



## **City Council Weekly Information Packet**

Friday, May 3, 2024

Includes the following documents/information:

- 1) City Council Events Schedule
- 2) Government Relations Update
- 3) Quarterly Financial Report for FY 2023-24 Q1
- 4) Community Services Department Update



# City Council Events Schedule

**May 3, 2024 thru December 13, 2024**

The Mayor and City Council have been invited to attend various community meetings and public and private events at which a quorum of the City Council may be present. The Council will not be conducting city business, nor will any legal action be taken. This is an event only and not a public meeting. A list of the community meetings and public and private events along with the schedules, dates, times, and locations is attached. Organizers may require a rsvp or fee.

Sat	May 4	12:00 p.m. – 1:00 p.m.	Copperstate Farms – Sol Dispensary Ribbon Cutting  Location: Copperstate Farms – Sol Dispensary 2424 W. University Drive Tempe, AZ
Mon	May 6	6:00 p.m. – 9:00 p.m.	Community Salutes  Location: Tempe Center for the Arts 700 W. Rio Salado Parkway Tempe, AZ
Tue	May 7	12:00 p.m. – 1:00 p.m.	Nautical Bowls Ribbon Cutting  Location: Nautical Bowls 690 S. Novus Place Suite 185 Tempe, AZ
Wed	May 8	8:00 a.m. – 9:00 a.m.	For Our City Breakfast  Location: Tempe YMCA 7070 S. Rural Road Tempe, AZ
Wed	May 8	8:00 a.m. – 8:30 a.m.	Bike, Walk, Roll to School Day  Location: LDS Church at College 2707 S. College Avenue Tempe, AZ
Wed	May 8	2:00 p.m. – 3:00 p.m.	Downtown Tempe Refresh Merchant Update  Location: City of Tempe 31 E. Fifth Street Tempe, AZ
Thur	May 9	11:00 a.m. – 1:00 p.m.	Arizona Friends of Foster Children Foundation 40th Anniversary  Location: El Chorro 5550 E. Lincoln Drive Paradise Valley, AZ
Fri	May 10	11:00 a.m. – 12:00 p.m.	Prime IV Hydration and Wellness

			Location: Prime IV Hydration & Wellness 1825 E. Guadalupe Road Suite 106 Tempe, AZ
Fri	May 10	5:30 p.m. – 7:00 p.m.	Tempe Leadership Class XXXIX Graduation  Location: Omni Tempe Hotel at ASU 7 E. University Drive Tempe, AZ
Mon	May 13	11:00 a.m. – 1:00 p.m.	Experience Corp Volunteer Recognition Event  Location: Westside Multi-Generational Center 715 W. Fifth Street Tempe, AZ
Tue	May 14	4:30 p.m. – 6:00 p.m.	Smith Road Improvements Project – University Drive to Apache Boulevard Construction Open House  Location: Escalante Community Center 2150 E. Orange Street Tempe, AZ
Wed	May 15	12:00 p.m. – 1:00 p.m.	Human Services and Community Safety Committee  Location: Teams Meeting ID: 266 153 553 02 Passcode: Q6EBAy
Wed	May 15	4:00 p.m. – 5:00 p.m.	Ribbon Cutting for New Tempe Business  Location: Cryo Tempe 8400 S. Kyrene Road Suite 107 Tempe, AZ
Fri	May 17	1:00 p.m. – 2:00 p.m.	SEV Committee Meeting  Location: Council Chambers 31 E. 5 <sup>th</sup> Street Tempe, AZ
Fri	May 17	5:00 p.m. – 7:00 p.m.	2024 Boards and Commissions Appreciation Event  Location: Tempe Center for the Arts 700 W. Rio Salado Parkway Tempe, AZ
Sat	May 18	8:00 a.m. – 9:00 a.m.	Breakfast with Berdetta and Keep Tempe Beautiful  Location: Tempe Town Lake Northshore Curry/Washington
Sat	May 18	8:30 a.m. – 9:30 a.m.	Joyce Park Improvements Meeting  Location: Joyce Park 711 E. Hermosa Drive Tempe, AZ

Sat	May 18	9:00 a.m. – 10:00 a.m.	Escalante Neighborhood Association Meeting  Location: Escalante Community Garden 2150 E. Orange Street Tempe, AZ
Sat	May 18	10:00 a.m. – 11:00 a.m.	Daley Park Improvements Meeting  Location: Daley Park 1625 S. College Avenue Tempe, AZ
Mon	May 20	8:00 a.m. – 10:30 a.m.	Economic Outlook Breakfast  Location: Umpqua Bank 298 E. Camelback road Phoenix, AZ
Tue	May 21	2:30 p.m. – 4:30 p.m.	Tempe Police Department Ceremony  Location: Grace Community Church 1200 E. Southern Avenue Tempe, AZ
Wed	May 22	6:00 p.m. – 8:00 p.m.	CAP East Valley Cities & Towns Dinner  Location: Central Arizona Project 23636 N. 17 <sup>th</sup> Street Tempe, AZ
Sat	Jun 1	7:00 p.m. – 11:00 p.m.	DTA – Pride Party  Location: CenterPoint Plaza 660 S. Mill Avenue Tempe, AZ
Mon	Jun 3	4:00 p.m. – 6:00 p.m.	Building History: Continuing the Legacy of Dr. Martin Luther King, Jr. Reception & Open House  Location: Durham Hall 851 S. Cady Mall Tempe, AZ
Sat	Jun 8	12:00 p.m. – 12:30 p.m.	Black Business Owners Coalition of Glendale  Location: 9414 N. 53 <sup>rd</sup> Avenue Glendale, AZ
Fri	Jun 14	1:00 p.m. – 4:00 p.m.	City Council Retreat  Location: Tempe Center for the Arts 700 W. Rio Salado Parkway Tempe, AZ

Sat	Jun 15	11:00 a.m. – 3:00 p.m.	11 <sup>th</sup> Annual Juneteenth Celebration  Location: Tempe History Museum 809 E. Southern Ave Tempe, AZ
Sat	Jun 15	7:00 p.m. – 11:00 p.m.	DTA's – Juneteenth Block Party  Location: CenterPoint Plaza 740 S. Mill Avenue Tempe, AZ
Mon	Jun 17	1:00 p.m. – 2:00 p.m.	SEV Committee Meeting  Location: Council Chambers 31 E. 5 <sup>th</sup> Street Tempe, AZ
Wed	Jun 26	5:00 p.m. – 7:00 p.m.	Councilmember Navarro Outgoing Council Reception  Location: Tempe History Museum 809 E. Southern Avenue Tempe, AZ
Tue	Aug 27 - 30	All Day	2024 Annual League Conference  Location: Arizona Biltmore 2400 E. Missouri Avenue Phoenix, AZ
Sat	Oct 12	4:00 p.m. – 6:00 p.m.	Parque de Sol Renaming Celebration  Location: Parque de Soza Park 1430 S. Cedar Street Tempe, AZ
Sat	Oct 19	3:00 p.m. – 7:00 p.m.	Getting Arizona Involved in Neighborhoods (GAIN)  Location: City of Tempe 31 E. Fifth Street Tempe, AZ
Sat	Nov 16	6:00 p.m. – 9:00 p.m.	Tempe Jam  Location: Tempe Sports Complex 8401 S. Hardy Tempe, AZ
Fri	Dec 13	11:00 a.m. – 4:00 p.m.	Tempe Elementary Blood Drive  Location: Tempe Elementary School District #3 3205 S. Rural Road Tempe, AZ

# MEMORANDUM



TO: Mayor and Council  
THROUGH: Rosa Inchausti, City Manager  
FROM: Jonathan Shuffield, Government Relations Director  
DATE: May 3, 2024  
SUBJECT: Government Relations Update

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Below you will find the latest update on the current Arizona legislative session, actions taken by the governor to sign or veto bills, federal legislation/regulations, and federal grant opportunities. This memo also contains links to the legislature's webpage where you can find the background, status materials, and bill texts/summaries.

## **State Legislature**

With the legislature in recess except Wednesdays, House and Senate leaders continue to negotiate a budget with Governor Hobbs. No major actions on the state budget have been reported this week.

Here is an update on bills relevant to Tempe as the legislature works its way through the session. The state legislative calendar has not been updated for next week. The Senate will be in session only on Wednesday again next week. The House is in recess until Wednesday, May 15:

### **HB2275 – settlement agreements; report; approval (passed Senate 16-13-1)**

Requires a local government, at least 90 days before entering into a settlement agreement that is \$500,000 or more, to submit a settlement agreement report to the Governor, the President of the Senate, the Speaker of the House of Representatives and the AG describing the proposed terms of the settlement agreement. Also requires a local government, before entering into a settlement agreement that is \$1,000,000 or more, to submit the proposed settlement agreement to the Joint Legislative Budget Committee for review.

### **HB2584 - residential building materials; requirements; prohibition (awaiting third read in the Senate)**

Prohibits a municipality from adopting or enforcing any code, ordinance, standard, stipulation or other legal requirement that limits the use or installation of a building product or material that is approved by a national model code or subjects a prefabricated residential building, material or component to additional requirements. As written, it could restrict cities from requiring different materials on the exterior of a building if what the designer wants to use is an approved product under national model codes. There is also significant concern this bill could prevent cities from requiring plumbing fixtures for water conservation purposes if the fixtures are beyond the national model codes.

### **HB2721 – municipal zoning; middle housing (awaiting third read in Senate)**

Requires cities greater than 75,000 people by 2026 to authorize by ordinance and through zoning regulations the development of duplexes, triplexes, fourplexes and townhomes on all lots zoned for single-family residential use. This was expected to move through the Senate this week but was retained for future consideration.

