilities** program, aligning with Tucson Delivers' goals of safer, connected streets. This year's funding will prioritize:

- Replacement of aging Sun Tran and Sun Van vehicles to maintain system reliability and control operating costs.
- Upgrades to bus stops and transit centers, including ADA enhancements, lighting, signage, and passenger amenities, ensure equitable and accessible transit service.
- Modernization of maintenance and support facilities to support higher-performing fleet operations and future service expansions.
- Enabling components of **Bus Rapid Transit (BRT)** investments, such as station platform infrastructure and transit signal priority systems, as the City advances toward its high-capacity transit vision.

### Key priorities in Fiscal Year 2026 include:

In Fiscal Year 2026, the City is poised to make key investments that enhance reliability, accessibility, and the rider experience. Key areas of emphasis include:

- **Vehicle Replacement & Modernization**  
Continued replacement of aging Sun Tran and Sun Van vehicles is crucial to maintaining service quality and reducing maintenance overhead. These replacements may increasingly reflect newer technologies (e.g., re-fueling, cleaner engines) to meet emission and sustainability objectives.
- **Station & ADA Enhancements**  
Upgrades to bus shelters, stop pads, lighting, signage, and accessible features will help ensure compliance with the Americans with Disabilities Act (ADA) and enhance safety and comfort for all riders.
- **Facility Upgrades & Service Support Assets**  
Maintenance yards, storage facilities, and administrative support assets need modernization to support expanded transit service and more demanding fleet requirements. These enhancements strengthen operational capacity and long-term resilience.
- **Enabling BRT and High-Capacity Transit**  
As the BRT corridor moves toward implementation, Fiscal Year 2026 is likely to see investments in station platforms, bus lanes or priority treatments, transit signal priority systems, and related infrastructure. These upgrades will help the BRT corridor function efficiently and reliably.

These capital investments not only support the sustainability of the transit system but also contribute to Tucson's broader objectives of enhancing mobility, promoting equity, and mitigating climate change. As part of the Fiscal Year 2026 CIP, funding is balanced across streets, safety, parks, and transit to deliver consistent, measurable improvements across the community.

Capital Projects Funds. This category, which includes the City bond funds, is 22% of the five-year CIP. These funds will provide \$406.2 million over the next five years. Regional Transportation Authority (RTA) funds of \$182.4 million account for the most significant portion of this category. Next are the General Obligations, Parks and Connections Improvement Fund of \$141.5 million. \$159.9 million is funded for road, regional park, and communications improvements, along with \$125.4 million from regional Highway User Revenue Funds (HURF) distributed by the Pima Association of Governments (PAG). The remaining capacity of \$41.5 million is added for road and regional park improvements, mainly provided by the development impact fee.

Enterprise Funds. Enterprise Funds total \$579.7 million or 31% of the five-year CIP. Environmental and General Services total \$14.9 million. Tucson Water accounts for the remaining \$564.8 million from user revenues, obligation bonds of \$2.3 million and grant revenue of \$59.4 million.

General Fund. This category totals \$1.6 million or less than 1% of the five-year CIP and is funded for park improvements.

Special Revenue Funds. This category totals \$882.3 million, or 47% of the five-year CIP. Included in this category are the Proposition funding for Safer City Improvement Fund of \$45.6 million, Better Streets Improvement Fund of \$30.0 million, Reid Park Zoo Capital Improvement Fund of \$74.9 million, Better and Safe Street's improvement funds of \$373.4 million. Other funding includes the Federal Grants of \$221.9 million, the General Fund provides \$14.3 million for Mass Transit as a local match for the Federal Grant, the City's HURF allocation accounts for \$57.7 million, \$15.0 million comes from other non-Federal Grant Fund, Zoo donation contributions of \$9.5 million and a proposed ballot measure of \$40.0 million.

## CIP by Department

The department's programs are briefly presented within their budget reporting categories, also known as service areas: Community Enrichment and Development, Public Safety and Justice Services, Public Utilities, Support Services, and General Government.

## Community Enrichment and Development

**Housing and Community Development** – The five-year CIP for Housing and Community Development totals \$5.7 million. Funding primarily comes from Community Development Block Grants (CDBG), other federal grant funds, and the General Fund. These funds support a wide range of projects, including public housing building improvements and community infrastructure enhancements.

### Key Project Highlight

- **Housing Zone 3 Asset Management Properties (AMP)**

This project focuses on modernizing offline units across Public Housing AMPs to make them ready for occupancy. Planned improvements include:

- Exterior site upgrades such as Green Stormwater Infrastructure (GSI), sidewalks, fencing, landscaping, and ramadas.
- Solar installation for Willard Street Unit Phase II and a complete solar setup for 15 single-family units.
- Econolodge Stone Avenue Youth Transitional Housing Rehab Project, which involves remodeling a 49-unit motel into transitional housing units.
- Knights Inn – design and site improvements to enhance safety and security.
- Wildcat Inn – playground and GSI improvements to promote neighborhood livability.

The Fiscal Year 2026 budget request for this initiative is \$1.5 million.

**Parks and Recreation** – The five-year CIP for Parks and Recreation totals \$197.2 million. Funding primarily comes from general obligation bond proceeds approved under Proposition 407: Parks and Connections, development impact fees, the Zoo Sales Tax Proposition, and grant funds. These resources provide for a wide range of projects, including improvements to regional parks, greenways, zoo rehabilitation, and neighborhood park amenities.

### Key Project Highlights

- **Morris K. Udall Park**

Funded by Proposition 407 and impact fees, the Morris K. Udall Park Project includes two new covered basketball courts, a new parking lot, two new playgrounds with shade, LED light upgrades for baseball and soccer fields, two new lighted soccer fields, and renovated softball fencing. Project outreach is expected to begin this year. The FY2026 budget request is \$500,000, with a combined total of \$17.5 million planned for Fiscal Year 2027 and Fiscal Year 2028.

- **Robert A. Price Sr. Park**

Funded by Proposition 407 and impact fees, this brand-new park is currently in the design phase, with construction scheduled to begin later this year. Planned features include two little league fields and soccer fields with LED lights, a parking lot, playground with shade, ramada, restroom, and splash pad. The Fiscal Year 2026 budget request is \$7 million.

- **Mission Manor Aquatic Complex**

Funded by Proposition 407, Congressional Representative Grijalva's Office, the Tohono O'odham Nation Grant, the City Framework, and impact fees, this major aquatic complex will bring an entirely new set of water amenities to Tucson's Southside. Planned improvements include a new bathhouse and offices, new therapy pool, zero-depth entry recreation and lap pool, and a new splash pad. Construction is expected to begin mid-2025 and complete in mid-2026. The Fiscal Year 2026 budget request is \$844,000.

**Transportation** – The five-year CIP for the Department of Transportation and Mobility (DTM) totals \$1.251 billion. Funding comes from Highway User Revenue Funds (HURF), sales tax and general obligation bond propositions, the Regional Transportation Authority (RTA), impact fees, and grant funds. These resources provide for a wide range of projects, including streets, public transit, street safety, and facility rehabilitation.

## Key Project Highlights

- **Tucson Delivers: Better Streets/Safer Streets Program – Proposition 411**  
This program extends the previous temporary half-cent sales tax for an additional ten years. The funding will be used for improvements to neighborhood streets and systemwide street safety. The City anticipates using \$94.3 million to fund these projects in Fiscal Year 2026.
- **Collector Roadways – The Road Repair Program** aims to improve street safety citywide. The City dedicated \$11 million per year for five years from the Highway User Revenue Fund, in support of Proposition 411 – Better Streets/Safer Streets. This commitment began in Fiscal Year 2023 and combines with \$4 million per year in the General Fund Investment Plan, totaling \$15 million annually (\$75 million total) from Fiscal Year 2023 through Fiscal Year 2027.
- **Valencia Road: Kolb to Houghton** – This project will widen Valencia Road to a six-lane divided roadway with bike lanes and sidewalks. The design and right-of-way phases began in Fiscal Year 2020, and the construction phase started in FY2023. A two-year landscape establishment period will follow completion, with the entire project expected to be completed by the end of Fiscal Year 2025. This project was approved as part of the May 2006 RTA Plan.
- **22nd Street: I-10 to Tucson Boulevard** – This project will widen 22nd Street to relieve congestion and bottlenecks, enhancing the corridor’s capacity. The scope includes widening to a six-lane divided roadway, reconstructing the Kino Overpass, and creating a new 22nd Street Bridge.
  - Phase I: Kino Overpass – *Completed*
  - Phase II: Kino to Tucson Blvd (22nd Street Bridge) – *Begins in Fiscal Year 2026*  
The 22nd Street Bridge will replace the existing weight-restricted bridge, eliminating freight and transit detours. The anticipated completion of Phase II is Fiscal Year 2028.
- **Compressed Natural Gas (CNG) Buses – Northwest Bus Maintenance Facility**  
This project involves constructing a CNG fueling station to support efficient transit operations, maximize flexibility, and meet the 8-hour fueling window for CNG buses. Construction of the fueling station is currently underway, with a budget request of \$8.1 million for Fiscal Year 2026.

## Public Safety and Justice Services

**Public Safety** – The five-year CIP for Public Safety—which includes both the Fire Department and Police Department—totals \$34.5 million. Funding comes from the Tucson Delivers: Safer City sales tax proposition and development impact fees. These funds support critical infrastructure, facility rehabilitation, and equipment replacement efforts that enhance the safety and operational capacity of Tucson’s public safety services.

### Key Project Highlights

- **New Southside Complex**  
The Tucson Police and Fire Joint Southside Complex project is currently underway. This facility will expand to include a community meeting room, youth basketball court, and adjusted square footage to meet the needs of a larger patrol division. Additionally, Fire Station 10 will be co-located at this site, improving emergency response coordination and operational efficiency.
  - Estimated Completion: 2026
  - Fiscal Year 2026 Budget Request: \$18.4 million
- **Eastside Annex**  
The Police Department will construct a new facility to support eastside operations, addressing the City’s expansion in the southeast area. The project includes a 3,300-square-foot office building designed to provide a small base of operations strategically located between major substations. The facility will include a conference room with lobby access for community and departmental use, as well as an open-concept workspace to support flexible operations.
  - Construction Start Date: February 25, 2025
  - Fiscal Year 2026 Budget Request: \$4 million

## Public Utilities

**Environmental and General Services.** — The five-year CIP for Environmental Services totals \$18 million. Funding comes from Environmental Services revenues and the General Fund Framework for landfill and facility improvements, as well as plastics diversion efforts. As part of the City's rate-setting process, the CIP is developed and updated each fall and incorporated into the five-year financial plan.

### Key Project Highlights

- **Los Reales Container Maintenance Campus Relocation**  
This project relocates the Container Maintenance Division to the Los Reales Campus, as the 10th Avenue location is currently slated for a City housing project.
  - FY2026 Budget Estimate: \$1.7 million
- **Los Reales New Building for ByFusion**  
This initiative supports the development of a ByBlock manufacturing facility designed to reuse hard-to-recycle plastics. Facility construction is currently underway.
  - Fiscal Year 2026 Budget Request: \$1.0 million
  - Funding Source: General Fund Framework
- **Los Reales Landfill Gas System Improvements**  
This project provides system upgrades to the landfill gas collection system to improve environmental compliance and operational efficiency.
  - Fiscal Year 2026 Budget Request: \$1.0 million

**Tucson Water** — The five-year CIP totals \$574.2 million. Funding will come from water revenues, revenue obligation bonds, and external sources, including state and federal grants and loans. The program allocates funds for potable and reclaimed water projects. Key investments focus on PFAS treatment, well drilling, infrastructure rehabilitation, and transmission system improvements to enhance water delivery and renewable resource use.

Additionally, as part of the rate-setting process, the CIP is developed and updated in the fall and incorporated into the five-year financial plan.

Some featured projects include:

- **Northwest Wells Treatment System Project** – This project includes the addition of treatment for PFAS and 1,4-dioxane at three wells that were removed from the potable system due to groundwater contamination. Returning these three wells to service will restore over 3 million gallons per day in potable water supply and provide needed redundancy to the northwest portion of Tucson Water's service area. The total estimated project cost is \$33.5 million, with estimated costs of \$16.0 million in FY2026 and \$9.2 million in FY2027. This project is currently in design.
- **Tucson Airport Remediation Project (TARP)** – TARP utilizes an Advanced Oxidation Process (AOP) followed by granular activated carbon (GAC) to treat 1,4-dioxane and trichlorethylene. Elevated PFAS levels entering the TARP wellfield have increased the frequency of GAC changeouts at substantial cost to Tucson Water. The addition of an Ion Exchange and Sediment Filtration system before existing treatment will remove PFAS, allowing the AOP process to operate as intended. The total estimated cost is approximately \$27 million, with \$12.25 million budgeted for FY2026 and \$2.0 million for FY2027. This project is currently under construction. The Arizona Department of Environmental Quality has committed \$25 million in funding to aid in design and construction.

- South Houghton 24" Transmission Main – I-10 to Old Vail Reservoir Site (Corona De Tucson Interconnect Transmission Main) – This is the final portion of the transmission main along Houghton Road, which will allow Tucson Water to deliver water from the central system to the currently isolated Corona de Tucson area at the base of the Santa Rita Mountains. Paired with the Old Vail Reservoir expansion (also under construction), this project will deliver renewable supplies to this portion of the service area, reducing reliance on groundwater. The project is estimated to cost \$7.46 million in FY2026 and is currently in final design and pre-bid.



# Appendix

# Development Impact Fees

## Development Impact Fees Framework

In 2020, the City of Tucson adopted the Land Use Assumptions (LUA), Infrastructure Improvements Plan (IIP), and Development Impact Fee (DIF) Report to ensure that new growth contributes proportionately to the cost of infrastructure expansion. Guided by Arizona state law, this framework links population and employment projections to a multi-year capital program that identifies eligible improvements in transportation, parks, and public safety facilities. The resulting fee structure allocates costs fairly, requiring new development to fund its share of growth-related needs while protecting existing taxpayers from subsidizing future infrastructure.

Development impact fees are one-time fees dedicated to expand:

- Roads
- Parks
- Police Services
- Fire Services

Development impact fees apply to developments if:

- There is new development (residential and commercial)
- A change in use that requires a larger service need

Planning and Development Services works with developers to determine the service fee based on:

- The service area
- The use
- The development size

The adoption of this program created a transparent, predictable, and legally compliant funding source for capital projects. DIF revenues are restricted to one-time expenditures and integrated into the City's Capital Improvement Program (CIP), supporting financial sustainability and aligning with GFOA best practices.

## Mixed-Use Incentive (Effective August 23, 2020)

To encourage urban reinvestment and economic development, Tucson introduced a Mixed-Use Incentive in August 2020 that modifies how development impact fees apply to qualifying projects. This policy provides targeted fee reductions or exemptions for developments that combine residential, commercial, and/or office uses in designated mixed-use areas.

The intent of this incentive is to:

- Promote higher-density, mixed-use development in areas with existing infrastructure capacity.
- Encourage infill and redevelopment that supports walkability, transit, and reduced vehicle dependency.
- Balance fiscal responsibility with economic growth by offering fee relief where infrastructure demands are lessened or already in place.
- 

## Fiscal and Community Impact

Together, the 2020 DIF framework and the Mixed-Use Incentive create a balanced approach: ensuring that most new growth contributes to infrastructure costs, while strategically encouraging development in targeted areas.

By Fiscal Year 2026, these policies will continue to influence the Adopted Budget by:

- Generating dedicated revenues for capital projects in growing areas of the city.
- Reducing strain on the General Fund and bond financing, preserving financial flexibility.
- Supporting strategic growth objectives by incentivizing compact, mixed-use projects that align with Tucson's long-range land use and sustainability goals.

This combination of fiscal discipline and economic development incentives demonstrates Tucson's commitment to responsible growth management, ensuring infrastructure keeps pace with demand while promoting investment in vibrant, mixed-use communities.

[Adopted Land Use Assumptions, Infrastructure Improvements Plan, and Development Impact Fee Report \(2020\)](#)

[Mixed Use Incentive \(In effect 8/23/20\)](#)

# How are Development Impact Fees Assessed

The amount of Development Impact Fees (DIF) collected by the City of Tucson is determined by the infrastructure needs created by new development and the type, size, and intensity of that development. Fees are allocated to support capital improvements within designated service areas, ensuring that growth pays its fair share of the costs associated with new demand for public facilities.

The City employs two primary methods to calculate these fees:

- **Incremental Expansion Method (present-focused):** This approach evaluates the City’s current level of service and identifies the additional infrastructure required to maintain that level as new growth occurs. Fees are assessed to cover the cost of concurrent improvements, ensuring that service standards are preserved as development proceeds.
- **Plan-Based Method (future-focused):** This method projects long-term improvements identified in the City’s adopted land use and infrastructure plans. Fees are established based on anticipated facility needs associated with planned growth, aligning capital investments with Tucson’s strategic development objectives.

The total amount collected depends heavily on the pace and nature of new development. Residential, commercial, and mixed-use projects generate different service demands, and corresponding fees are calculated accordingly. To assist developers and property owners, the City provides an **Impact Fee Calculator** that estimates costs based on project characteristics and location.

Revenues generated from DIF collections are restricted to funding growth-related infrastructure improvements within the service areas from which they are collected. This ensures both fiscal accountability and geographic equity, while also supporting the City’s long-term financial and growth management policies.

Notes: [Impact Fee Calculator](#).



# How Are Impact Fees Used

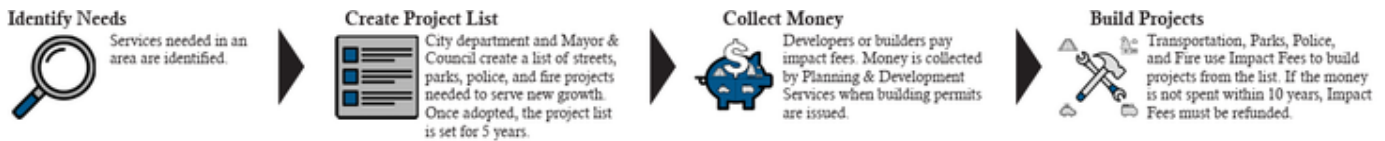
Development Impact Fees (DIF) are restricted revenues that can only be used to fund **capital infrastructure improvements necessitated by new development**. By law, they cannot be applied to general operating expenses or to correct existing deficiencies in City of Tucson's services. Instead, the fees are dedicated to maintaining service levels as Tucson grows, ensuring that new development contributes proportionately to the cost of growth.

Typical eligible uses of DIF revenues include:

- **Transportation improvements** such as roadway expansions, traffic signal upgrades, bike lanes, and pedestrian facilities that address increased demand generated by new development.
- **Parks and recreation facilities**, including new neighborhood parks, trails, and recreation amenities in areas experiencing residential growth.
- **Public safety facilities** such as fire stations, police substations, or communication infrastructure are necessary to maintain response times and service standards.
- **Other growth-related capital needs** are identified in the City's adopted **Infrastructure Improvements Plan (IIP)**.

Impact Fees are collected within designated **service areas** and must be spent within those same areas, ensuring that funds directly benefit the developments generating the demand. The City carefully tracks DIF revenues and expenditures to demonstrate compliance with statutory requirements, promote transparency, and align projects with both the **Capital Improvement Program (CIP)** and the City's long-term financial policies.

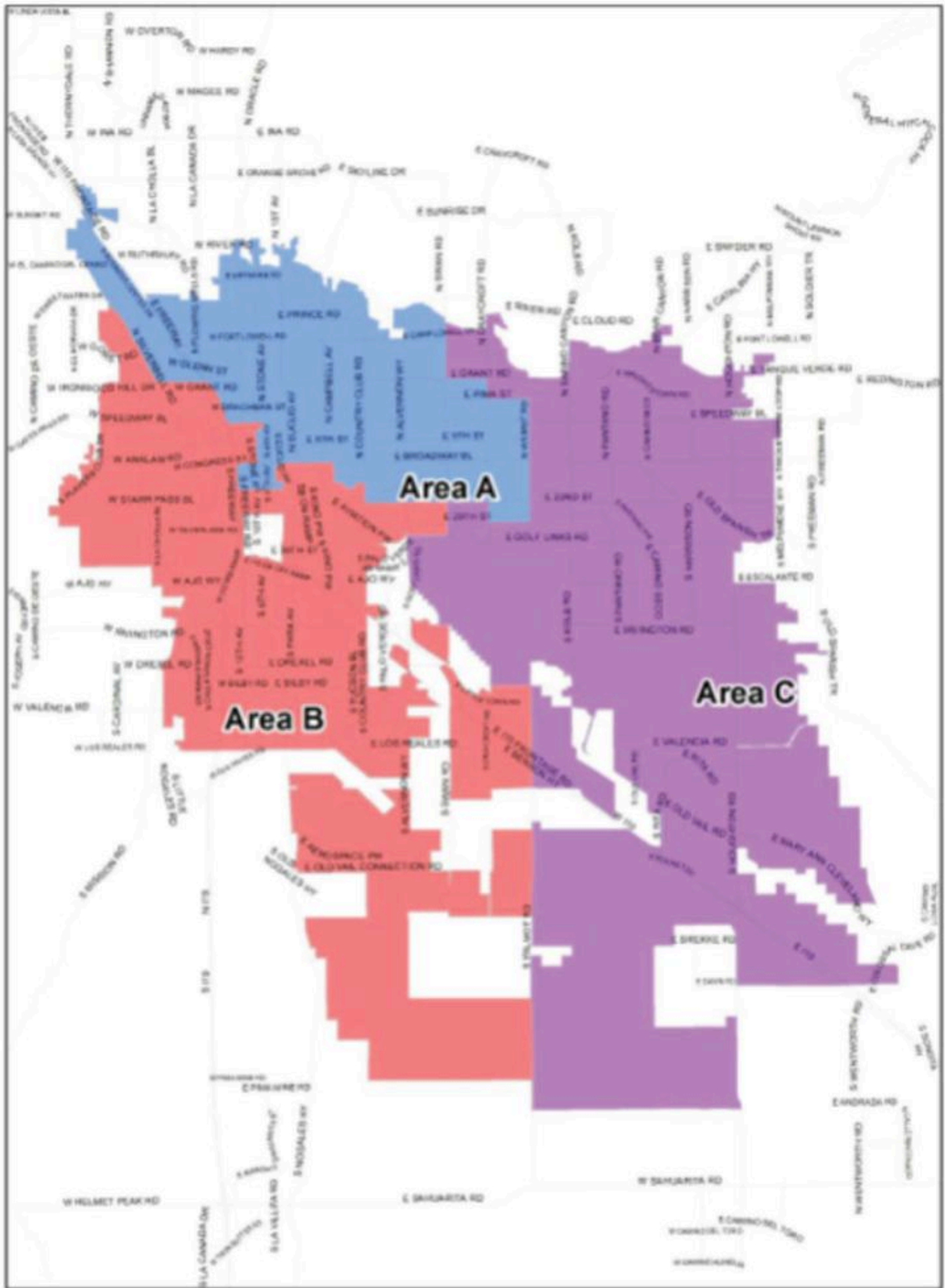
By applying these revenues strategically, Tucson reduces reliance on the General Fund, preserves financial flexibility, and ensures that growth pays for itself, rather than placing the burden on existing residents and businesses.



# Impact Fee Service Areas

For Parks and Recreation and Streets, impact fees are used to fund capacity projects within the subarea where they are collected. Three service areas have been established based on growth patterns and infrastructure locations.

All land within the boundaries of the City is divided between the following Service Areas (Central, East, West, Southeast, and Southlands ).





# Arizona Revised Statute §42-17102

## LEGAL REQUIREMENTS

**STATEMENT REQUIRED BY ARIZONA REVISED STATUTES §42-17102  
RELATIVE TO PROPERTY TAXATION  
PRIMARY AND SECONDARY TAX LEVIES  
FISCAL YEARS 2023/24 AND 2024/25**

Property Tax	Adopted FY 23/24 Levy	Actual FY 23/24 Levy	FY 24/25 Maximum Levy Amount	Amount of Levy Increase/ (Decrease)	Percentage Levy Increase/ (Decrease)
Primary	\$ 18,226,610	\$ 18,226,610	\$18,780,642 <sup>1</sup>	\$554,032	3.04%
Primary - Involuntary Tort	1,098,500	1,098,500	806,093	(292,407)	(26.62)%
Secondary	26,168,170	26,168,170	27,412,670	1,244,500	4.76%
<b>Total</b>	<b>\$ 45,493,280</b>	<b>\$45,493,280</b>	<b>\$ 46,999,405</b>	<b>\$1,506,125</b>	<b>3.31%</b>

Property Tax	Actual FY 23/24 Rate	Estimated FY 24/25 Rate	Amount Rate Increase/ (Decrease) <sup>2</sup>	Amount Rate Increase/ (Decrease)
Primary	\$0.4207	\$0.4134	\$(0.0073)	(1.7)%
Primary - Involuntary Tort	0.0254	0.0177	(0.0077)	(30.3)%
Secondary	0.6040	0.6034	(0.0006)	(0.1)%
<b>Total</b>	<b>\$1.0501</b>	<b>\$1.0345</b>	<b>\$(0.0156)</b>	<b>(1.5)%</b>

ADOPTED BY THE  
MAYOR AND COUNCIL

June 3, 2025

RESOLUTION NO. 23934

RELATING TO FINANCE; FINALLY DETERMINING AND ADOPTING ESTIMATES OF PROPOSED EXPENDITURES BY THE CITY OF TUCSON FOR THE FISCAL YEAR BEGINNING JULY 1, 2025, AND ENDING JUNE 30, 2026, DECLARING THAT TOGETHER SAID EXPENDITURES SHALL CONSTITUTE THE BUDGET OF THE CITY OF TUCSON FOR SUCH FISCAL YEAR AND DECLARING THAT THE 5 YEAR CAPITAL IMPROVEMENT PROGRAM (CIP) HAS BEEN APPROVED WITH THE FIRST YEAR OF THE CIP BEING ADOPTED AS PART OF THE AFOREMENTIONED BUDGET.