### **HB2815 – religious institutions; use-by-right zoning development (awaiting Senate first read)**

Allows religious institutions to develop housing by-right without requiring discretionary review by municipalities or counties. This is also known as the “in God’s backyard” bill. It passed the House 38-21 on February 29 but the Senate has not taken any action.

**SB1005 - public monies; ideology training; prohibition (awaiting third read in the House)**

Prohibits a public entity from requiring or spending public monies on a diversity, equity and inclusion program (DEI program) and allows an employee who is required to participate in the program to bring an action against the public entity. Prohibits a public entity from entering into a contract with a company that participates in a DEI program. The Tempe Human Relations Commission presented on this at the March 14 Council Work Study Session.

**SB1361 – sober living homes (awaiting third read in the House)**

Provides a comprehensive definition of sober living home, ensuring any operator purporting to provide housing for those receiving services be licensed and regulated by the AZ Department of Human Services. Facilities must comply with local zoning/building/fire codes to receive or renew a license. Mandates regular on-site inspections of sober living homes increases civil penalty for non-compliance from \$500 to \$1,000 for each violation, and requires ADHS to deny a license application, suspend a license, or revoke a license for non-compliance. We are still awaiting final amendment text.

**SB1415/HB2720 – accessory dwelling units; requirements (possible House floor action 5/15)**

Requires municipalities of 75,000 people or more to adopt regulations that allow accessory dwelling units (ADU) on any lot or parcel where a single-family dwelling is allowed. Outlines development standards for the ADUs. There may be amendments to allow cities some authority to clamp down on ADUs being used for short-term rentals, but that language is not finalized.

**SB1665 – municipal development; permits; review**

Allows, if a municipality does not approve, conditionally approve or respond with required revisions to an application for a single-family residential building permit within 15 working days after the date the application is submitted, any required review of the application to be performed by a qualified third party selected by the applicant.

**Governor's Actions**

This week, Governor Hobbs signed two bills and vetoed three. Her total number of vetoes so far this session is 55. Below are a few bills related to local government matters that the Governor signed or vetoed:

**HB2063 – exempt wells; certificate; groundwater use (Veto Letter from the Governor)**

Grants an exempt well that is registered with the Arizona Department of Water Resources (ADWR) a right to withdraw up to 35 gallons per minute.

**HB2124 – agricultural operations; water; protection; definition (Veto Letter from the Governor)**

Requires, if the court determines that a party filed a nuisance action against an agricultural operation conducted on farmland to take or reduce the water used by the other party, the court to award reasonable costs and attorney fees to the other party. Removes the ability for the Attorney General to bring action in a superior court relating to an act of public nuisance.

**HB2591 – forced labor; child labor; prohibitions (Veto Letter from the Governor)**

Prohibits a public power entity (PPE), a public service corporation (PSC) or a public entity from entering into a contract with a person or company that uses forced labor or oppressive child labor.

**HB2662 – homeowners' associations; meeting agendas (signed by the Governor)**

Stipulates that all meeting agendas of a condominium unit owners' association (COA) and a planned community association (HOA) must be provided in advance of all meetings.

**HB2677 – abortion ban; repeal (signed by the governor)**

Repeals the 1864 abortion ban. Because the legislation does not reference/repeal the 2022 15-week law signed by then-Governor Ducey that law will take effect. HB2677 passed the Senate 16-14 on 5/1 with Senators Bolick and Shope as the two Republican yes votes.

## **Federal Update**

### **Congress**

This week, the U.S. House focused primarily on legislation concerned with federal land management, including legislation to repeal an executive action banning mineral development in the Superior National Forest, expanding access to for hunting/angling, and cutting red tape to allow mine operators to construct roads and other infrastructure for mining activities. The House also passed legislation ([H.R. 6090](#)) to clamp down on antisemitism on college campuses in an overwhelming bipartisan vote.

The U.S. Senate continues to focus its attention on Federal Aviation Administration reauthorization with various procedural votes earlier in the week.

A special election was held in New York's 26<sup>th</sup> congressional district on April 30, which Democrat Tim Kennedy won with an approximate 9-percentage point swing to the Democrats compared to 2022. This brings the current House to 217 Republicans and 213 Democrats.

Finally, the U.S. House Appropriations Committee released its rules on congressionally directed spending requests for FY2025 the previous week. City staff submitted a total of 11 appropriations requests to Representative Greg Stanton's office related to water conservation, transportation, and affordable housing projects in Tempe on April 29.

### **Administration**

#### **EPA Power Plant Rules**

On April 25, the U.S. Environmental Protection Agency (EPA) released a series of four rules governing emissions from fossil fuel-fired power plants:

- Coal and new natural gas-fired power plants will have to capture 90% of their carbon emissions.
- Reducing the power plant emissions standard for toxic metals by 67% and a 70% reduction in mercury emissions.
- Reducing coal-fired power plant pollutants in wastewater discharge by 660 million pounds/year.
- Requiring the safe management of coal ash to reduce leaks that can contaminate groundwater.

### **Federal Grant Opportunities**

*If any city departments apply for federal grants, please let me know, so I can work with our congressional delegation to generate support letters.*

#### **U.S. Department of Justice Matthew Shepard and James Byrd, Jr. Hate Crimes Program**

The U.S. DOJ seeks applications to support efforts by state, local, and tribal law enforcement and prosecution agencies and their partners in conducting outreach, educating practitioners and the public, enhancing victim reporting tools, and investigating and prosecuting hate crimes committed on the basis of a victim's perceived or actual race, color, religion, national origin, sexual orientation, gender, gender identity, or disability.

**Note that there are two deadlines:** July 18, 2024, at 8:59 PM EDT for submission to [Grants.gov](#) and July 25, 2024, at 8:59 PM EDT for submission to JustGrants.

#### **U.S. Environmental Protection Agency Clean Heavy-Duty Vehicles Grants Program**

On April 24, the U.S. Environmental Protection Agency announced the availability of nearly \$1 billion in grants for the Clean Heavy-Duty Vehicles Grant Program to fund the replacement of certain polluting heavy-duty vehicles with zero-emission vehicles. Funded through the Inflation Reduction Act, EPA will award competitive grants for projects that will reduce pollution from heavy-duty vehicles. EPA has indicated that states, municipalities, public school districts, Native nations, and nonprofit school transportation associations are all eligible entities.



**The deadline to apply for the 2024 Clean Heavy-Duty Vehicles Grant Program is July 25, 2024.**  
EPA expects to announce awards by the end of this year.

# MEMORANDUM



TO: Mayor and Council  
FROM: Tom Duensing, Chief Deputy City Manager  
DATE: April 29, 2024  
SUBJECT: Quarterly Financial Report for FY 2023-24 Q2

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Attached is the Quarterly Financial Report for the second quarter of Fiscal Year 2023-24, the quarter ending December 31, 2023. The Municipal Budget Office prepares quarterly financial reports for all the major operating funds, revenue sources and departments that reflect budget to actual comparisons and highlight major variances that may require additional monitoring or action.

Although revenues and expenditures are not budgeted on a quarterly basis, the report applies a three-year historical average to the annual budget to gain insight into revenue and expenditure actual performance versus the estimated budget for the quarter.

We have included a quick-reference Table of Contents on the following page that will allow you to quickly navigate to areas of interest by clicking on titles or page numbers. The *table of contents* link at the bottom of every page will return you to the Table of Contents. The report can also be found on the Municipal Budget Office's Internet page.

Please let me know if you have questions about the information contained in this report.



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Through the Second Quarter Ended December 31, 2023

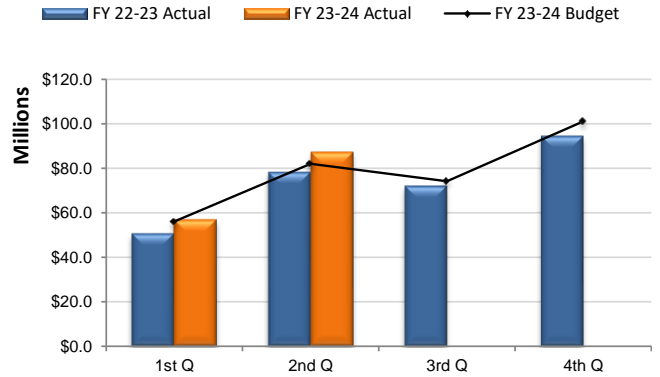
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### Performance Ratings Key

- Positive** = A positive variance, or a negative variance of less than 2%, which shows the category is performing close to historical trends.
- Watch** = A negative variance between 2-5%, compared to historical trends.
- Negative** = A negative variance of greater than 5%, compared to historical trends.



		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 56,122,777	\$ 56,888,625	18.1%	17.9%
2nd Q	Oct-Dec 23	82,023,022	87,091,110	27.8%	26.2%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 138,145,799</b>	<b>\$ 143,979,736</b>	<b>45.9%</b>	<b>44.1%</b>
Variance from Budget			\$ 5,833,937	1.8%	



**Positive**

Through the second quarter of FY 2023-24, General Fund revenue is 45.9% of budget, compared with a historical percentage of 44.1%. In terms of budget-to-actual variance, total collections through the second quarter are \$5.8 million above the anticipated revenue target. The scope of budget-to-actual variance for each category can be seen in the table and graph at the bottom-right corner of this page. Quarterly collection detail by category can be found on pages 2 through 6 of this reports.