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, 2025 and ending June 30, 2026, which was tentatively adopted on May 20, 2025 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, F, and G attached and incorporated herein by this reference, which will be required of the City of Tucson for the Fiscal Year beginning July 1, 2025 and ending June 30, 2026, 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 2026 Fiscal Year:

Final 2026 Budget

Elected and Official	\$ 53,730,743
Public Safety and Justice Services	530,493,540
Community Enrichment and Development	861,788,000
Public Utilities	471,164,547
Support Services	252,749,364
General Government	144,241,116
Fiduciary Funds	<u>98,954,413</u>
 TOTAL	 <u>\$ 2,413,121,723</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 2026 Fiscal Year which is subject to the State Budget Law:

<u>Purpose of Expenditure</u>	<u>Final 2026 Budget Subject to State Budget Law</u>
Elected and Official	\$ 38,025,306
Public Safety and Justice Services	413,453,303
Community Enrichment and Development	290,220,174
Public Utilities	330,886,249
Support Services	131,668,508
General Government	9,552,939
Fiduciary Funds	<u>0</u>
 TOTAL	 <u>\$ 1,213,806,479</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.

SECTION 5. That the Five-Year Capital Improvement Program (CIP), as summarized in Section E of the Recommended Budget Fiscal Year 2026, is approved with the first year of the CIP being adopted as part of the aforementioned budget.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Tucson, Arizona, this 3rd day of June 2025.

  
 \_\_\_\_\_  
 MAYOR

ATTEST:

  
 \_\_\_\_\_  
 CITY CLERK

APPROVED AS TO FORM:

  
 \_\_\_\_\_  
 CITY ATTORNEY

REVIEWED BY:

  
 \_\_\_\_\_  
 CITY MANAGER

Schedule A Resolution No. 23934  
 CITY OF TUCSON  
 Summary Schedule of Estimated Revenues and Expenditures/Expenses  
 Fiscal Year 2026

Fiscal Year	FUNDS											Total All Funds
	Adopted/Adjusted Budgeted Expenditures/Expenses*	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds	Fiduciary Funds			
2025	\$ 749,338,671	\$ 738,827,336	\$ 26,469,759	\$ 201,030,761	\$ 462,910,644	\$ 119,204,462	\$ 95,768,466	\$ 2,933,941,799				
2026	\$ 750,623,666	\$ 549,642,992	\$ 26,469,759	\$ 57,351,433	\$ 437,589,237	\$ 119,125,296	\$ 95,768,466	\$ 2,035,969,939				
2026	\$ 363,839,443	\$ 856,267,498	\$ 3,321,676	\$ 142,319,416	\$ 236,019,225	\$ 139,418,068	\$ 990,892,219	\$ 2,732,778,845				
2026	\$ 19,242,250		\$ 25,955,659			\$ 1,713,290		\$ 20,975,540				
2026	\$ 760,203,650	\$ 422,366,768		\$ 161,179,480	\$ 414,146,313	\$ 129,480,370	\$ 129,665,640	\$ 2,617,044,660				
2026	\$ 2,115,787	\$ 74,713,589		\$ 22,931,639		\$ 2,300,000		\$ 102,866,977				
2026	\$ (97,345,190)	\$ (2,718,487)			\$ (1,997,100)			\$ (102,866,977)				
2026												
2026			\$ 855,976					\$ 855,976				
2026	\$ 142,025,664			\$ 166,671,312				\$ 166,671,312				
2026	\$ 966,029,676	\$ 1,351,129,319	\$ 28,421,350	\$ 219,959,194	\$ 668,366,277	\$ 272,931,728	\$ 1,128,561,359	\$ 4,567,206,943				
2026	\$ 831,791,021	\$ 625,665,302	\$ 28,421,350	\$ 218,196,734	\$ 491,497,784	\$ 119,491,177	\$ 98,745,382	\$ 2,413,121,723				

**EXPENDITURE LIMITATION COMPARISON**

	2025	2026
1 Budgeted expenditures/expenses	\$ 2,333,941,799	\$ 2,413,121,723
2 Add/subject estimated net reconciling items		
3 Budgeted expenditures/expenses adjusted for reconciling items	\$ 2,393,941,799	\$ 2,413,121,723
4 Less: estimated exclusions	\$ 1,332,190,731	\$ 1,379,315,243
5 Amount subject to the expenditure limitation	\$ 1,061,751,068	\$ 1,213,306,479
6 EEC expenditure limitation	\$ 1,232,797,386	\$ 1,364,137,278

\* Includes Expenditures/Expense Adjustments Approved in the current year from Schedule E.  
 \*\* Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.  
 \*\*\* Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).



**Schedule B Resolution No. 23934  
CITY OF TUCSON  
Tax Levy and Tax Rate Information  
Fiscal Year 2026**

	2025	2026
<b>1.</b> Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ 19,586,735	\$ 20,975,540
<b>2.</b> Amount received from primary property taxation in the <b>current year</b> in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$ -	
<b>3.</b> Property tax levy amounts		
<b>A.</b> Primary property taxes	\$ 19,586,735	\$ 20,975,540
Property tax judgment	-	-
<b>B.</b> Secondary property taxes	27,412,670	25,955,650
Property tax judgment	-	-
<b>C.</b> Total property tax levy amounts	\$ 46,999,405	\$ 46,931,190
<b>4.</b> Property taxes collected*		
<b>A.</b> Primary property taxes		
(1) <b>Current</b> year's levy	\$ 19,586,735	
(2) Prior years' levies	260,000	
(3) Total primary property taxes	\$ 19,846,735	
<b>B.</b> Secondary property taxes		
(1) <b>Current</b> year's levy	\$ 27,412,670	
(2) Prior years' levies	500,000	
(3) Total secondary property taxes	\$ 27,912,670	
<b>C.</b> Total property taxes collected	\$ 47,759,405	
<b>5.</b> Property tax rates		
<b>A.</b> City/Town tax rate		
(1) Primary property tax rate	0.4311	0.4453
Property tax judgment	-	-
(2) Secondary property tax rate	0.6034	0.5510
Property tax judgment	-	-
(3) Total city/town tax rate	1.0345	0.9963
<b>B.</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 B to Resolution No. 23934

**Schedule C Resolution No. 23934  
Revenues Other Than Property Taxes  
CITY OF TUCSON**

SOURCE OF REVENUES	ESTIMATED	ACTUAL	ESTIMATED
	REVENUES	REVENUES*	REVENUES
	2025	2025	2026
<b>GENERAL FUND</b>			
<b>Local taxes</b>			
Business Privilege Tax	\$ 319,502,270	\$ 318,845,250	\$ 327,950,350
Public Utility Tax	34,400,350	30,426,860	32,425,380
Use Tax	15,156,670	11,270,240	11,381,380
Transient Occupancy Tax	15,372,220	18,521,040	19,706,250
Hotel/Motel Room Tax	8,827,080	8,085,340	10,166,190
Pawn Broker Second Hand Dealer	200,520	200,520	202,920
Property Taxes - Prior Years	250,000	250,000	-
Government Property Lease Excise Tax	40,000	40,000	40,000
<b>State Shared Revenues</b>			
State Shared Income Tax	\$ 117,382,780	\$ 116,413,020	\$ 108,890,140
State Shared Sales Tax	83,393,570	84,124,370	84,354,090
State Shared Auto Lieu Tax	28,681,140	28,554,198	29,981,690
Smart & Safe Arizona	3,754,579	3,895,000	4,999,700
<b>Licenses and permits</b>			
Utility Franchise Fees	\$ 17,248,480	\$ 17,248,480	\$ 18,269,280
Permits/Inspection Fees	7,626,860	9,069,180	8,959,660
Fire Permit and Inspection Fees	884,960	884,960	884,960
Cable Television Licenses	2,542,080	3,042,080	3,137,080
License Application Fees	2,981,550	3,482,750	3,491,110
Animal License and Care Fees	750,000	750,000	750,000
Liquor Licenses and Permits	945,000	945,000	850,000
Litter Assessment Fee	252,330	252,330	252,330
Alarm Permit Fee	75,000	75,000	75,000
Telecommunications Licenses and Franchise Fee	186,190	186,190	186,190
Dealer Trade Show License	45,000	45,000	45,000
Miscellaneous Licenses, Permits and Fees	30,410	30,290	30,410
<b>Charges for Services</b>			
Administration Charges	\$ 29,792,020	\$ 29,792,020	\$ 29,792,020
Business Services Department	2,590	2,590	2,590
City Attorney	20,000	1,500	5,000
City Clerk	5,000	15,410	10,600
City Court	-	766	-
City Public Defender	70,920	70,920	70,920
Environmental and General Services	10,450,000	5,350,000	5,200,000
General Government	310	310	310
Parks and Recreation	2,209,080	2,209,080	3,629,310
Planning and Development Services	7,019,130	7,897,264	7,629,960
Transportation & Mobility	150,000	150,000	150,000
Tucson Fire	12,165,330	13,073,420	13,664,290
Tucson Police	1,287,100	1,287,100	1,424,100
<b>Fines and forfeits</b>			
City Attorney	\$ 282,800	\$ 251,500	\$ 150,000
City Court	4,622,200	4,291,820	4,542,200
Tucson Police	1,108,750	1,152,420	1,158,580
Miscellaneous Fines	17,770	26,930	1,720
<b>Use of Money and Property</b>			
Rentals and Leases	\$ 144,170	\$ 439,620	\$ 457,340
Interest Earnings	4,655,091	9,139,120	11,812,820
<b>Other Agencies</b>			
Dispatch Services	\$ 938,400	\$ 938,400	\$ 1,008,050
University of Arizona Fire Service	146,660	146,660	195,330
Law Enforcement Training	110,660	110,660	111,660
<b>Non-Grant Contributions</b>			
General Government	\$ 679,240	\$ 679,240	\$ 549,360
Parks and Recreation	-	1,030,250	-
Tucson Fire Department	1,580,000	1,580,000	2,104,310
Tucson Police Department	977,470	977,470	1,845,500

\* 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 Resolution No. 23934  
Revenues Other Than Property Taxes  
CITY OF TUCSON**

SOURCE OF REVENUES	ESTIMATED REVENUES 2025	ACTUAL REVENUES* 2025	ESTIMATED REVENUES 2026
<b>Miscellaneous</b>			
Miscellaneous Revenues	\$ 520,890	\$ 1,926,610	\$ 2,925,610
Rebates Purchasing Card	549,760	800,000	732,190
Recovered Expenditures	3,219,410	5,490,190	4,000,170
<b>Total General Fund</b>	<b>\$ 743,253,790</b>	<b>\$ 745,468,368</b>	<b>\$ 760,203,050</b>
<b>SPECIAL REVENUE FUNDS</b>			
<b>Mass Transit Fund</b>			
Passenger Revenue	\$ -	\$ -	\$ -
Partnership Revenue	5,331,100	5,331,100	5,951,100
Advertising Revenue	2,300,000	2,574,400	2,629,400
Regional Transportation Authority	11,551,700	10,683,000	10,695,900
Other Governmental Operating Assistance	7,882,400	7,272,230	7,153,400
Special Needs	161,700	161,700	-
Rents and Leases	720,000	374,000	374,000
Miscellaneous Revenue	1,354,900	1,354,900	1,455,000
Federal Transit Grants	31,237,300	31,237,300	52,187,800
<b>Total Mass Transit Fund</b>	<b>\$ 60,539,100</b>	<b>\$ 58,988,630</b>	<b>\$ 80,446,600</b>
<b>Mass Transit Fund - Sun Link</b>			
Passenger Revenue	\$ -	\$ -	\$ -
Partnership Revenue	575,900	575,900	600,000
Advertising	600,200	159,900	162,500
<b>Total Mass Transit Fund - Sun Link</b>	<b>\$ 1,176,100</b>	<b>\$ 735,800</b>	<b>\$ 762,500</b>
<b>Gene Reid Park Zoo Capital Improvement Fund</b>			
Business Privilege Tax	\$ 15,702,100	\$ 15,702,100	\$ 16,251,670
Use Tax	2,000,530	2,000,530	2,070,550
Use of Money and Property	250,000	2,628,520	250,000
<b>Total Zoo Improvement Fund</b>	<b>\$ 17,952,630</b>	<b>\$ 20,331,150</b>	<b>\$ 18,572,220</b>
<b>Better Streets Improvement Fund</b>			
Interest Earnings	\$ 125,000	\$ 1,000,000	\$ 125,000
<b>Total Better Streets Improvement Fund</b>	<b>\$ 125,000</b>	<b>\$ 1,000,000</b>	<b>\$ 125,000</b>
<b>Safer City Improvement Fund</b>			
Interest Earnings	\$ 250,080	\$ 2,000,000	\$ 250,080
<b>Total Safer City Improvement Fund</b>	<b>\$ 250,080</b>	<b>\$ 2,000,000</b>	<b>\$ 250,080</b>
<b>Pending Ballot Measure Fund</b>			
Business Privilege Tax	\$ 40,000,000	\$ -	\$ -
<b>Total Pending Ballot Measure</b>	<b>\$ 40,000,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Tucson Convention Center Fund</b>			
Room and Space Rental	\$ 1,760,700	\$ 1,760,700	\$ 2,300,450
Parking	1,054,780	1,054,780	1,264,880
Catering and Concessions	3,850,300	3,850,300	4,770,780
TCC Commission Revenue	2,800	2,800	2,800
Novelty Sales	510,000	510,000	550,260
Facility User Fees	585,800	585,800	793,620
Miscellaneous Revenue	129,000	129,000	129,000
Event Ticket Rebates	609,190	609,190	910,220
Recovered Expenditures	1,825,140	1,825,140	1,825,140
<b>Total Tucson Convention Center Fund</b>	<b>\$ 10,327,710</b>	<b>\$ 10,327,710</b>	<b>\$ 12,547,150</b>