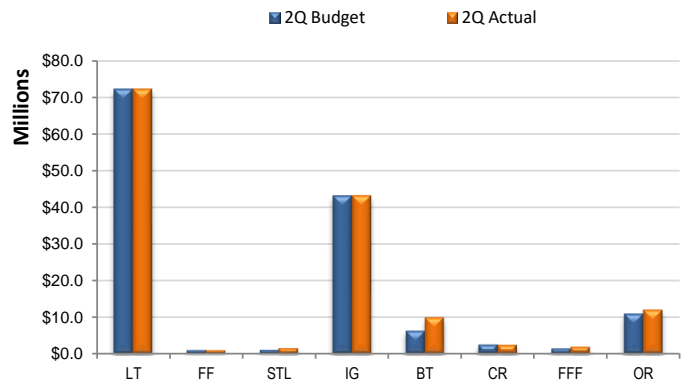
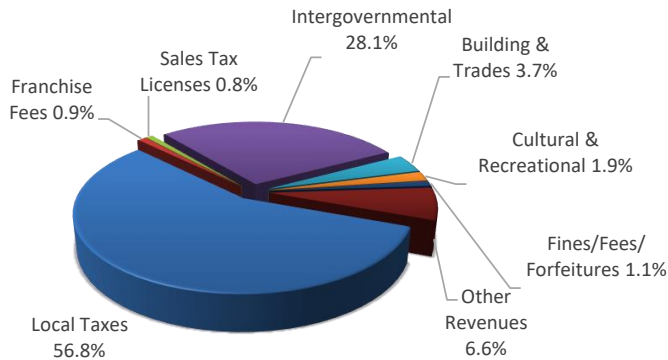
## General Fund Revenue by Category

Revenue Categories	FY 23-24 Annual Budget	% of Annual Budget
Local Taxes	\$ 177,975,209	56.8%
Franchise Fees	2,909,996	0.9%
Sales Tax Licenses	2,589,500	0.8%
Intergovernmental	88,020,345	28.1%
Building & Trades	11,721,500	3.7%
Cultural & Recreational	6,037,538	1.9%
Fines/Fees/ Forfeitures	3,392,474	1.1%
Other Revenues	20,796,362	6.6%
<b>Total</b>	<b>\$ 313,442,924</b>	<b>100.0%</b>

Cumulative Revenue through 2Q 2023-2024

	2Q Budget Target	2Q Actual Revenue	% of Budget Target
Local Taxes (LT)	\$ 72,215,926	\$ 72,319,304	100%
Franchise Fees (FF)	893,369	903,272	101%
Sales Tax Licenses (STL)	942,578	1,466,666	156%
Intergovernmental (IG)	43,129,969	43,240,536	100%
Building & Trades (BT)	6,212,395	9,893,237	159%
Cultural & Recreational (CR)	2,439,165	2,373,902	97%
Fines/Fees/Forfeitures (FFF)	1,394,307	1,782,196	128%
Other Revenues (OR)	10,918,090	12,000,623	110%
<b>Total</b>	<b>\$ 138,145,799</b>	<b>\$ 143,979,736</b>	<b>104%</b>

FY 23-24 Budget

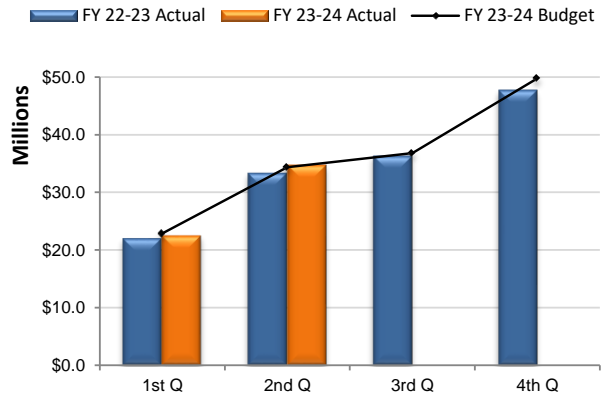


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**Sales Tax**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 22,875,618	\$ 22,443,818	15.6%	15.9%
2nd Q	Oct-Dec 23	34,385,363	34,658,780	24.1%	23.9%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 57,260,981</b>	<b>\$ 57,102,598</b>	<b>39.7%</b>	<b>39.8%</b>
Variance from Budget			\$ (158,383)	-0.1%	



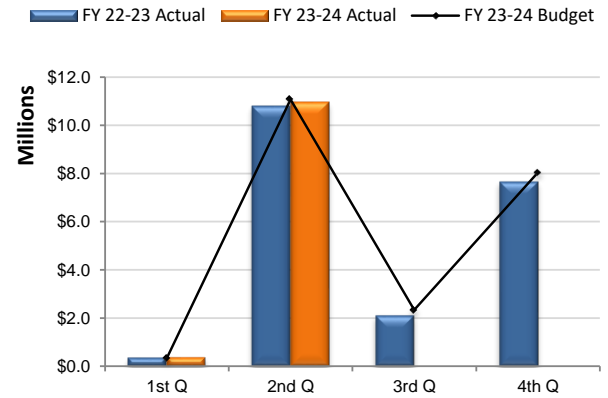
**Positive**

City Sales Taxes are generated by a 1.8% levy on sales transactions in the city. Of the total 1.8% rate, 1.2% is deposited in the General Fund, 0.5% is dedicated for Transit purposes, and the remaining 0.1% is deposited in the Arts & Culture Fund. The amount deposited in the General Fund is depicted in the table and graph above. This revenue source contributes 45.9% of the General Fund budget in FY 2023-24 making it the City's largest revenue source. Through the second quarter of FY 2023-24, Sales Tax collections are 39.7% of budget, which is slightly below the historical average of 39.8%. In terms of budget-to-actual variance, collections are \$158 thousand below the budgeted value.



**Property Tax**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 348,845	\$ 387,217	1.8%	1.6%
2nd Q	Oct-Dec 23	11,075,835	10,959,037	50.3%	50.8%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 11,424,680</b>	<b>\$ 11,346,253</b>	<b>52.0%</b>	<b>52.4%</b>
Variance from Budget			\$ (78,427)	-0.4%	

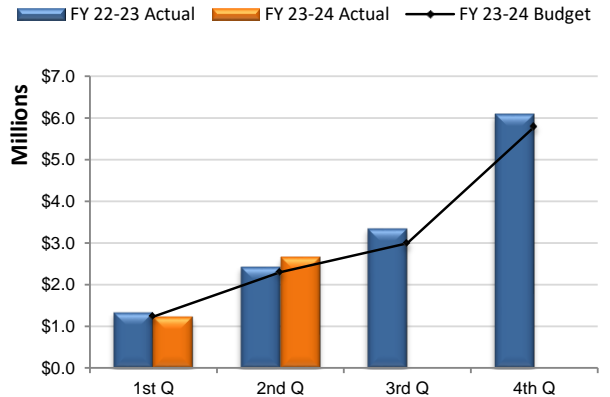


**Positive**

Property Tax revenue in the General Fund is generated by a \$0.87 charge per \$100 of the primary assessed valuation of real and personal property. In FY 2023-24, Property Tax contributes 7.0% of budgeted General Fund revenue. Through the second quarter of FY 2023-24, Property Tax collections are 52.0% of budget, slightly below the historical average of 52.4%. In terms of budget-to-actual variance, Property Tax is \$78 thousand below the budgeted value.

**Bed Tax**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 1,230,057	\$ 1,228,090	10.0%	10.0%
2nd Q	Oct-Dec 23	2,300,207	2,642,362	21.5%	18.7%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 3,530,264</b>	<b>\$ 3,870,452</b>	<b>31.5%</b>	<b>28.7%</b>
Variance from Budget			\$ 340,188	2.8%	

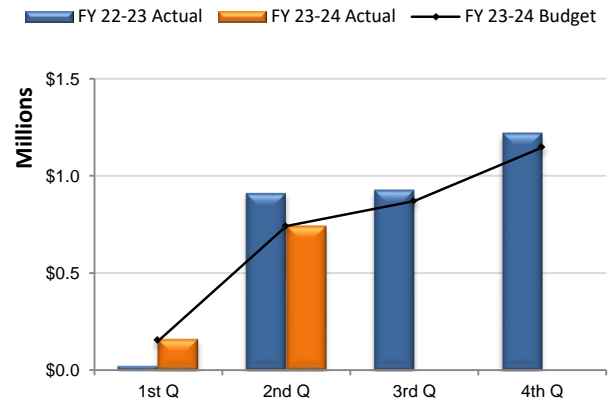


**Positive**

The Transient Lodging Tax, or Bed Tax, is a 5.0% levy on hotel and motel sales that contributes approximately 3.9% of budgeted General Fund revenue in FY 2023-24. Bed Tax collections through the second quarter of FY 2023-24 are 31.5% of budget, which is higher than the historical average of 28.7%. In terms of budget-to-actual variance, collections are \$341 thousand above the budgeted value.

**Franchise Fees**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 151,320	\$ 161,022	5.5%	5.2%
2nd Q	Oct-Dec 23	742,049	742,251	25.5%	25.5%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 893,369</b>	<b>\$ 903,272</b>	<b>31.0%</b>	<b>30.7%</b>
Variance from Budget			\$ 9,903	0.3%	



**Positive**

Franchise Fee revenues are collected based on specific agreements with service providers in the city, including Arizona Public Service (2.0% of revenue), Cox Communications (5.0% of gross revenue), and Southwest Gas (2.0% of gross revenue). These fees contribute 0.9% of annual General Fund revenue. Franchise Fee payments are 31.0% of the budgeted amount through the second quarter of FY 2023-24, compared to 30.7% historically. In terms of budget-to-actual variance, collections are \$10 thousand above the expected amount.