\* 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 Resolution No. 23934  
Revenues Other Than Property Taxes  
CITY OF TUCSON**

SOURCE OF REVENUES	ESTIMATED	ACTUAL	ESTIMATED
	REVENUES	REVENUES*	REVENUES
	2025	2025	2026
<b>Highway User Revenue Fund</b>			
State Shared HURF	\$ 59,938,540	\$ 60,208,780	\$ 61,412,960
Permits and Inspection Fees	1,890,000	1,290,000	1,290,000
Temporary Work Zone Traffic Control	111,000	-	-
Other Charges for Service	75,000	19,000	19,000
Rents and Leases	1,226,000	950,000	692,000
Proceeds from Sale of Capital Assets	83,000	82,300	200,000
Interest Earnings	150,000	550,000	500,000
Recovered Expenditures	1,350,100	1,916,400	1,843,500
Miscellaneous Revenues	52,000	51,000	29,400
<b>Total Highway User Revenue Fund</b>	<b>\$ 64,875,640</b>	<b>\$ 65,067,480</b>	<b>\$ 65,986,860</b>
<b>Park Tucson Fund</b>			
Parking Meter Collections	\$ 1,267,000	\$ 1,267,000	\$ 1,327,500
Parking Revenues	3,318,510	3,788,126	3,844,430
Interest Earnings	10,000	20,000	20,000
Assessment Fee	75,000	56,250	56,250
Parking Violations	750,000	568,750	588,750
Rents and Leases	130,000	120,000	123,600
Recovered Expenditures/Miscellaneous Revenue	80,000	-	-
<b>Total Park Tucson Fund</b>	<b>\$ 5,630,510</b>	<b>\$ 5,820,126</b>	<b>\$ 5,960,530</b>
<b>Civic Contribution Fund</b>			
City Manager	\$ -	\$ -	\$ 6,720
Mayor and Council	39,000	39,000	39,000
Parks and Recreation	713,200	713,200	3,213,200
Tucson Police	15,000	15,000	15,000
<b>Total Civic Contribution Fund</b>	<b>\$ 767,200</b>	<b>\$ 767,200</b>	<b>\$ 3,273,920</b>
<b>Community Development Block Grant Fund</b>			
Community Development Block Grant	\$ 7,549,162	\$ 7,549,162	\$ 7,207,550
Program Income	50,400	50,400	50,400
<b>Total Community Development Block Grant Fund</b>	<b>\$ 7,599,562</b>	<b>\$ 7,599,562</b>	<b>\$ 7,257,950</b>
<b>Miscellaneous Housing Grants Fund</b>			
Federal Miscellaneous Housing Grants	\$ 9,295,894	\$ 9,295,894	\$ 9,295,894
<b>Total Miscellaneous Housing Grants Fund</b>	<b>\$ 9,295,894</b>	<b>\$ 9,295,894</b>	<b>\$ 9,295,894</b>
<b>Public Housing Section 8 Fund</b>			
Federal Public Housing Section 8 Grant	\$ 48,336,214	\$ 48,336,214	\$ 48,147,180
Interest Earnings	9,500	9,500	9,500
Miscellaneous Revenues	3,720	3,720	3,720
Portable Vouchers	162,000	162,000	162,000
Charges for Current Services	36,700	36,700	36,700
<b>Total Public Housing Section 8 Fund</b>	<b>\$ 48,548,134</b>	<b>\$ 48,548,134</b>	<b>\$ 48,359,100</b>
<b>HOME Investment Partnerships Program Fund</b>			
HOME Funds	\$ 4,870,178	\$ 4,870,178	\$ 2,684,460
Program Income	560,640	560,640	560,640
<b>Total HOME Investment Partnerships Program Fund</b>	<b>\$ 5,430,818</b>	<b>\$ 5,430,818</b>	<b>\$ 3,245,100</b>
<b>Green Storm Water Infrastructure</b>			
Green Storm Water Infrastructure	\$ 3,128,630	\$ 3,127,784	\$ 2,987,400
Use of Money and Property	-	264,212	-
<b>Total Green Storm Water Infrastructure Fund</b>	<b>\$ 3,128,630</b>	<b>\$ 3,391,996</b>	<b>\$ 2,987,400</b>

\* 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 Resolution No. 23934  
Revenues Other Than Property Taxes  
CITY OF TUCSON**

SOURCE OF REVENUES	ESTIMATED REVENUES 2025	ACTUAL REVENUES* 2025	ESTIMATED REVENUES 2026
<b>American Rescue Plan Fund</b>			
General Government	\$ 120,276,341	\$ -	\$ -
Interest Earnings	736,760	1,000,000	-
<b>Total American Rescue Plan Fund</b>	<b>\$ 121,013,101</b>	<b>\$ 1,000,000</b>	<b>\$ -</b>
<b>Other Federal Grants Fund</b>			
City Attorney	\$ -	\$ 203,814	\$ 205,920
City Court	203,814	833,797	730,500
City Manager	833,797	951,390	936,880
General Services Department	-	-	600,000
Housing and Community Development	536,000	536,000	536,000
Parks and Recreation	4,542,184	4,542,184	6,362,380
Planning and Development Services	-	-	16,000
Transportation and Mobility	36,705,000	3,128,800	26,459,000
Tucson Fire	3,548,150	3,548,150	2,485,230
Tucson Police	14,923,490	14,923,490	17,532,550
<b>Total Other Federal Grants Fund</b>	<b>\$ 61,292,435</b>	<b>\$ 28,667,625</b>	<b>\$ 55,864,460</b>
<b>Non-Federal Grants Fund</b>			
City Attorney	\$ 169,013	\$ 169,013	\$ 170,000
Housing and Community Development	2,363,130	2,363,130	2,363,130
Public Safety Communications	3,743,840	3,500,000	3,500,000
Parks and Recreation	1,399,500	1,399,500	1,545,300
Transportation and Mobility	1,200,000	300,000	1,700,000
Tucson Fire	39,550	39,550	39,550
Tucson Police	2,991,793	2,991,793	2,993,140
<b>Total Non-Federal Grants Fund</b>	<b>\$ 11,906,826</b>	<b>\$ 10,762,986</b>	<b>\$ 12,311,120</b>
<b>Section 115 Pension Trust Fund</b>			
Investment Income	\$ 17,000,000	\$ 17,000,000	\$ 17,000,000
<b>Total Section 115 Pension Trust Fund</b>	<b>\$ 17,000,000</b>	<b>\$ 17,000,000</b>	<b>\$ 17,000,000</b>
<b>Street Improvement - Prop 411 Fund</b>			
Business Privilege Tax	\$ 73,366,776	\$ 73,366,776	\$ 73,366,780
Use Tax	4,683,042	4,683,042	4,683,040
Interest Earnings	71,064	71,064	71,064
<b>Total Street Improvement - Prop 411 Fund</b>	<b>\$ 78,120,882</b>	<b>\$ 78,120,882</b>	<b>\$ 78,120,884</b>
<b>Total Special Revenue Funds</b>	<b>\$ 564,980,252</b>	<b>\$ 374,855,993</b>	<b>\$ 422,366,768</b>
<b>DEBT SERVICE FUNDS</b>			
<b>General Obligation Bond and Interest Fund</b>			
Secondary Property Taxes - Prior Years	\$ 500,000	\$ 500,000	\$ -
<b>Total General Obligation Bond and Interest Fund</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ -</b>
<b>Total Debt Service Funds</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ -</b>
<b>CAPITAL PROJECTS FUNDS</b>			
<b>Capital Improvement Fund</b>			
Intergovernmental Agreements	\$ 73,514,000	\$ 23,608,000	\$ 26,662,900
<b>Total Capital Improvement Fund</b>	<b>\$ 73,514,000</b>	<b>\$ 23,608,000</b>	<b>\$ 26,662,900</b>
<b>Capital Proposition: Parks and Connections - Prop 407</b>			
Bond Proceeds	\$ 55,000,000	\$ 55,000,000	\$ -
<b>Total Capital Proposition Parks and Connections</b>	<b>\$ 55,000,000</b>	<b>\$ 55,000,000</b>	<b>\$ -</b>

\* 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 Resolution No. 23934  
Revenues Other Than Property Taxes  
CITY OF TUCSON**

SOURCE OF REVENUES	ESTIMATED	ACTUAL	ESTIMATED
	REVENUES 2025	REVENUES* 2025	REVENUES 2026
<b>Development Fee Fund</b>			
Development Fees for Police	\$ 1,380,720	\$ 1,380,720	\$ 1,380,720
Development Fees for Fire	931,920	931,920	931,920
Development Fees for Roads	17,469,200	17,469,200	17,469,200
Development Fees for Parks	4,888,680	4,888,680	5,387,540
Interest Earnings	174,900	174,900	174,900
<b>Total Development Fee Fund</b>	<b>\$ 24,845,420</b>	<b>\$ 24,845,420</b>	<b>\$ 25,344,280</b>
<b>Regional Transportation Authority Fund</b>			
Regional Transportation Authority	\$ 43,808,000	\$ 43,808,000	\$ 109,172,300
<b>Total Regional Transportation Authority Fund</b>	<b>\$ 43,808,000</b>	<b>\$ 43,808,000</b>	<b>\$ 109,172,300</b>
<b>Total Capital Projects Funds</b>	<b>\$ 197,167,420</b>	<b>\$ 147,261,420</b>	<b>\$ 161,179,480</b>
<b>ENTERPRISE FUNDS</b>			
<b>Tucson Water Utility</b>			
Potable Water Sales	\$ 207,450,710	\$ 210,281,660	\$ 203,720,100
Reclaimed Water Sales	7,782,400	10,807,248	11,650,300
Central Arizona Project Surcharge	38,271,660	38,271,660	44,379,800
Water Conservation Fee	4,037,580	3,990,030	3,550,400
Fire Sprinkler Fee	3,920,300	4,570,762	4,751,110
Connection Fees	2,056,800	4,031,408	2,056,800
Service Charges	3,215,100	3,607,855	3,215,100
Development Plan Review/Inspection Fees	150,000	455,585	150,000
Tucson Airport Remediation Project	1,000,000	1,000,000	1,000,000
Billing Services	6,375,830	6,375,830	6,481,990
Investment Income	560,000	533,370	1,000,000
Water System Equity Fees	2,300,000	4,062,550	2,300,000
CAP Resource Fee	350,000	616,395	350,000
CAP Compensated Conservation	12,000,000	12,000,000	20,000,000
Inspection Fee	205,300	335,399	205,300
Misc Revenues	4,370,250	3,066,560	5,072,900
Rental Income	420,700	351,898	308,600
Grants and Contributions	29,595,000	348,681	37,939,692
<b>Total Tucson Water Utility</b>	<b>\$ 324,061,630</b>	<b>\$ 304,706,891</b>	<b>\$ 348,132,092</b>
<b>Environmental Services Fund</b>			
Residential Refuse Services	\$ 43,298,148	\$ 42,244,629	\$ 43,869,500
Commercial Refuse Services	7,598,086	7,598,086	8,463,000
Landfill Services Charges	11,064,000	11,064,000	11,785,000
Remediation Ground Fee	4,005,469	3,959,769	4,005,470
Self-Haul Fee	3,025,875	3,025,875	3,200,000
Refuse Penalties	191,535	191,535	202,200
Recycling	500,000	500,000	575,000
Household Hazardous Waste	24,925	24,925	17,200
Miscellaneous Grants	45,700	45,700	245,700
Sale of Capital Assets	3,000	3,000	-
Interest Earnings	1,175,000	870,700	2,465,000
Recovered Expenses	725,000	450,000	375,000
Miscellaneous Revenues	170,081	168,781	661,300
<b>Total Environmental Services Fund</b>	<b>\$ 71,826,819</b>	<b>\$ 70,147,000</b>	<b>\$ 75,864,370</b>
<b>Tucson Golf Course Enterprise Fund</b>			
El Rio Golf Course	\$ 1,435,670	\$ 1,435,670	\$ 1,236,670
Randolph Golf Course	5,835,030	4,989,270	5,835,030
Fred Enke Golf Course	1,654,150	1,654,150	1,454,150
Silverbell Golf Course	1,777,970	1,777,970	1,775,230
Food and Beverage	1,880,540	1,880,540	1,880,540
<b>Total Tucson Golf Course Enterprise Fund</b>	<b>\$ 12,583,360</b>	<b>\$ 11,737,600</b>	<b>\$ 12,181,620</b>

\* 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 Resolution No. 23934  
Revenues Other Than Property Taxes  
CITY OF TUCSON**