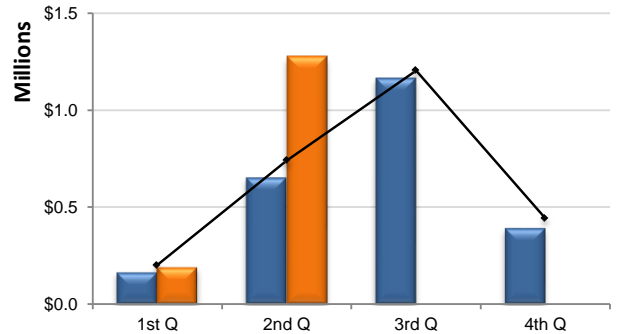


**Sales Tax Licenses**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 201,981	\$ 190,961	7.4%	7.8%
2nd Q	Oct-Dec 23	740,597	1,275,705	49.3%	28.6%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 942,578	\$ 1,466,666	56.6%	36.4%
Variance from Budget			\$ 524,088	20.2%	

**Positive**

FY 22-23 Actual    FY 23-24 Actual    FY 23-24 Budget



The City requires taxable business activities to be licensed, with the annual licensing fee amount varying by business type. Starting in 2017, the Arizona Department of Revenue (ADOR) began collecting the fees for Tempe's Sales Tax Licenses. Sales Tax License collections through the second quarter of FY 2023-24 were 56.6% of budget, compared to the historical average of 36.4%. Sales Tax Licenses contribute 0.8% of annual General Fund revenue. In terms of budget-to-actual variance, collections are 20.2% above budget, or \$524 thousand.

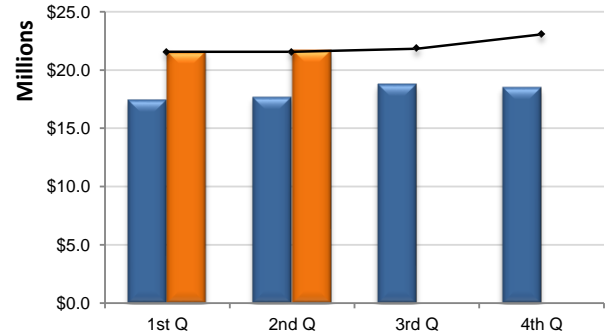


**Intergovernmental**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 21,564,985	\$ 21,560,069	24.5%	24.5%
2nd Q	Oct-Dec 23	21,564,985	21,680,467	24.6%	24.5%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 43,129,969	\$ 43,240,536	49.1%	49.0%
Variance from Budget			\$ 110,567	0.1%	

**Positive**

FY 22-23 Actual    FY 23-24 Actual    FY 23-24 Budget

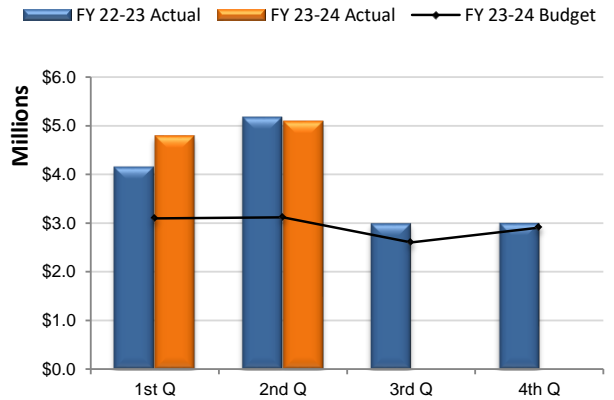


Intergovernmental revenue includes distributions of State Income Taxes, State Sales Taxes, and State Vehicle License Taxes. These revenues are distributed based on Tempe's share of the state urban population as determined by the U.S. Census. In total, these revenues constitute 28.1% of budgeted revenue for FY 2023-24, making this the second largest General Fund revenue source after Sales Taxes. Through the second quarter of FY 2023-24, actual collections are 49.1% of budget, compared to a historical average of 49.0%. In terms of budget-to-actual variance, collections are \$111 thousand or 0.1% above budget.



**Building & Trades**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 3,094,476	\$ 4,798,173	40.9%	26.4%
2nd Q	Oct-Dec 23	3,117,919	5,095,064	43.5%	26.6%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 6,212,395	\$ 9,893,237	84.4%	53.0%
Variance from Budget			\$ 3,680,842	31.4%	



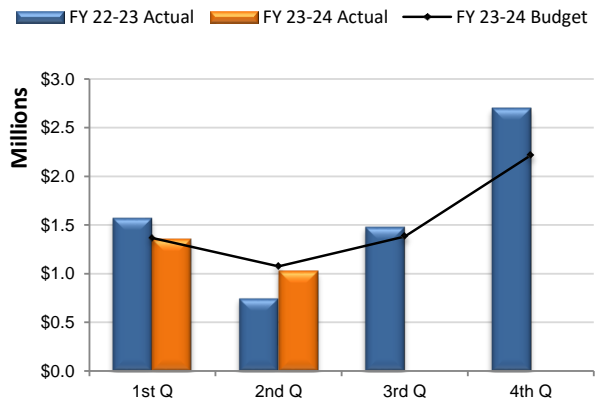
**Positive**

Building and Trade revenues consist of Building Permit Fees, Plan Check Fees, and other miscellaneous engineering and permitting fees generated by development. These fees are charged to recover a portion of the cost of regulating development. In FY 2023-24, this revenue source contributes 3.7% of budgeted General Fund revenue. Through the second quarter of FY 2023-24, actual collections are 84.4% of budget, compared to a historical average of 53.0%. Thus far, in terms of budget-to-actual variance, collections are 31.4% above the budgeted estimate, or \$3.7 million.



**Cultural & Recreational**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 1,364,484	\$ 1,348,993	22.3%	22.6%
2nd Q	Oct-Dec 23	1,074,682	1,024,909	17.0%	17.8%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 2,439,165	\$ 2,373,902	39.3%	40.4%
Variance from Budget			\$ (65,263)	-1.1%	



**Positive**

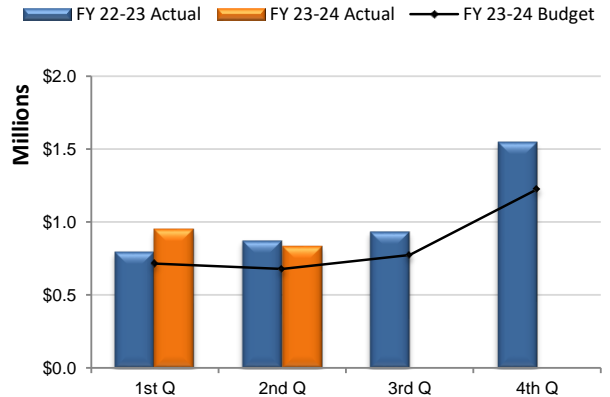
Cultural and Recreational revenues include fees and charges to recover a portion of the costs of providing the City's cultural and recreational programs. The majority of this revenue source is generated from fees charged for the City's Kid Zone program. In total, Cultural and Recreational fees represent 1.9% of total budgeted General Fund revenue for FY 2023-24. Through the second quarter of FY 2023-24, Cultural and Recreational fee collections are 39.3% of budget, compared to the historical average of 40.4%. In terms of budget-to-actual variance, collections are \$65 thousand or 1.1% below the budgeted estimate.





**Fines, Fees & Forfeitures**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 715,812	\$ 949,023	28.0%	21.1%
2nd Q	Oct-Dec 23	678,495	833,173	24.6%	20.0%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 1,394,307	\$ 1,782,196	52.5%	41.1%
Variance from Budget			\$ 387,889	11.4%	



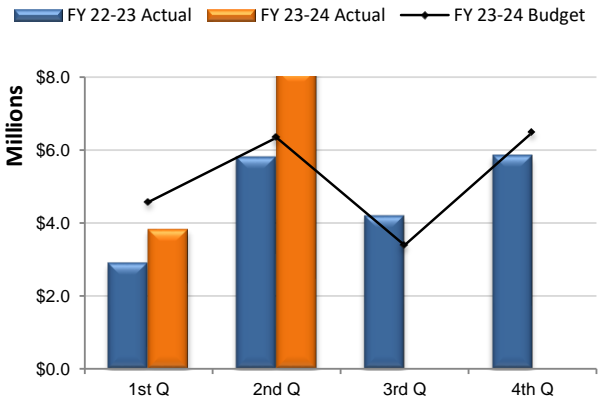
**Positive**

Fines, Fees, and Forfeiture revenue derives from fines and other payments related to violations of state laws and local ordinances, including parking, traffic, and criminal enforcement activities. In total, Fines, Fees, and Forfeitures represent 1.1% of total budgeted General Fund revenue for FY 2023-24. Through the second quarter of FY 2023-24, 52.5% of budgeted revenues have been collected, compared to a historical average of 41.1%. In terms of budget-to-actual variance, this category is 11.4% above the expected value through the second quarter.



**Other Revenues**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Revenue	% of Budget Rec'd.	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 4,575,200	\$ 3,821,261	18.4%	22.0%
2nd Q	Oct-Dec 23	6,342,890	8,179,362	39.3%	30.5%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 10,918,090	\$ 12,000,623	57.7%	52.5%
Variance from Budget			\$ 1,082,533	5.2%	



**Positive**

Other revenues include collections from a variety of sources not otherwise accounted for in the major revenue categories. Primary components of Other Revenues are Land Sales, Interest Earnings, Land and Building Facility Rental, and SRP In-Lieu Payments. In FY 2023-24, this revenue source contributes 6.6% of budgeted General Fund revenue. Through the second quarter of the fiscal year, collections of Other Revenue are 57.7% of the FY 2023-24 budget, compared to a historical tracking percentage of 52.5%. In terms of budget-to-actual variance, this category is 5.2% above the expected value through the second quarter.

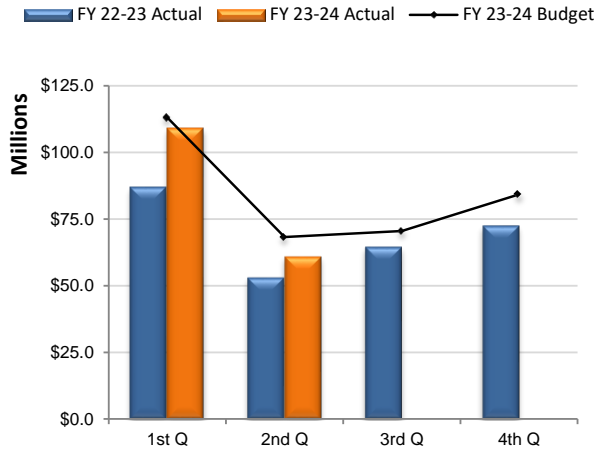


# General Fund Expenditures Quarterly Analysis

		FY 23-24 Year to Date Budget*	FY 23-24 Actual Expense	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 113,068,881	\$ 109,013,953	32.4%	33.6%
2nd Q	Oct-Dec 23	68,249,631	60,886,460	18.1%	20.3%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 181,318,513</b>	<b>\$ 169,900,413</b>	<b>50.5%</b>	<b>53.9%</b>
Variance from Budget			\$ 11,418,099	3.4%	

\*Budget excludes contingency appropriation

**Positive**



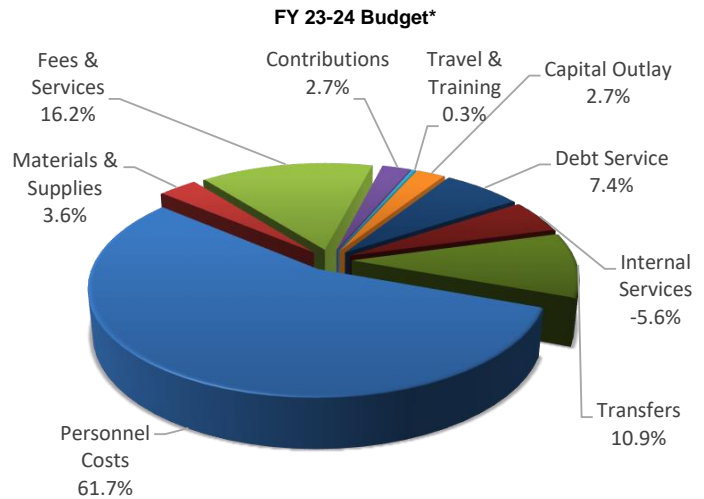
Through the second quarter of FY 2023-24, General Fund expenditures are 50.5% of budget, compared with a historical percentage of 53.9%. In terms of budget-to-actual variance, General Fund expenditures are 3.4% or \$11.4 million below budget through the second quarter. Departmental quarterly expenditure tracking data can be found on pages 8 through 17 of this report.



# General Fund Expenditures By Category

Categories	FY 23-24 Year to Date Budget*	% of Year to Date Budget
Personnel Costs	\$ 207,546,524	61.7%
Materials & Supplies	12,156,077	3.6%
Fees & Services	54,482,044	16.2%
Contributions	9,028,772	2.7%
Travel & Training	1,167,783	0.3%
Capital Outlay	9,034,078	2.7%
Debt Service	24,772,360	7.4%
Internal Services	(18,693,830)	-5.6%
Transfers	36,630,264	10.9%
<b>Total Budget</b>	<b>\$ 336,124,072</b>	<b>100.0%</b>

\*Budget excludes contingency appropriation

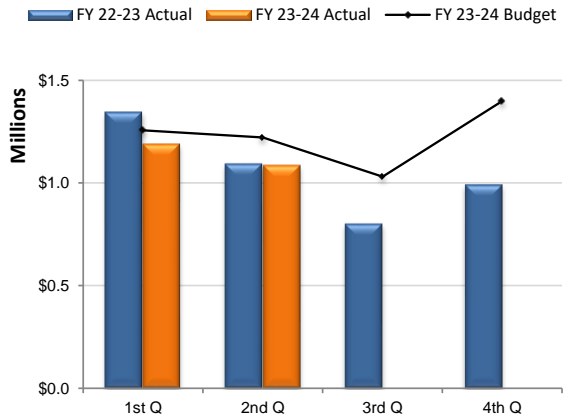




**City Attorney's Office**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 1,256,740	\$ 1,187,741	24.2%	25.6%
2nd Q	Oct-Dec 23	1,222,376	1,085,191	22.1%	24.9%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 2,479,115	\$ 2,272,932	46.3%	50.5%
Variance from Budget			\$ 206,183	4.2%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.



**Positive**

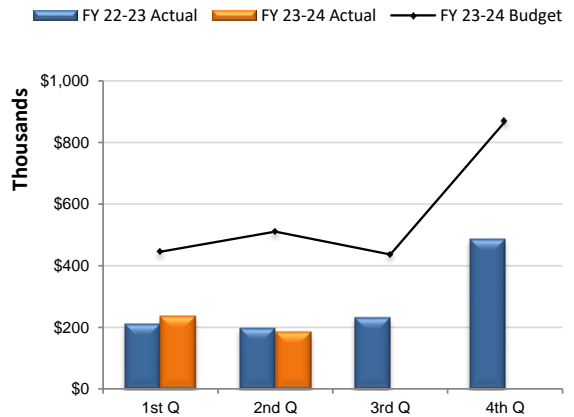
The City Attorney's Office spent 46.3% of its FY 2023-24 budget through the second quarter, compared to a historical average of 50.5%. In terms of budget-to-actual variance, expenditures are \$206 thousand or 4.2% less than budgeted through the second quarter.



**City Clerk's Office**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 445,354	\$ 234,087	10.4%	19.7%
2nd Q	Oct-Dec 23	510,914	184,179	8.1%	22.6%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 956,268	\$ 418,266	18.5%	42.3%
Variance from Budget			\$ 538,002	23.8%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.



**Positive**

The City Clerk's Office has spent 18.5% of its FY 2023-24 budget through the second quarter, compared to a historical average of 42.3%. In terms of variance from the budget through the second quarter, expenditures are \$538 thousand or 23.8% below the expected amount.

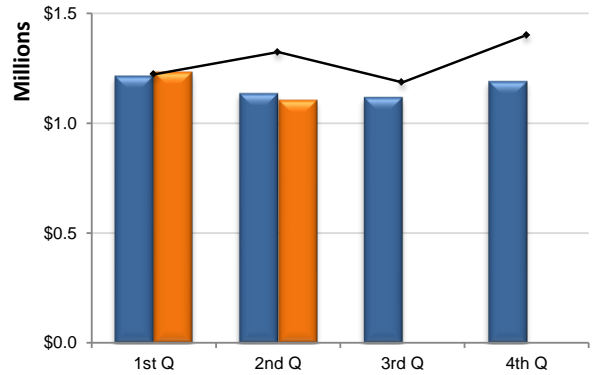


**City Court**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 1,221,615	\$ 1,229,798	24.0%	23.8%
2nd Q	Oct-Dec 23	1,324,272	1,102,869	21.5%	25.8%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 2,545,887</b>	<b>\$ 2,332,667</b>	<b>45.4%</b>	<b>49.6%</b>
Variance from Budget			\$ 213,220	4.2%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.

FY 22-23 Actual    FY 23-24 Actual    FY 23-24 Budget



**Positive**

The City Court has spent 45.4% of its FY 2023-24 budget through the second quarter compared to the historical average of 49.6%. In terms of variance from the budget through the second quarter, expenditures are \$213 thousand or 4.2% below the budgeted amount.

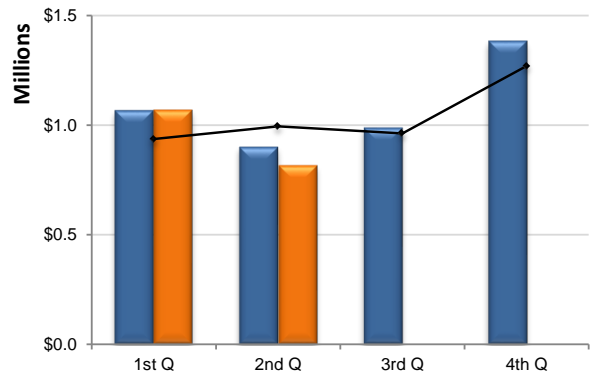


**City Manager's Office**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 936,704	\$ 1,067,937	25.7%	22.5%
2nd Q	Oct-Dec 23	994,988	815,812	19.6%	23.9%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 1,931,692</b>	<b>\$ 1,883,749</b>	<b>45.2%</b>	<b>46.4%</b>
Variance from Budget			\$ 47,943	1.2%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.

FY 22-23 Actual    FY 23-24 Actual    FY 23-24 Budget



**Positive**

The City Manager's Office has spent 45.2% of its FY 2023-24 budget through the second quarter, compared to the historical average of 46.4%. In terms of budget-to-actual variance, expenditures are \$48 thousand or 1.2% less than budgeted through the second quarter.



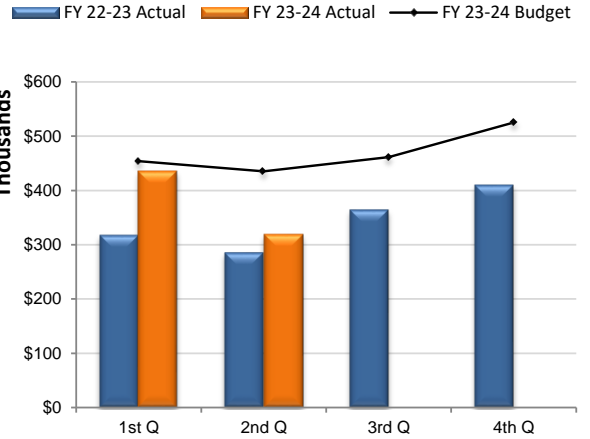
**Communications & Marketing Office**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 453,934	\$ 435,756	23.2%	24.2%
2nd Q	Oct-Dec 23	435,177	319,488	17.0%	23.2%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 889,111</b>	<b>\$ 755,244</b>	<b>40.3%</b>	<b>47.4%</b>
Variance from Budget			\$ 133,868	7.1%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.