SOURCE OF REVENUES	ESTIMATED REVENUES 2025	ACTUAL REVENUES* 2025	ESTIMATED REVENUES 2026
<b>Housing Enterprise Funds</b>			
Federal Grants	\$ 7,891,600	\$ 7,891,600	\$ 9,357,650
Housing Administration Charges	2,935,500	2,935,500	2,550,390
Tenant Rent and Parking Fees	5,733,040	5,733,040	5,733,040
Charges for Other Services	123,240	123,240	123,240
Interest Earnings	23,650	23,650	23,650
Miscellaneous Revenues	180,300	180,300	180,300
<b>Total Public Housing Fund</b>	<b>\$ 16,887,330</b>	<b>\$ 16,887,330</b>	<b>\$ 17,968,270</b>
<b>Total Enterprise Funds</b>	<b>\$ 425,359,139</b>	<b>\$ 403,478,821</b>	<b>\$ 454,146,352</b>
<b>INTERNAL SERVICE FUNDS</b>			
<b>Self Insurance - Employee Benefits Fund</b>			
Employee/Employer Contributions	\$ 72,175,035	\$ 72,175,035	\$ 88,735,170
Retiree Contributions	12,726,520	12,726,520	12,726,520
Pharmaceutical Rebates	3,726,960	3,726,960	3,726,960
Interest Earnings	102,000	102,000	102,000
Miscellaneous Revenues	3,150	3,150	3,150
<b>Total Health Insurance Trust Fund</b>	<b>\$ 88,733,665</b>	<b>\$ 88,733,665</b>	<b>\$ 105,293,800</b>
<b>Self Insurance - Risk Fund</b>			
Interdepartmental Charges	\$ 21,156,720	\$ 21,156,720	\$ 24,186,570
<b>Total Self Insurance Internal Service Fund</b>	<b>\$ 21,156,720</b>	<b>\$ 21,156,720</b>	<b>\$ 24,186,570</b>
<b>Total Internal Service Funds</b>	<b>\$ 109,890,385</b>	<b>\$ 109,890,385</b>	<b>\$ 129,480,370</b>
<b>FIDUCIARY FUNDS</b>			
<b>Tucson Supplemental Retirement System</b>			
Employer Contributions	\$ 54,416,556	\$ 54,416,556	\$ 54,284,630
Employee Contributions	8,686,010	8,686,010	8,686,010
Pension Interest Income	12,500,000	12,500,000	12,500,000
Portfolio Earnings	54,063,000	54,063,000	54,063,000
Miscellaneous Revenues	135,000	135,000	135,000
<b>Total Tucson Supplemental Retirement System</b>	<b>\$ 129,800,566</b>	<b>\$ 129,800,566</b>	<b>\$ 129,668,640</b>
<b>Total Fiduciary Funds</b>	<b>\$ 129,800,566</b>	<b>\$ 129,800,566</b>	<b>\$ 129,668,640</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 2,170,951,552</b>	<b>\$ 1,911,255,553</b>	<b>\$ 2,057,044,660</b>

\* 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 Resolution No. 23934  
**CITY OF TUCSON**  
 Other Financing Sources/(Uses) and Interfund Transfers  
 Fiscal Year 2026

FUND	OTHER FINANCING		INTERFUND TRANSFERS	
	2026		2026	
	SOURCES	(USES)	IN	(OUT)
<b>GENERAL FUND</b>				
Transfer Out to Mass Transit Fund	\$	\$	\$	\$ (64,202,070)
Transfer Out to Mass Transit - Sun Link Fund				(6,277,400)
Transfer Out to Tucson Convention Center				(4,234,110)
Transfer Out to Parks and Connections Fund - Prop 407				(22,431,610)
Transfer Out to Development Fees				(200,000)
Transfer In from Tucson Water			1,997,300	
Transfer In from Park Tucson			118,487	
<b>Total General Fund</b>	\$ -	\$ -	\$ 2,115,787	\$ (97,345,190)
<b>SPECIAL REVENUE FUNDS</b>				
Transfer Out to Development Fees from HURF				(300,000)
Transfer Out to General Fund from Park Tucson				(118,487)
Transfer Out to Risk Management/Self Insurance from Mass Transit				(2,260,000)
Transfer Out to Risk Management/Self Insurance from Mass Transit Sunlink				(40,000)
Transfer In from General Fund to TCC			4,234,110	
Transfer In from General Fund to Mass Transit			64,202,070	
Transfer In from General Fund to Mass Transit Sunlink			6,277,400	
<b>Total Special Revenue Funds</b>	\$ -	\$ -	\$ 74,713,580	\$ (2,718,487)
<b>DEBT SERVICE FUNDS</b>				
None	\$	\$	\$	\$
<b>Total Debt Service Funds</b>	\$ -	\$ -	\$ -	\$ -
<b>CAPITAL PROJECTS FUNDS</b>				
Transfer In from General Fund to General Government	\$	\$	200,000	\$
Transfer In from HURF to Development Fee Funds			300,000	
Transfer In from General Fund			22,431,610	
General Obligation Bond Proceeds				
<b>Total Capital Projects Funds</b>	\$ -	\$ -	\$ 22,931,610	\$ -
<b>ENTERPRISE FUNDS</b>				
Transfer Out to General Fund from Water Utility	\$	\$	\$	\$ (1,997,300)
<b>Total Enterprise Funds</b>	\$ -	\$ -	\$ -	\$ (1,997,300)
<b>INTERNAL SERVICE FUNDS</b>				
Risk Management/Self Insurance Transfer In from Mass Transit	\$	\$	2,260,000	\$
Risk Management/Self Insurance Transfer In from Mass Transit Sunlink			40,000	
<b>Total Internal Service Funds</b>	\$ -	\$ -	\$ 2,300,000	\$ -
<b>TOTAL ALL FUNDS</b>	\$ -	\$ -	\$ 102,060,977	\$ (102,060,977)

Schedule D to Resolution No. 23934

Schedule E Resolution No. 23934  
 Schedule E  
 CITY OF TUCSON  
 Expenditures/Expenses by Fund  
 Fiscal Year 2026

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2025	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2025	ACTUAL EXPENDITURES/ EXPENSES* 2025	BUDGETED EXPENDITURES/ EXPENSES 2026
<b>GENERAL FUND</b>				
Business Services Department	\$ 17,999,519	\$ 59,261	\$ 16,832,223	\$ 19,785,921
City Attorney	12,925,201		10,832,429	12,955,279
City Clerk	5,817,183		5,358,638	5,959,917
City Court	12,962,488		12,535,311	13,379,595
City Manager	13,702,244	6,718,846	11,083,242	25,144,233
Contingency	10,500,000		0	11,672,460
City Public Defender	4,639,260		4,288,209	5,054,274
Department of Transportation and Mobility	9,895,957	10,341,916	13,124,861	18,163,500
Environmental Services	6,121,162		686,894	818,515
Fire Department	134,298,564		141,163,414	134,474,339
General Government - Department	91,938,154	24,166,057	99,043,786	99,243,064
General Services Department	64,099,322		68,510,853	65,950,429
Housing and Community Development	9,216,548	25,239,270	6,398,362	29,834,660
Human Resources Department	10,792,388		10,747,150	11,573,120
Information Technology	37,997,006		35,892,202	39,361,018
Mayor and Council	6,439,455		6,036,567	7,864,926
Parks and Recreation	39,362,285	13,160,937	40,210,899	49,745,262
Planning and Development Services Center	12,223,864		17,195,599	15,845,065
Police Department	227,688,873		231,340,780	236,303,718
Public Safety Communications	20,801,198		18,742,247	28,661,729
<b>Total General Fund</b>	<b>\$ 749,330,671</b>	<b>\$ 79,686,287</b>	<b>\$ 750,023,666</b>	<b>\$ 831,791,024</b>
<b>SPECIAL REVENUE FUNDS</b>				
<b>Mass Transit Fund</b>				
Business Services Department	\$ -		\$ 124,241	\$ 229,352
Department of Transportation and Mobility	123,590,900		127,783,893	142,159,318
<b>Total Fund</b>	<b>\$ 123,590,900</b>		<b>\$ 127,908,134</b>	<b>\$ 142,388,670</b>
<b>Mass Transit Fund - Sun Link</b>				
Business Services Department	\$ -		\$ 1,697	\$ -
Department of Transportation and Mobility	5,656,700		5,656,700	6,999,900
General Government - Department	1,508,640		1,508,640	-
<b>Total Fund</b>	<b>\$ 7,165,340</b>		<b>\$ 7,167,037</b>	<b>\$ 6,999,900</b>
<b>Zoo Fund - Prop 202/203</b>				
Parks and Recreation	\$ 31,052,520		\$ 28,160,000	\$ 40,614,960
<b>Total Fund</b>	<b>\$ 31,052,520</b>		<b>\$ 28,160,000</b>	<b>\$ 40,614,960</b>
<b>Better Streets Improvement Fund - Prop 101</b>				
Department of Transportation and Mobility	\$ 18,020,800		\$ 3,200,000	\$ 15,320,800
<b>Total Fund</b>	<b>\$ 18,020,800</b>		<b>\$ 3,200,000</b>	<b>\$ 15,320,800</b>
<b>Safer City Improvement Fund - Prop 101</b>				
Fire Department	\$ 28,117,076		\$ 28,117,076	\$ 16,840,240
Police Department	17,488,672		17,488,672	17,033,625
<b>Total Fund</b>	<b>\$ 45,605,748</b>		<b>\$ 45,605,748</b>	<b>\$ 33,873,865</b>

\* 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 E Resolution No. 23934  
 Schedule E  
 CITY OF TUCSON  
 Expenditures/Expenses by Fund  
 Fiscal Year 2026

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2025	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2025	ACTUAL EXPENDITURES/ EXPENSES* 2025	BUDGETED EXPENDITURES/ EXPENSES 2026
<b>Tucson Convention Center Fund</b>				
City Manager	\$ 56,609	\$ -	\$ 56,609	\$ -
Convention Center	14,965,560	-	14,180,560	16,781,261
<b>Total Fund</b>	<b>\$ 15,022,169</b>	<b>\$ -</b>	<b>\$ 14,237,169</b>	<b>\$ 16,781,261</b>
<b>Highway User Revenue Fund</b>				
Business Services Department	\$ 42,998	\$ -	\$ 15,719	\$ -
Department of Transportation and Mobility	63,315,783	-	87,016,136	67,935,781
General Government - Department	1,586,320	-	1,586,315	-
General Services Department	-	-	2,925,056	1,592,037
<b>Total Fund</b>	<b>\$ 64,945,101</b>	<b>\$ -</b>	<b>\$ 91,543,226</b>	<b>\$ 69,527,818</b>
<b>Park Tucson Fund</b>				
Department of Transportation and Mobility	\$ 3,503,372	\$ -	\$ 4,006,516	\$ 5,481,600
General Government - Department	955,930	-	945,005	-
<b>Total Fund</b>	<b>\$ 4,459,302</b>	<b>\$ -</b>	<b>\$ 4,951,521</b>	<b>\$ 5,481,600</b>
<b>Civic Contribution Fund</b>				
City Clerk	\$ 1,000	\$ -	\$ 1,000	\$ -
City Manager	12,000	-	2,000	6,720
Mayor and Council	6,000	-	6,000	6,000
Parks and Recreation	1,169,060	-	1,850,160	3,799,860
Planning and Development Services Center	-	-	500	-
Police Department	15,000	-	15,000	15,000
<b>Total Fund</b>	<b>\$ 1,203,060</b>	<b>\$ -</b>	<b>\$ 1,874,660</b>	<b>\$ 3,827,580</b>
<b>Community Development Block Grant Fund</b>				
Business Services Department	\$ 14,134	\$ -	\$ 14,134	\$ 102,079
City Manager	96,021	-	96,021	-
Housing and Community Development	7,442,036	-	7,403,180	7,149,464
Human Resources Department	47,370	-	47,370	6,411
<b>Total Fund</b>	<b>\$ 7,599,561</b>	<b>\$ -</b>	<b>\$ 7,560,705</b>	<b>\$ 7,257,954</b>
<b>Miscellaneous Housing Grant Fund</b>				
Housing and Community Development	\$ 9,295,895	\$ -	\$ 9,196,319	\$ 9,295,894
<b>Total Fund</b>	<b>\$ 9,295,895</b>	<b>\$ -</b>	<b>\$ 9,196,319</b>	<b>\$ 9,295,894</b>
<b>Pima County Housing Fund</b>				
Housing and Community Development	\$ 6,403,222	\$ -	\$ 6,388,618	\$ 6,214,186
<b>Total Fund</b>	<b>\$ 6,403,222</b>	<b>\$ -</b>	<b>\$ 6,388,618</b>	<b>\$ 6,214,186</b>

\* 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 E Resolution No. 23934  
 Schedule E  
 CITY OF TUCSON  
 Expenditures/Expenses by Fund  
 Fiscal Year 2026

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2025	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2025	ACTUAL EXPENDITURES/ EXPENSES* 2025	BUDGETED EXPENDITURES/ EXPENSES 2026
<b>Public Housing Section 8 Fund</b>				
Housing and Community Development	\$ 42,144,910	\$	\$ 42,076,678	\$ 42,144,912
<b>Total Fund</b>	<b>\$ 42,144,910</b>	<b>\$</b>	<b>\$ 42,076,678</b>	<b>\$ 42,144,912</b>
<b>HOME Investment Partnerships Program Fund</b>				
Business Services Department	\$ -	\$	\$ -	\$ 19,428
Housing and Community Development	5,430,819	\$	5,409,434	3,225,667
<b>Total Fund</b>	<b>\$ 5,430,819</b>	<b>\$</b>	<b>\$ 5,409,434</b>	<b>\$ 3,245,095</b>
<b>Other Federal Grants Fund</b>				
City Attorney	\$ 203,814	\$	\$ 203,814	\$ 205,920
City Court	833,797	\$	833,798	730,505
City Manager	-	\$	403,382	936,875
Department of Transportation and Mobility	36,705,000	\$	3,128,800	26,459,000
Fire Department	3,548,149	\$	3,548,149	2,485,226
General Services Department	-	\$	0	600,000
Housing and Community Development	536,000	\$	536,000	536,000
Parks and Recreation	4,542,184	\$	4,363,684	6,362,380
Planning and Development Services Center	-	\$	-	16,000
Police Department	14,923,490	\$	14,923,490	17,532,549
<b>Total Fund</b>	<b>\$ 61,292,434</b>	<b>\$ 0</b>	<b>\$ 27,941,117</b>	<b>\$ 55,864,455</b>
<b>American Rescue Plan Fund</b>				
Business Services Department	\$ 2,378,889	\$ (59,261)	\$ -	\$ -
City Manager	35,199,935	(12,698,532)	-	-
Department of Transportation and Mobility	13,870,000	(10,341,916)	-	-
General Government - Department	19,258,668	(18,185,638)	-	108,861
Housing and Community Development	29,913,520	(25,240,003)	-	-
Human Resources Department	216,152	0	-	-
Parks and Recreation	20,175,937	(13,160,937)	-	-
<b>Total Fund</b>	<b>\$ 121,013,101</b>	<b>\$ (79,686,287)</b>	<b>\$ -</b>	<b>\$ 108,861</b>
<b>Green Storm Water Infrastructure</b>				
City Manager	\$ 239,604	\$	\$ 239,604	\$ 144,654
Water Utility	11,248,425	\$	2,204,845	9,158,760
<b>Total Fund</b>	<b>\$ 11,488,029</b>	<b>\$</b>	<b>\$ 2,444,449</b>	<b>\$ 9,303,414</b>

\* 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 E Resolution No. 23934  
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 CITY OF TUCSON  
 Expenditures/Expenses by Fund  
 Fiscal Year 2026

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2025	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2025	ACTUAL EXPENDITURES/ EXPENSES* 2025	BUDGETED EXPENDITURES/ EXPENSES 2026
<b>Non-Federal Grants Fund</b>				
City Attorney	\$ 169,013	\$	\$ 169,013	\$ 170,000
Department of Transportation and Mobility	1,200,000		300,000	1,700,000
Fire Department	39,550		39,550	39,550
Housing and Community Development	2,363,130		2,290,122	2,363,130
Parks and Recreation	1,399,500		1,399,500	1,545,300
Police Department	2,991,792		2,991,792	2,993,135
Public Safety Communications	3,743,840		3,500,000	3,500,000
<b>Total Fund</b>	<b>\$ 11,906,825</b>	<b>\$</b>	<b>\$ 10,689,977</b>	<b>\$ 12,311,115</b>
<b>Section 115 Pension Trust Fund</b>				
Fire Department	\$ 15,698,503	\$	\$ 15,698,503	\$ 21,779,793
Police Department	20,489,097		20,489,097	28,426,169
<b>Total Fund</b>	<b>\$ 36,187,600</b>	<b>\$</b>	<b>\$ 36,187,600</b>	<b>\$ 50,205,962</b>
<b>Street Improvement - Prop 411 Fund</b>				
Department of Transportation and Mobility	\$ 75,000,000	\$	\$ 76,500,000	\$ 94,300,000
<b>Total Fund</b>	<b>\$ 75,000,000</b>	<b>\$</b>	<b>\$ 76,500,000</b>	<b>\$ 94,300,000</b>
<b>Pending Ballot Measure Fund</b>				
General Government - Department	\$ 40,000,000	\$	\$ -	\$ -
<b>Total Fund</b>	<b>\$ 40,000,000</b>	<b>\$</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Special Revenue Funds</b>	<b>\$ 738,827,336</b>	<b>\$ (79,686,287)</b>	<b>\$ 549,042,392</b>	<b>\$ 625,068,302</b>
<b>DEBT SERVICE FUNDS</b>				
<b>General Obligation Bond and Interest Fund</b>				
General Government - Department	\$ 26,869,759	\$	\$ 26,869,759	\$ 28,421,350
<b>Total Fund</b>	<b>\$ 26,869,759</b>	<b>\$</b>	<b>\$ 26,869,759</b>	<b>\$ 28,421,350</b>
<b>Total Debt Service Funds</b>	<b>\$ 26,869,759</b>	<b>\$</b>	<b>\$ 26,869,759</b>	<b>\$ 28,421,350</b>
<b>CAPITAL PROJECTS FUNDS</b>				
<b>Capital Improvement Fund</b>				
Department of Transportation and Mobility	\$ 73,514,000	\$	\$ 23,608,000	\$ 26,662,900
<b>Total Fund</b>	<b>\$ 73,514,000</b>	<b>\$</b>	<b>\$ 23,608,000</b>	<b>\$ 26,662,900</b>
<b>Development Fee Fund</b>				
Department of Transportation and Mobility	\$ 17,469,200	\$	\$ 6,537,000	\$ 6,402,700
Fire Department	0		-	58,880
Parks and Recreation	9,742,960		3,500,400	16,471,500
Police Department	0		-	600,000
<b>Total Fund</b>	<b>\$ 27,212,160</b>	<b>\$</b>	<b>\$ 10,037,400</b>	<b>\$ 23,533,080</b>

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Schedule E Resolution No. 23934  
 Schedule E  
 CITY OF TUCSON  
 Expenditures/Expenses by Fund  
 Fiscal Year 2026

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2025	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2025	ACTUAL EXPENDITURES/ EXPENSES* 2025	BUDGETED EXPENDITURES/ EXPENSES 2026
<b>Capital Proposition: Parks and Connections - Prop 407</b>				
Department of Transportation and Mobility	\$ 19,688,280	\$	\$ 7,194,100	\$ 26,573,100
General Government - Department	0		-	727,634
Parks and Recreation	36,808,321		1,052,533	31,527,720
<b>Total Fund</b>	<b>\$ 56,496,601</b>	<b>\$</b>	<b>\$ 8,246,633</b>	<b>\$ 58,828,454</b>
<b>Regional Transportation Authority Fund</b>				
Department of Transportation and Mobility	\$ 43,808,000	\$	\$ 15,459,400	\$ 109,172,300
<b>Total Fund</b>	<b>\$ 43,808,000</b>	<b>\$</b>	<b>\$ 15,459,400</b>	<b>\$ 109,172,300</b>
<b>Total Capital Projects Funds</b>	<b>\$ 201,030,761</b>	<b>\$</b>	<b>\$ 57,351,433</b>	<b>\$ 218,196,734</b>
<b>ENTERPRISE FUNDS</b>				
<b>Tucson Water Utility Fund</b>				
Business Services Department	\$ 574,044	\$	\$ 24,327	\$ -
City Manager	131,658		118,239	183,561
General Services Department	7,657		417	-
Human Resources Department	500,364		83,533	-
Information Technology	0		-	133,659
Water Utility	361,001,856		338,771,230	387,289,553
<b>Total Fund</b>	<b>\$ 362,215,579</b>	<b>\$</b>	<b>\$ 338,997,746</b>	<b>\$ 387,606,773</b>
<b>Environmental Services Fund</b>				
Business Services Department	\$ 844,842	\$	\$ -	\$ -
Environmental Services	70,853,079		70,038,371	73,897,721
Human Resources Department	227,546		-	-
<b>Total Fund</b>	<b>\$ 71,925,467</b>	<b>\$</b>	<b>\$ 70,038,369</b>	<b>\$ 73,897,721</b>
<b>Tucson Golf Enterprise Fund</b>				
City Manager	\$ 59,912	\$	\$ 59,912	\$ 52,657
Golf Utility	11,750,580		11,642,036	11,882,330
<b>Total Fund</b>	<b>\$ 11,810,492</b>	<b>\$</b>	<b>\$ 11,701,948</b>	<b>\$ 11,934,987</b>

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Schedule E Resolution No. 23934  
 Schedule E  
 CITY OF TUCSON  
 Expenditures/Expenses by Fund  
 Fiscal Year 2026

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2025	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2025	ACTUAL EXPENDITURES/ EXPENSES* 2025	BUDGETED EXPENDITURES/ EXPENSES 2026
<b>Housing Enterprise Funds</b>				
Business Services Department	\$ 173,590	\$	\$ 173,590	\$ 130,562
City Manager	143,953		143,953	-
Housing and Community Development	16,526,902		16,418,970	17,812,065
Human Resources Department	114,661		114,661	25,646
<b>Total Fund</b>	<b>\$ 16,959,106</b>	<b>\$</b>	<b>\$ 16,851,174</b>	<b>\$ 17,968,273</b>
<b>Total Enterprise Funds</b>	<b>\$ 462,910,644</b>	<b>\$</b>	<b>\$ 437,589,237</b>	<b>\$ 491,407,754</b>
<b>INTERNAL SERVICE FUNDS</b>				
<b>Self Insurance - Employee Benefits Fund</b>				
Business Services Department	\$ 84,736,618		\$ 84,708,166	\$ 84,868,005
<b>Total Fund</b>	<b>\$ 84,736,618</b>	<b>\$</b>	<b>\$ 84,708,166</b>	<b>\$ 84,868,005</b>
<b>Self Insurance - Risk Fund</b>				
Business Services Department	\$ 28,539,718		\$ 28,488,994	\$ 28,670,205
Department of Transportation and Mobility	5,457,230		5,457,230	5,457,230
Fire Department	470,896		470,896	495,737
<b>Total Fund</b>	<b>\$ 34,467,844</b>	<b>\$</b>	<b>\$ 34,417,120</b>	<b>\$ 34,623,172</b>
<b>Total Internal Service Funds</b>	<b>\$ 119,204,462</b>	<b>\$</b>	<b>\$ 119,125,286</b>	<b>\$ 119,491,177</b>
<b>FIDUCIARY FUNDS</b>				
<b>Tucson Supplemental Retirement System</b>				
Tucson Supplemental Retirement System	95,768,166.00		\$ 95,768,166	\$ 98,745,382
<b>Total Fund</b>	<b>\$ 95,768,166</b>	<b>\$</b>	<b>\$ 95,768,166</b>	<b>\$ 98,745,382</b>
<b>Total Fiduciary Funds</b>	<b>\$ 95,768,166</b>	<b>\$</b>	<b>\$ 95,768,166</b>	<b>\$ 98,745,382</b>
<b>TOTAL ALL FUNDS</b>	<b>\$ 2,393,941,799</b>	<b>\$</b>	<b>\$ 2,035,769,939</b>	<b>\$ 2,413,121,723</b>

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Schedule F Resolution No. 23934  
 Schedule F  
 CITY OF TUCSON  
 Expenditures/Expenses by Department  
 Fiscal Year 2026

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES	EXPENDITURE/EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/EXPENSES*	BUDGETED EXPENDITURES/EXPENSES
	2025	2025	2025	2026
<b>Mayor and Council</b>				
Civic Contribution Fund	\$ 6,000	\$ -	\$ 6,000	\$ 6,000
General Fund	6,439,455	-	6,036,567	7,864,926
<b>Department Total</b>	<b>\$ 6,445,455</b>	<b>\$ -</b>	<b>\$ 6,042,567</b>	<b>\$ 7,870,926</b>
<b>City Attorney</b>				
General Fund	\$ 12,925,201	\$ -	\$ 10,832,429	\$ 12,955,279
Non-Federal Grant Funds	169,013	-	169,013	170,000
Other Federal Grants Fund	203,814	-	203,814	205,920
<b>Department Total</b>	<b>\$ 13,298,028</b>	<b>\$ -</b>	<b>\$ 11,205,256</b>	<b>\$ 13,331,199</b>
<b>City Clerk</b>				
Civic Contribution Fund	\$ 1,000	\$ -	\$ 1,000	\$ -
General Fund	5,817,183	-	5,358,638	5,959,917
<b>Department Total</b>	<b>\$ 5,818,183</b>	<b>\$ -</b>	<b>\$ 5,359,638</b>	<b>\$ 5,959,917</b>
<b>City Court</b>				
General Fund	\$ 12,962,488	\$ -	\$ 12,535,311	\$ 13,379,595
Other Federal Grants Fund	833,797	-	833,798	730,504
<b>Department Total</b>	<b>\$ 13,796,286</b>	<b>\$ -</b>	<b>\$ 13,369,109</b>	<b>\$ 14,110,099</b>
<b>City Manager</b>				
American Rescue Plan Fund	\$ 35,199,935	\$ (12,698,532)	\$ -	\$ -
Civic Contribution Fund	12,000	-	2,000	6,720
Community Development Block Grant Fund	96,021	-	96,021	-
General Fund	13,702,244	6,718,846	11,083,242	25,144,233
Green Storm Water Infrastructure	239,604	-	239,604	144,655
Housing Enterprise Funds	143,953	-	143,954	-
Other Federal Grants Fund	-	-	403,382	936,875
Tucson Convention Center Fund	56,609	-	56,609	-
Tucson Golf Enterprise Fund	59,912	-	59,912	52,657
Tucson Water Utility Fund	131,658	-	118,239	183,561
<b>Department Total</b>	<b>\$ 49,641,936</b>	<b>\$ (5,979,686)</b>	<b>\$ 12,202,963</b>	<b>\$ 26,468,701</b>
<b>Business Services</b>				
American Rescue Plan Fund	\$ 2,378,889	\$ (59,261)	\$ -	\$ -
Community Development Block Grant	14,134	-	14,134	102,079
Environmental Services Fund	844,842	-	-	-
General Fund	17,999,519	59,261	16,832,223	19,785,921
Self Insurance - Employee Benefits Fund	84,736,618	-	84,708,166	84,868,005
Highway User Revenue Fund	42,998	-	15,719	-
Housing Enterprise Funds	173,590	-	173,590	130,561
Mass Transit Fund	-	-	125,938	229,353
Miscellaneous Housing Grants	-	-	-	19,428
Self Insurance - Risk Fund	28,539,718	-	28,488,994	28,670,205
Tucson Water Utility Fund	574,044	-	24,327	-
<b>Department Total</b>	<b>\$ 135,304,352</b>	<b>\$ (59,261)</b>	<b>\$ 130,383,091</b>	<b>\$ 133,805,552</b>