**Positive**

The Communications and Marketing Office has spent 40.3% of its FY 2023-24 budget through the second quarter, compared to the historical value of 47.4%. In terms of variance from the budget, expenditures are \$134 thousand or 7.1% below the expected amount.



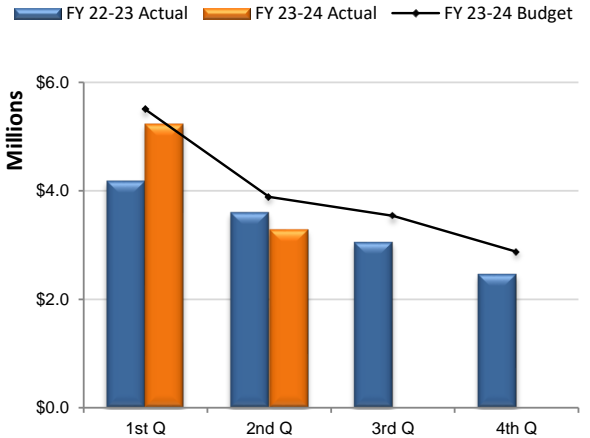
**Community Development**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 5,498,196	\$ 5,226,571	33.1%	34.8%
2nd Q	Oct-Dec 23	3,886,656	3,283,478	20.8%	24.6%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 9,384,851</b>	<b>\$ 8,510,049</b>	<b>53.9%</b>	<b>59.4%</b>
Variance from Budget			\$ 874,803	5.5%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.

**Positive**

The Community Development Department has spent 53.9% of its FY 2023-24 budget through the second quarter, compared to the historical value of 59.4%. In terms of variance from the budget, expenditures are \$875 thousand or 5.5% below the expected amount.





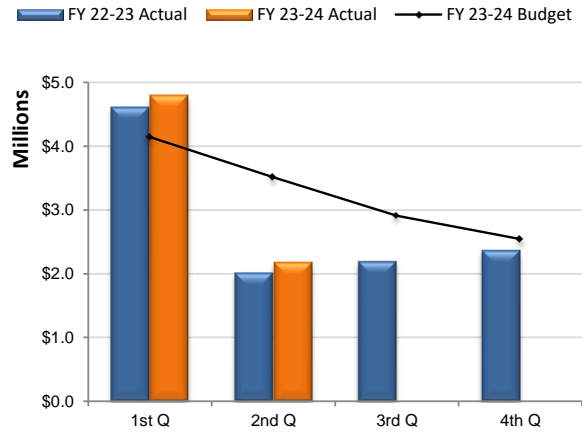
**Community Health & Human Services**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 4,142,918	\$ 4,789,046	36.5%	31.6%
2nd Q	Oct-Dec 23	3,513,614	2,180,186	16.6%	26.8%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 7,656,531	\$ 6,969,233	53.2%	58.4%
Variance from Budget			\$ 687,299	5.2%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.

**Positive**

The Community Health and Human Services Department has spent 53.2% of its FY 2023-24 budget through the second quarter, compared with a historical percentage of 58.4%. In terms of variance from the budget through the second quarter, expenditures are \$687 thousand or 5.2% below the expected amount.



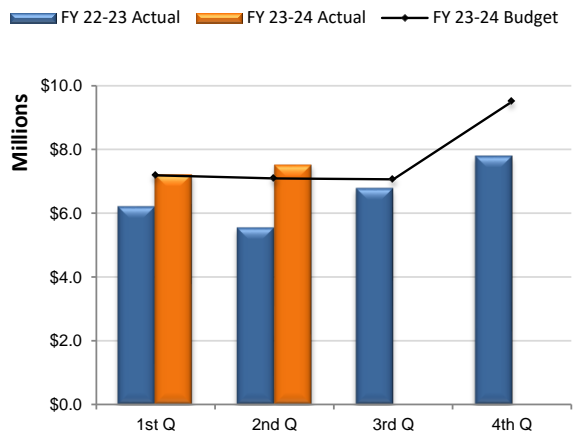
**Community Services**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 7,187,870	\$ 7,217,384	23.4%	23.3%
2nd Q	Oct-Dec 23	7,095,322	7,517,854	24.4%	23.0%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 14,283,192	\$ 14,735,238	47.8%	46.3%
Variance from Budget			\$ (452,046)	-1.5%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.

**Positive**

The Community Services Department spent 47.8% of its FY 2023-24 budget through the second quarter, compared to the historical average of 46.3%. In terms of variance from the budget through the second quarter, expenditures are \$452 thousand or 1.5% above the expected amount.



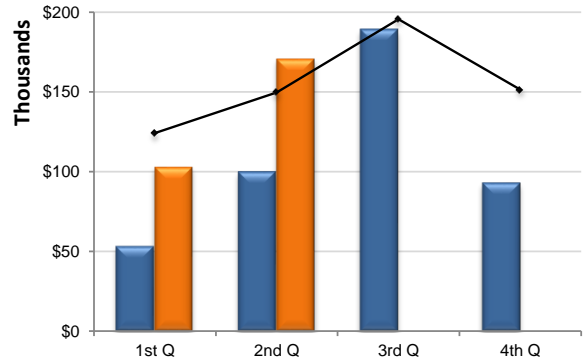


**Diversity, Equity & Inclusion**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 124,191	\$ 102,775	16.6%	20.0%
2nd Q	Oct-Dec 23	149,650	170,435	27.4%	24.1%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 273,841</b>	<b>\$ 273,211</b>	<b>44.0%</b>	<b>44.1%</b>
Variance from Budget			\$ 630	0.1%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.

FY 22-23 Actual    FY 23-24 Actual    FY 23-24 Budget



**Positive**

The Diversity, Equity and Inclusion Department has spent 44.0% of its FY 2023-24 budget through the second quarter, compared with a historical percentage of 44.1%. In terms of variance from the budget through the second quarter, expenditures are \$1 thousand or 0.1% below the expected amount.

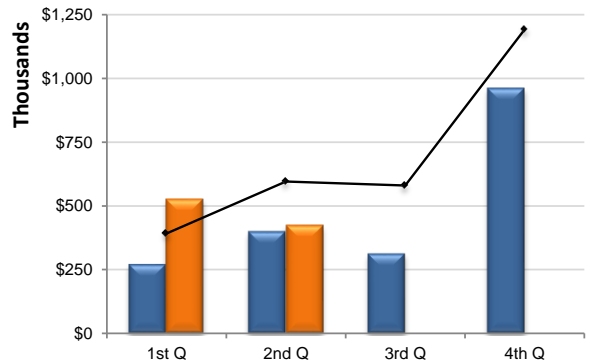


**Economic Development Office**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 391,796	\$ 525,398	19.0%	14.2%
2nd Q	Oct-Dec 23	595,971	423,329	15.3%	21.6%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 987,767</b>	<b>\$ 948,727</b>	<b>34.4%</b>	<b>35.8%</b>
Variance from Budget			\$ 39,040	1.4%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.

FY 22-23 Actual    FY 23-24 Actual    FY 23-24 Budget



**Positive**

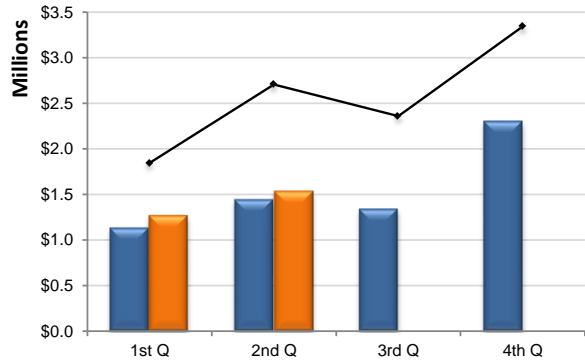
The Economic Development Office has spent 34.4% of its FY 2023-24 budget through the second quarter, compared with a historical percentage of 35.8%. In terms of variance from the budget through the second quarter, expenditures are \$39 thousand or 1.4% below the expected amount.



**Education, Career & Family Services**

FY 22-23 Actual    FY 23-24 Actual    FY 23-24 Budget

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 1,845,967	\$ 1,271,490	12.4%	18.0%
2nd Q	Oct-Dec 23	2,707,418	1,536,666	15.0%	26.4%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 4,553,384</b>	<b>\$ 2,808,156</b>	<b>27.4%</b>	<b>44.4%</b>
Variance from Budget			\$ 1,745,228	17.0%	



\*Actual amounts exclude internal service charges, inventory and encumbrances.

**Positive**

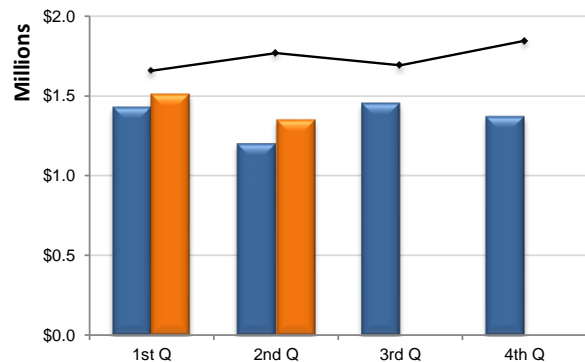
The Education, Career and Family Services Department has spent 27.4% of its FY 2023-24 budget through the second quarter, compared with a historical percentage of 44.4%. In terms of variance from the budget through the second quarter, expenditures are \$1.7 million or 17.0% below the expected amount.



**Engineering & Transportation**

FY 22-23 Actual    FY 23-24 Actual    FY 23-24 Budget

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 1,658,137	\$ 1,512,377	21.7%	23.8%
2nd Q	Oct-Dec 23	1,769,608	1,350,497	19.4%	25.4%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 3,427,745</b>	<b>\$ 2,862,874</b>	<b>41.1%</b>	<b>49.2%</b>
Variance from Budget			\$ 564,871	8.1%	



\*Actual amounts exclude internal service charges, inventory and encumbrances.