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Schedule F to Resolution No. 23934

Schedule F Resolution No. 23934  
 Schedule F  
 CITY OF TUCSON  
 Expenditures/Expenses by Department  
 Fiscal Year 2026

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2025	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2025	ACTUAL EXPENDITURES/ EXPENSES* 2025	BUDGETED EXPENDITURES/ EXPENSES 2026
<b>Environmental Services</b>				
Environmental Services Fund	\$ 70,853,079	\$	\$ 70,038,371	73,897,720
Environmental Services Grant Fund	-		-	-
General Fund	6,121,162		686,894	818,515
<b>Department Total</b>	<b>\$ 76,974,241</b>	<b>\$</b>	<b>\$ 70,725,265</b>	<b>\$ 74,716,235</b>
<b>General Services</b>				
Other Federal Grants Fund	\$		\$ -	\$ 600,000
General Fund	64,099,322	\$	68,510,853	65,950,429
Highway User Revenue Fund			2,925,056	1,592,036
Water Utility			417	-
<b>Department Total</b>	<b>\$ 64,099,322</b>	<b>\$</b>	<b>\$ 71,436,326</b>	<b>\$ 68,142,465</b>
<b>Housing and Community Development</b>				
American Rescue Plan Fund	\$ 29,913,520	\$ (25,240,003)	\$ -	\$ -
Community Development Block Grant	7,442,036		7,403,180	7,149,464
General Fund	9,216,548	25,239,270	6,398,362	29,834,660
HOME Investment Partnerships	5,430,819		5,409,433	3,225,667
Housing Enterprise Funds	16,526,902		13,867,511	15,342,205
Miscellaneous Housing Grants	9,295,895		9,196,319	9,295,894
Non-Federal Grants Fund	2,363,130		2,290,121	2,363,130
Other Federal Grants Fund	536,000		536,000	536,000
Pima County Housing Fund	6,403,222		2,551,459	2,469,859
Public Housing Section 8 Fund	42,144,910		48,465,297	48,359,098
<b>Department Total</b>	<b>\$ 129,272,982</b>	<b>\$ (733)</b>	<b>\$ 96,117,682</b>	<b>\$ 118,575,977</b>
<b>Information Technology</b>				
General Fund	\$ 37,997,006	\$	\$ 35,892,202	39,361,018
Tucson Water Utility Fund				133,659
<b>Department Total</b>	<b>\$ 37,997,006</b>	<b>\$</b>	<b>\$ 35,892,202</b>	<b>\$ 39,494,677</b>
<b>Parks and Recreation</b>				
American Rescue Plan Fund	\$ 20,175,937	\$ (13,160,937)	\$ -	\$ -
Civic Contribution Fund	1,169,060		1,850,160	3,799,860
Development Fee Fund	9,742,960		3,500,400	16,471,500
General Fund	39,362,285	13,160,937	40,210,899	49,745,262
General Obligation Bond Fund	36,808,321		1,052,533	31,527,720
Non-Federal Grants Fund	1,399,500		1,399,500	1,545,300
Other Federal Grants Fund	4,542,184		4,363,684	6,362,380
Zoo Fund	31,052,520		28,160,000	40,614,960
<b>Department Total</b>	<b>\$ 144,252,767</b>	<b>\$</b>	<b>\$ 80,537,176</b>	<b>\$ 150,066,982</b>

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Schedule F Resolution No. 23934  
 Schedule F  
 CITY OF TUCSON  
 Expenditures/Expenses by Department  
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DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/ EXPENSES*	BUDGETED EXPENDITURES/ EXPENSES
	2025	2025	2025	2026
<b>Planning and Development Services Center</b>				
Civic Contributions	\$ -		\$ 500	\$ -
Other Federal Grants Fund				16,000
General Fund	12,223,864	\$ -	17,195,599	15,845,065
Other Federal Grants Fund				
<b>Department Total</b>	<b>\$ 12,223,864</b>	<b>\$ -</b>	<b>\$ 17,196,099</b>	<b>\$ 15,861,065</b>
<b>Public Defender</b>				
General Fund	\$ 4,639,260	\$ -	\$ 4,288,209	5,054,274
Other Federal Grants Fund				
<b>Department Total</b>	<b>\$ 4,639,260</b>	<b>\$ -</b>	<b>\$ 4,288,209</b>	<b>\$ 5,054,274</b>
<b>Public Safety Communications</b>				
General Fund	\$ 20,801,198	\$ -	\$ 18,742,247	28,661,729
Non-Federal Grant Fund	3,743,840		3,500,000	3,500,000
<b>Department Total</b>	<b>\$ 24,545,038</b>	<b>\$ -</b>	<b>\$ 22,242,247</b>	<b>\$ 32,161,729</b>
<b>Transportation and Mobility</b>				
American Rescue Plan Fund	\$ 13,870,000	\$ (10,341,916)	\$ -	\$ -
Better Streets Improvement Fund	18,020,800			15,320,800
Capital Improvements Fund	73,514,000		23,608,000	26,662,900
Development Fee Fund	17,469,200		6,537,000	6,402,700
General Fund	9,895,957	10,341,916	13,124,861	18,163,500
General Obligation Bond Fund	19,688,280		7,194,100	26,573,100
Highway User Revenue Fund	63,315,783		87,016,136	67,935,782
Mass Transit Fund	123,590,900		127,783,893	142,159,318
Mass Transit Fund - Sun Link	5,656,700		5,656,700	6,999,900
Non-Federal Grants Fund	1,200,000		300,000	1,700,000
Other Federal Grants Fund	36,705,000		3,128,800	26,459,000
Park Tucson Fund	3,503,372		4,006,516	5,481,599
Regional Transportation Authority	43,808,000		15,459,400	109,172,300
Self Insurance - Risk Fund	5,457,230		5,457,230	5,457,230
Water Utility Fund	7,657			
Street Improvement - Prop 411 Fund	75,000,000		79,700,000	94,300,000
<b>Department Total</b>	<b>\$ 510,702,879</b>	<b>\$ (10,341,916)</b>	<b>\$ 378,972,636</b>	<b>\$ 552,788,129</b>
<b>Tucson City Golf</b>				
City Manager	\$ -	\$ -	\$ -	\$ -
Golf Course Fund	11,750,580		11,642,036	11,882,333
<b>Department Total</b>	<b>\$ 11,750,580</b>	<b>\$ -</b>	<b>\$ 11,642,036</b>	<b>\$ 11,882,333</b>
<b>Tucson Convention Center</b>				
Convention Center Fund	\$ 14,965,560	\$ -	\$ 14,180,560	\$ 16,781,261
<b>Department Total</b>	<b>\$ 14,965,560</b>	<b>\$ -</b>	<b>\$ 14,180,560</b>	<b>\$ 16,781,261</b>

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 CITY OF TUCSON  
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DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/EXPENSES	EXPENDITURE/EXPENSE ADJUSTMENTS APPROVED	ACTUAL EXPENDITURES/EXPENSES*	BUDGETED EXPENDITURES/EXPENSES
	2025	2025	2025	2026
<b>Tucson Fire</b>				
Development Fee Fund	\$ -	\$ -	\$ -	\$ 58,880
General Fund	134,208,564		141,163,415	134,474,338
Non-Federal Grants Fund	39,550		39,550	39,550
Other Federal Grants Fund	3,548,149		3,548,149	2,485,230
Section 115 Pension Trust Fund	15,698,503		15,698,503	21,779,790
Safer City Improvement Fund	28,117,076		28,117,076	16,840,240
Self Insurance - Risk Fund	470,896		470,896	495,737
<b>Department Total</b>	<b>\$ 182,082,738</b>	<b>\$ -</b>	<b>\$ 189,037,589</b>	<b>\$ 176,173,765</b>
<b>Tucson Police</b>				
Civic Contribution Fund	\$ 15,000	\$ -	\$ 15,000	\$ 15,000
Development Fee Fund	-		-	600,000
General Fund	227,688,873		231,340,780	236,303,718
Non-Federal Grants Fund	2,991,792		2,991,792	2,993,135
Other Federal Grants	14,923,490		14,923,490	17,532,549
Section 115 Pension Trust Fund	20,489,097		20,489,097	28,426,169
Safer City Improvement Fund	17,488,672		17,488,672	17,033,625
<b>Department Total</b>	<b>\$ 283,596,924</b>	<b>\$ -</b>	<b>\$ 287,248,831</b>	<b>\$ 302,904,196</b>
<b>Tucson Water</b>				
Green Storm Water Infrastructure	\$ 11,248,425	\$ -	\$ 2,204,844	\$ 9,158,759
Tucson Water Utility Fund	361,001,856		338,771,230	387,289,553
<b>Department Total</b>	<b>\$ 372,250,281</b>	<b>\$ -</b>	<b>\$ 340,976,074</b>	<b>\$ 396,448,312</b>
<b>General Government</b>				
American Rescue Plan	\$ 19,258,668	\$ (18,185,638)	\$ -	\$ 108,861
General Fund	102,438,153	24,166,057	99,043,783	110,915,524
General Obligation Bond and Interest Fund	26,869,759		26,869,759	28,421,350
Highway User Revenue Fund	1,586,320		1,586,315	-
Mass Transit Fund - Sun Link	1,508,640		1,508,640	-
Park Tucson Fund	955,930		945,005	-
Capital Project Proposition Funds	-		-	727,634
Pending Ballot Measure	40,000,000		-	-
<b>Department Total</b>	<b>\$ 192,617,470</b>	<b>\$ 5,980,419</b>	<b>\$ 129,953,502</b>	<b>\$ 140,173,369</b>

\* 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 F Resolution No. 23934  
 Schedule F  
 CITY OF TUCSON  
 Expenditures/Expenses by Department  
 Fiscal Year 2026

DEPARTMENT/FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2025	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2025	ACTUAL EXPENDITURES/ EXPENSES* 2025	BUDGETED EXPENDITURES/ EXPENSES 2026
<b>Pension</b>				
Tucson Supplemental Retirement System	95,768,166		95,768,166	98,745,382
<b>Department Total</b>	<b>\$ 95,768,166</b>		<b>\$ 95,768,166</b>	<b>\$ 98,745,382</b>
<b>Human Resources Department</b>				
American Rescue Plan Fund	\$ 216,152		\$ -	\$ -
Community Development Block Grant Fund	47,370		47,370	6,411
Environmental Services Fund	227,546		-	-
General Fund	10,792,388		10,747,150	11,573,120
Highway User Revenue Fund	-		-	-
Housing Enterprise Funds	114,661		114,661	25,646
Tucson Water Utility Fund	500,364		83,533	-
<b>Department Total</b>	<b>\$ 11,898,481</b>		<b>\$ 10,992,714</b>	<b>\$ 11,605,178</b>
<b>TOTAL ALL DEPARTMENTS</b>	<b>\$ 2,393,941,799</b>	<b>\$ -</b>	<b>\$ 2,035,769,939</b>	<b>\$ 2,413,121,723</b>

\* 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 G Resolution No. 23934  
CITY OF TUCSON  
Full-Time Employees and Personnel Compensation  
Fiscal Year 2026**