**Positive**

The Engineering and Transportation Department has spent 41.1% of its FY 2023-24 budget through the second quarter, compared with a historical percentage of 49.2%. In terms of variance from the budget through the second quarter, expenditures are \$565 thousand or 8.1% below the expected amount.

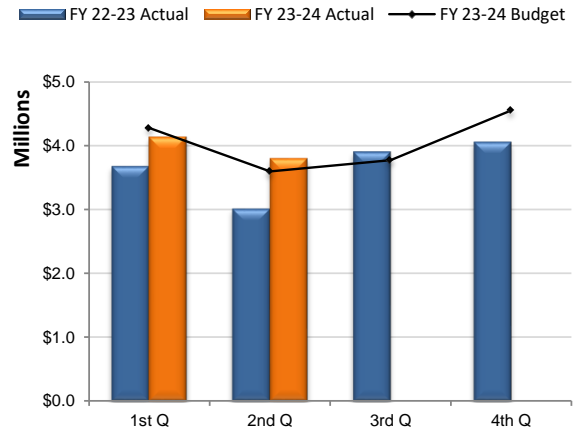




**Financial Services**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 4,278,628	\$ 4,134,214	25.5%	26.4%
2nd Q	Oct-Dec 23	3,597,937	3,799,571	23.4%	22.2%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 7,876,566	\$ 7,933,785	49.0%	48.6%
Variance from Budget			\$ (57,220)	-0.4%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.



**Positive**

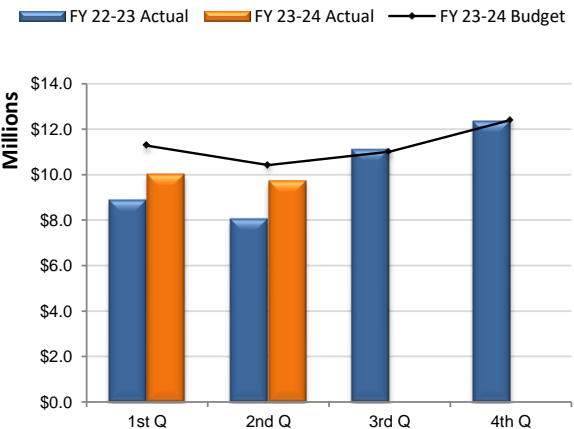
The Financial Services Department has spent 49.0% of its FY 2023-24 budget through the second quarter, compared with a historical percentage of 48.6%. In terms of variance from the budget through the second quarter, expenditures are \$57 thousand or 0.4% above the expected amount.



**Fire Medical Rescue**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 11,279,472	\$ 10,022,440	22.2%	25.0%
2nd Q	Oct-Dec 23	10,422,232	9,732,774	21.6%	23.1%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
Total		\$ 21,701,705	\$ 19,755,214	43.8%	48.1%
Variance from Budget			\$ 1,946,491	4.3%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.



**Positive**

The Fire Medical Rescue Department has spent 43.8% of its FY 2023-24 budget through the second quarter, compared with a historical percentage of 48.1%. In terms of variance from the budget through the second quarter, expenditures are \$1.9 million or 4.3% below the expected amount.



**Government Relations Office**

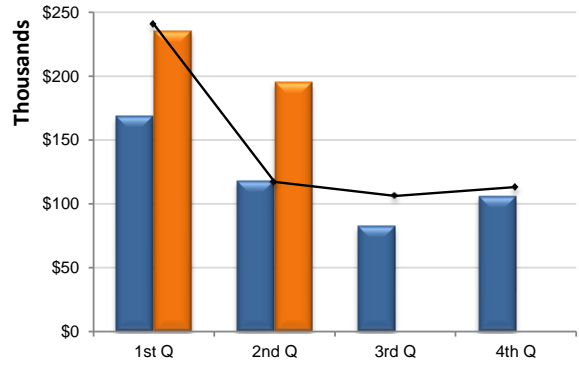
		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 240,615	\$ 235,100	40.7%	41.7%
2nd Q	Oct-Dec 23	117,134	195,161	33.8%	20.3%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 357,749</b>	<b>\$ 430,261</b>	<b>74.6%</b>	<b>62.0%</b>
Variance from Budget			\$ (72,512)	-12.6%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.

**Negative**

The Government Relations Office has spent 74.6% of its FY 2023-24 budget through the second quarter, compared with a historical average of 62.0%. In terms of variance from the budget through the second quarter, expenditures are \$73 thousand or 12.6% above the expected amount. The variance in expenses was due to a one-time payout of accrued benefits during the second quarter as a result of a personnel change.

FY 22-23 Actual FY 23-24 Actual FY 23-24 Budget



**Human Resources**

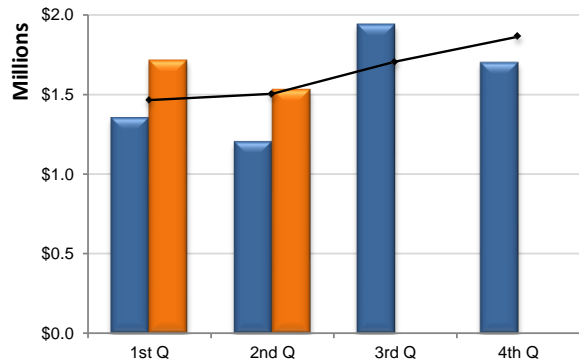
		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 1,464,978	\$ 1,712,944	26.2%	22.4%
2nd Q	Oct-Dec 23	1,504,218	1,530,288	23.4%	23.0%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 2,969,196</b>	<b>\$ 3,243,232</b>	<b>49.6%</b>	<b>45.4%</b>
Variance from Budget			\$ (274,035)	-4.2%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.

**Watch**

The Human Resources Department has spent 49.6% of its FY 2023-24 budget through the second quarter, compared with a historical average of 45.4%. In terms of variance from the budget through the second quarter, expenditures are \$274 thousand or 4.2% above the expected amount.

FY 22-23 Actual FY 23-24 Actual FY 23-24 Budget

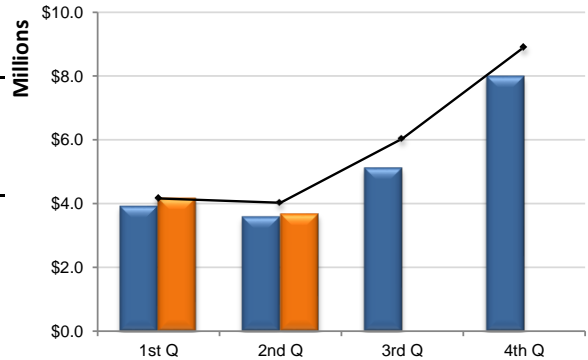




**Information Technology**

FY 22-23 Actual    FY 23-24 Actual    FY 23-24 Budget

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 4,165,912	\$ 4,166,202	18.0%	18.0%
2nd Q	Oct-Dec 23	4,027,049	3,672,277	15.9%	17.4%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 8,192,961</b>	<b>\$ 7,838,479</b>	<b>33.9%</b>	<b>35.4%</b>
Variance from Budget			\$ 354,482	1.5%	



\*Actual amounts exclude internal service charges, inventory and encumbrances.

**Positive**

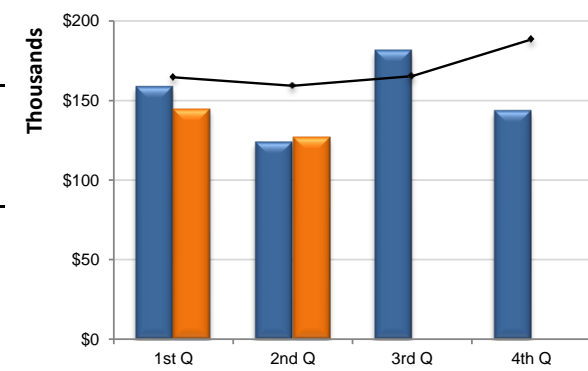
The Information Technology Department has spent 33.9% of its FY 2023-24 budget through the second quarter, compared with a historical average of 35.4%. In terms of variance from the budget in the second quarter, expenditures are \$354 thousand or 1.5% below the expected amount.



**Internal Audit Office**

FY 22-23 Actual    FY 23-24 Actual    FY 23-24 Budget

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 164,672	\$ 144,509	21.3%	24.3%
2nd Q	Oct-Dec 23	159,251	126,974	18.7%	23.5%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 323,923</b>	<b>\$ 271,484</b>	<b>40.1%</b>	<b>47.8%</b>
Variance from Budget			\$ 52,440	7.7%	



\*Actual amounts exclude internal service charges, inventory and encumbrances.

**Positive**

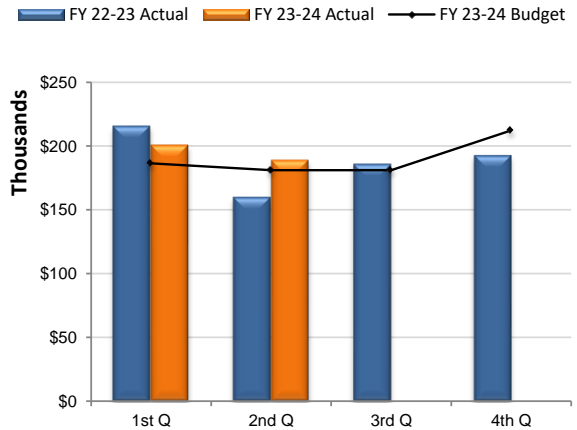
The Internal Audit Office has spent 40.1% of its FY 2023-24 budget through the second quarter, compared with a historical average of 47.8%. In terms of variance from the budget through the second quarter, expenditures are \$52 thousand or 7.7% below the expected amount.