FUND	Full-Time Equivalent (FTE) 2026	Employee Salaries, and Hourly Costs 2026	Retirement Costs 2026	Healthcare Costs 2026	Other Benefit Costs 2026	Total Estimated Personnel Compensation 2026
<b>GENERAL FUND</b>	<b>3,501.67</b>	<b>289,650,141</b>	<b>120,823,405</b>	<b>54,296,436</b>	<b>42,631,320</b>	<b>507,401,302</b>
<b>SPECIAL REVENUE FUNDS</b>						
American Rescue Plan	1.00	57,602	15,841	30,657	4,761	108,861
Community Block Grants Fund	16.23	1,233,928	339,130	154,974	165,312	1,893,344
Convention Center Fund	-	37,500	10,315	7	2,809	50,701
Green Storm Water Infrastructure Fund	6.00	534,887	147,115	73,106	78,906	834,014
Highway User Revenue Fund	279.00	19,145,299	5,028,387	4,107,889	3,218,025	31,499,600
HOME Investment Partnerships Program Fund	1.88	153,413	42,231	24,884	21,791	242,319
Mass Transit Fund	10.00	737,321	202,848	151,064	128,086	1,219,319
Miscellaneous Housing Grants Fund	31.93	434,797	562,586	384,874	294,066	1,676,294
Non-Federal Grants Fund	13.50	2,533,396	181,878	175,442	255,349	3,146,065
Other Federal Grants Fund	24.74	6,809,381	816,268	334,162	619,982	8,579,993
Park Tucson Fund	19.00	972,575	261,303	230,263	173,981	1,638,183
Pima County Housing Fund	3.38	173,316	47,662	41,373	28,045	290,396
Public Housing Section 8 Fund	40.07	2,121,332	616,687	246,465	308,540	3,293,024
Section 115 Pension Trust Fund	-	-	49,695,362	-	-	49,695,362
<b>Total Special Revenue Funds</b>	<b>446.73</b>	<b>34,945,155</b>	<b>57,987,644</b>	<b>5,955,161</b>	<b>5,299,714</b>	<b>104,167,674</b>
<b>ENTERPRISE FUNDS</b>						
Environmental Service Fund	240.50	14,322,942	3,592,315	3,837,655	2,549,303	24,301,594
Public Housing AMP Fund	50.00	2,191,669	808,060	468,764	418,792	3,887,285
Housing Enterprise Funds	15.60	969,399	268,107	108,535	134,202	1,480,243
Non-Public Housing Asset Management Fund	8.91	478,797	146,678	49,548	71,231	746,255
Tucson City Golf Fund	-	38,064	10,467	7	4,122	52,657
Tucson Water Utility Fund	546.50	36,745,824	9,726,481	8,381,100	5,535,037	60,388,440
Water Conservation Fund	6.00	488,924	134,445	78,017	77,555	778,940
Water Grant Fund	1.00	83,540	22,974	15,340	12,838	134,692
<b>Total Enterprise Funds</b>	<b>868.60</b>	<b>55,319,155</b>	<b>14,709,527</b>	<b>13,138,345</b>	<b>8,803,080</b>	<b>91,970,107</b>
<b>INTERNAL SERVICE FUNDS</b>						
Self Insurance - Employee Benefits Fund	6.00	503,279	138,354	95,289	52,063	788,985
Self Insurance - Risk Fund	21.00	1,667,997	555,233	331,978	2,621,556	5,176,763
<b>Total Internal Service Fund</b>	<b>27.00</b>	<b>2,171,276</b>	<b>693,586</b>	<b>427,266</b>	<b>2,673,619</b>	<b>5,965,747</b>
<b>FIDUCIARY FUNDS</b>						
Tucson Supplemental Retirement System	3.00	181,452	49,854	18,811	17,604	267,721
<b>Total Fiduciary Funds</b>	<b>3.00</b>	<b>181,452</b>	<b>49,854</b>	<b>18,811</b>	<b>17,604</b>	<b>267,721</b>
<b>TOTAL ALL FUNDS</b>	<b>4,847.00</b>	<b>382,267,180</b>	<b>191,244,016</b>	<b>73,836,019</b>	<b>59,425,336</b>	<b>709,772,551</b>

Schedule G to Resolution No. 23934



# Glossary

**Abatement:** A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.

**Accounting System:** The total structure of records and procedures that identify, record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

**Accrued Interest:** The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

**ACFR:** Annual Comprehensive Financial Report - A detailed report of an organization's financial activities and performance over the fiscal year.

**Amortization:** The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

**Appropriation:** A legal authorization from the community's legislative body to expend money and incur obligations for specific public purposes. An appropriation is usually limited in amount and as to the time period within which it may be expended.

**Arbitrage:** As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher-yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

**Assessed Valuation:** A value assigned to real estate or other property by a government as the basis for levying taxes.

**Assets:** Items owned by an organization that have economic value, such as cash, investments, property, and equipment.

**Audit:** An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

**Audit Report:** Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to the application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter which contains supplementary comments and recommendations.

**Available Funds:** Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other one-time costs.

**Balance Sheet:** A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

**Betterments (Special Assessments):** Whenever a specific area of a community receives benefit from a public improvement (e.g., water, sewer, sidewalk, etc.), special property taxes may be assessed to reimburse the governmental entity for all or part of the costs it incurred. Each parcel receiving benefit from the improvement is assessed for its proportionate share of the cost of such improvements. The proportionate share may be paid in full or the property owner may request that the assessors apportion the betterment over 20 years. Over the life of the betterment, one year's apportionment along with one year's committed interest computed from October 1 to October 1 is added to the tax bill until the betterment has been paid.

**Bond:** A means of raising money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year. (See Note)

**Bond and Interest Record:** (Bond Register) – The permanent and complete record maintained by a treasurer for each bond issue. It shows the amount of interest and principal coming due each date and all other pertinent information concerning the bond issue.

**Bonds Authorized and Unissued:** Balance of a bond authorization not yet sold. Upon completion or abandonment of a project, any remaining balance of authorized and unissued bonds may not be used for other purposes, but must be rescinded by the community's legislative body to be removed from the community's books.

**Bond Issue:** Generally, the sale of a certain number of bonds at one time by a governmental unit.

**Bond Rating (Municipal):** A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

**Budget:** A plan for allocating resources to support particular services, purposes and functions over a specified period of time. (See Performance Budget, Program Budget)

**Capital Assets:** All real and tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

**Capital Budget:** An appropriation or spending plan that uses borrowing or direct outlay for capital or fixed asset improvements. Among other information, a capital budget should identify the method of financing each recommended expenditure, i.e., tax levy or rates, and identify those items that were not recommended. (See Capital Assets, Fixed Assets)

**Cash:** Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

**Cash Flow:** The movement of money into or out of an organization, showing its liquidity and ability to meet financial obligations.

**Cash Management:** The process of monitoring the ebb and flow of money in and out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short-term borrowing and investment of idle cash.

**Certificate of Deposit (CD):** A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face the amount of such deposit plus a specified interest payable to a bearer or to any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

**Classification of Real Property:** Assessors are required to classify all real property according to use into one of four classes: residential, open space, commercial, and industrial. Having classified their real property, local officials are permitted to determine locally, within limitations established by statute and the Commissioner of Revenue, what percentage of the tax burden is to be borne by each class of real property and by private/personal property owners.

**Collective Bargaining:** The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union, regarding wages, hours and working conditions.

**Compliance:** Adherence to relevant laws, regulations, and internal policies governing financial reporting and operations.

**Consumer Price Index:** The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

**Cost-Benefit Analysis:** A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

**Debt Burden:** The amount of debt carried by an issuer is usually expressed as a measure of value (i.e., debt as a percentage of assessed value, debt per capita, etc.). Sometimes debt burden refers to debt service costs as a percentage of the total annual budget.

**Debt Service:** The repayment cost, usually stated in annual terms and based on an amortization schedule, of the principal and interest on any particular bond issue.

**Encumbrance:** A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

**Enterprise Funds:** An enterprise fund is a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. It allows a community to demonstrate to the public the portion of the total cost of a service that is recovered through user charges and the portion that is subsidized by the tax levy, if any. With an enterprise fund, all costs of service delivery – direct, indirect, and capital costs – are identified. This allows the community to recover total service costs through user fees if it chooses. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Services that may be treated as enterprises include, but are not limited to, water, sewer, hospital, and airport services.

**Equalized Valuations (EQVs):** The determination of the full and fair cash value of all property in the community that is subject to local taxation.

**Equity:** The residual interest in the assets of an organization after deducting liabilities, representing the owners' stake in the business.

**Estimated Receipts:** A term that typically refers to anticipated local revenues, often based on the previous year's receipts and represents funding sources necessary to support a community's annual budget. (See Local Receipts)

**Exemptions:** A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and cultural institutions. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

**Expenditure:** An outlay of money made by municipalities to provide the programs and services within their approved budget.

**Fiduciary Funds:** Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefits) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

**Financial Statements:** Reports summarizing an organization's financial activities and position, including the balance sheet, income statement, and cash flow statement.

**Fiscal Year:** The 12-month period for which an organization plans the use of its funds, typically not the same as the calendar year.

**Fixed Assets:** Long-lived assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.

**Fixed Costs:** Costs that are legally or contractually mandated, such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.

**Float:** The difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor in creating a float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.

**Full Faith and Credit:** A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

**Fund:** An accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on identified activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations.

**Fund Accounting:** Organizing financial records into multiple, segregated locations for money. A fund is a distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples of funds include the general fund and enterprise funds. Communities whose accounting records are organized according to the Uniform Municipal Accounting System (UMAS) use multiple funds.

**GAAP:** Generally Accepted Accounting Principles - Standard accounting principles, standards, and procedures that companies use to compile their financial statements.

**GASB 34:** A major pronouncement of the Governmental Accounting Standards Board that establishes new criteria for the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, roads, sewers, etc. It also requires the presentation of a narrative statement of the government's financial performance, trends and prospects for the future.

**GASB 45:** This is another Governmental Accounting Standards Board major pronouncement that each public entity accounts for and reports other post-employment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.

**General Fund:** The fund used to account for most financial resources and activities governed by the normal appropriation process.

**General Obligation Bonds:** Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of its taxing authority.

**Governing Body:** A board, committee, commission, or other executive or policymaking body of a municipality or school district.

**Indirect Cost:** Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery. The matter of indirect costs arises most often in the context of enterprise funds.

**Internal Controls:** Policies and procedures implemented by an organization to ensure the reliability of financial reporting and compliance with laws and regulations, aiming to prevent fraud and errors.

**Interest:** Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

**Interest Rate:** The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

**Investments:** Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

**Liabilities:** Debts or obligations owed by an organization, including loans, accounts payable, and accrued expenses.

**Line Item Budget:** A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

**Local Aid:** Revenue allocated by the state or counties to municipalities and school districts.

**Maturity Date:** The date that the principal of a bond becomes due and payable in full.

**Municipal(s):** (As used in the bond trade). "Municipal" refers to any state or subordinate governmental unit. "Municipals" (i.e., municipal bonds) include not only the bonds of all political subdivisions, such as cities, towns, school districts, special districts, counties but also

bonds of the state and agencies of the state.

**Net Income:** The difference between an organization's revenues and expenses, representing its profit or loss for a specific period.

**Note:** A short-term loan, typically with a maturity date of a year or less.

**Objects of Expenditures:** A classification of expenditures that is used for coding any department disbursement, such as "personal services," "expenses," or "capital outlay."

**Official Statement:** A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

**Operating Budget:** A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

**Overlapping Debt:** A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

**Performance Budget:** A budget that stresses output both in terms of economy and efficiency.

**Principal:** The face amount of a bond, exclusive of accrued interest.

**Program:** A combination of activities to accomplish an end.

**Program Budget:** A budget that relates expenditures to the programs they fund. The emphasis of a program budget is on output.

**Proprietary Funds:** Funds used to record the financial transactions of governmental entities when they engage in activities that are intended to recover the cost of providing goods or services to the general public on a user-fee basis.

**Purchased Services:** The cost of services that are provided by a vendor.

**Refunding of Debt:** Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

**Reserve Fund:** An amount set aside annually within the budget of a town to provide a funding source for extraordinary or unforeseen expenditures.

**Revaluation:** The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information.

**Revenues:** Inflows of resources or other enhancements of assets of an organization, usually from sales of goods or services.

**Revenue Anticipation Note (RAN):** A short-term loan issued to be paid off by revenues, such as tax collections and state aid. RANs are full faith and credit obligations.

**Revenue Bond:** A bond payable from and secured solely by specific revenues and thereby not a full faith and credit obligation.

**Revolving Fund:** Allows a community to raise revenues from a specific service and use those revenues without appropriation to support the service.

**Sale of Real Estate Fund:** A fund established to account for the proceeds of the sale of municipal real estate other than proceeds acquired through tax title foreclosure.

**Stabilization Fund:** A fund designed to accumulate amounts for capital and other future spending purposes, although it may be appropriated for any lawful purpose.

**Surplus Revenue:** The amount by which cash, accounts receivable, and other assets exceed liabilities and reserves.

**Tax Rate:** The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

**Tax Title Foreclosure:** The procedure initiated by a municipality to obtain legal title to real property already in tax title and on which property taxes are overdue.

**Trust Fund:** In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as directed by the commissioners of trust funds or by the community's legislative body. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

**Uncollected Funds:** Recently deposited checks included in an account's balance but drawn on other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be loaned or used as part of the bank's reserves, and they are not available for disbursement.)

**Undesignated Fund Balance:** Monies in the various government funds as of the end of the fiscal year that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

**Unreserved Fund Balance (Surplus Revenue Account):** The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected. (See Free Cash)

**Valuation (100 percent):** The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.

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