**Mayor & Council**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 186,419	\$ 200,806	26.4%	24.5%
2nd Q	Oct-Dec 23	181,093	188,940	24.8%	23.8%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 367,512</b>	<b>\$ 389,747</b>	<b>51.2%</b>	<b>48.3%</b>
Variance from Budget			\$ (22,234)	-2.9%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.



**Watch**

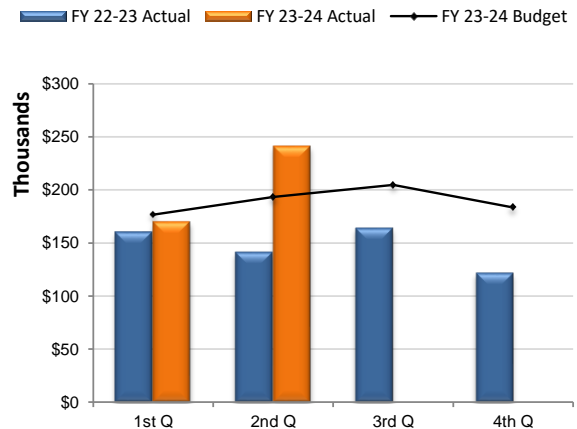
The Mayor and Council Department has spent 51.2% of its FY 2023-24 budget through the second quarter, compared with a historical average of 48.3%. In terms of variance from the budget in the second quarter, expenditures are \$22 thousand or 2.9% above the expected amount.



**Municipal Budget Office**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 176,677	\$ 169,909	22.4%	23.3%
2nd Q	Oct-Dec 23	193,359	240,912	31.8%	25.5%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 370,036</b>	<b>\$ 410,821</b>	<b>54.2%</b>	<b>48.8%</b>
Variance from Budget			\$ (40,785)	-5.4%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.



**Negative**

The Municipal Budget Office has spent 54.2% of its FY 2023-24 budget through the second quarter, compared to a historical average of 48.8%. In terms of variance from the budget through the second quarter, expenditures are \$41 thousand or 5.4% above the expected amount. The variance in expenses was due to a one-time payout of accrued benefits during the second quarter as a result of a personnel change.



**Municipal Utilities**

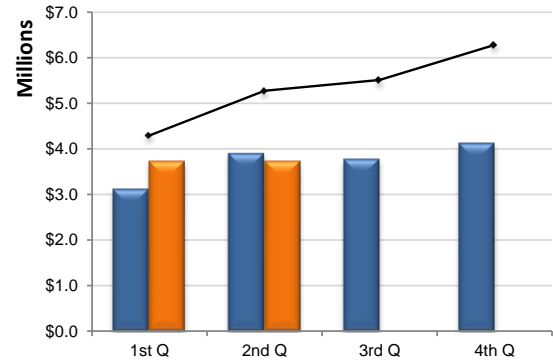
		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 4,295,145	\$ 3,723,955	17.4%	20.1%
2nd Q	Oct-Dec 23	5,278,114	3,722,742	17.4%	24.7%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 9,573,259</b>	<b>\$ 7,446,697</b>	<b>34.8%</b>	<b>44.8%</b>
Variance from Budget			\$ 2,126,562	10.0%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.

**Positive**

The Municipal Utilities Department has spent 34.8% of its FY 2023-24 budget through the second quarter, compared to a historical average of 44.8%. In terms of variance from the budget through the second quarter, expenditures are \$2.1 million or 10.0% below the expected amount.

FY 22-23 Actual FY 23-24 Actual FY 23-24 Budget



**Police**

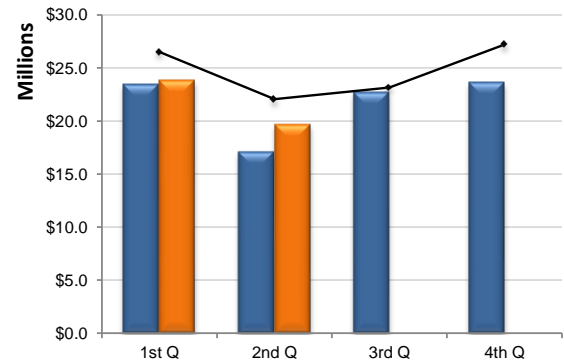
		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 26,515,101	\$ 23,867,391	24.1%	26.8%
2nd Q	Oct-Dec 23	22,062,939	19,706,723	19.9%	22.3%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 48,578,040</b>	<b>\$ 43,574,114</b>	<b>44.0%</b>	<b>49.1%</b>
Variance from Budget			\$ 5,003,925	5.1%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.

**Positive**

The Police Department has spent 44.0% of its FY 2023-24 General Fund budget through the second quarter, compared with a historical average of 49.1%. In terms of variance from the budget through the second quarter, expenditures are \$5.0 million or 5.1% below the expected amount.

FY 22-23 Actual FY 23-24 Actual FY 23-24 Budget





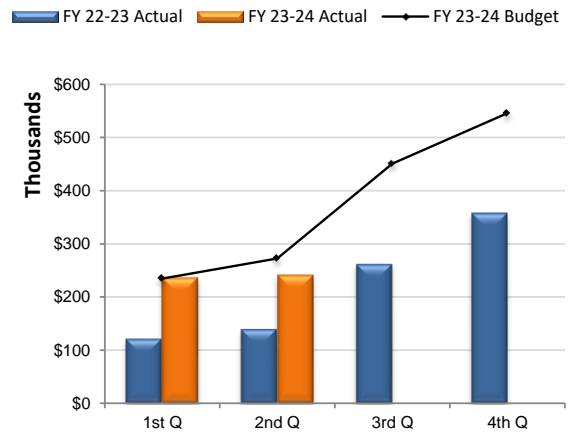
**Strategic Management & Innovation Office**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 234,611	\$ 236,667	15.7%	15.6%
2nd Q	Oct-Dec 23	272,209	241,516	16.1%	18.1%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 506,820</b>	<b>\$ 478,183</b>	<b>31.8%</b>	<b>33.7%</b>
Variance from Budget			\$ 28,638	1.9%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.

**Positive**

The Strategic Management and Innovation Office has spent 31.8% of its FY 2023-24 budget through the second quarter, compared with a historical average of 33.7%. In terms of variance from the budget through the second quarter, expenditures are \$29 thousand or 1.9% below the expected amount.



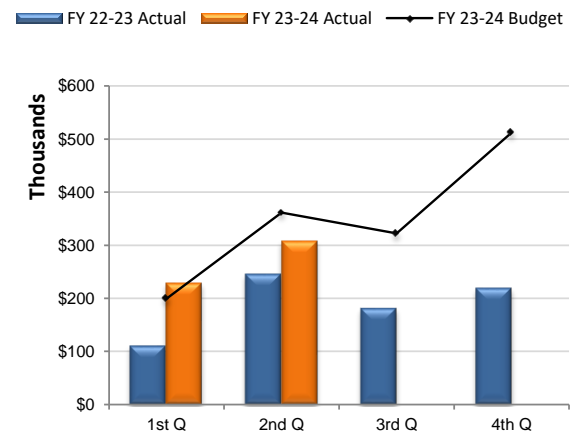
**Sustainability Office**

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 199,503	\$ 228,978	16.4%	14.3%
2nd Q	Oct-Dec 23	361,338	307,573	22.0%	25.9%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 560,841</b>	<b>\$ 536,551</b>	<b>38.5%</b>	<b>40.2%</b>
Variance from Budget			\$ 24,290	1.7%	

\*Actual amounts exclude internal service charges, inventory and encumbrances.

**Positive**

The Sustainability Office has spent 38.5% of its FY 2023-24 budget through the second quarter, compared to a historical average of 40.2%. In terms of variance from the budget through the second quarter, expenditures are \$24 thousand or 1.7% below the expected amount.

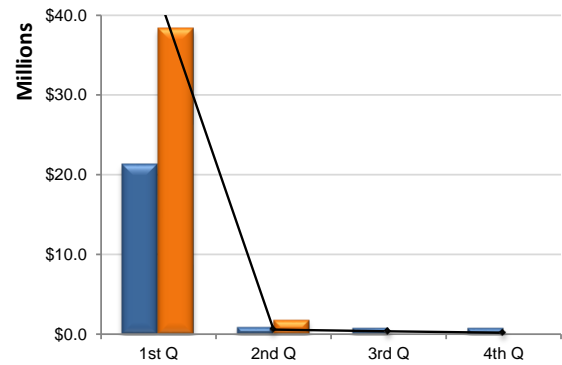




**Non-Departmental**

FY 22-23 Actual    FY 23-24 Actual    FY 23-24 Budget

		FY 23-24 Year to Date Budget	FY 23-24 Actual Expense*	% of Budget Used	% of Budget 3yr. Avg.
1st Q	Jul-Sep 23	\$ 42,489,759	\$ 38,325,546	87.9%	97.5%
2nd Q	Oct-Dec 23	566,530	1,822,181	4.2%	1.3%
3rd Q	Jan-Mar 24				
4th Q	Apr-Jun 24				
<b>Total</b>		<b>\$ 43,056,289</b>	<b>\$ 40,147,727</b>	<b>92.1%</b>	<b>98.8%</b>
Variance from Budget			\$ 2,908,562	6.7%	



\*Actual amounts exclude internal service charges, inventory and encumbrances.

**Positive**

The Non-Departmental category of the budget includes items not directly related to the operations of any one City operating department. One example includes the payment of the Tempe Tourism Office's portion of the Bed Tax. Through the second quarter of FY 2023-24, Non-Departmental expenditures are 92.1% of the budget compared to the historical pattern of 98.8%. In terms of variance from the budget through the second quarter, expenditures are \$2.9 million or 6.7% below budget.

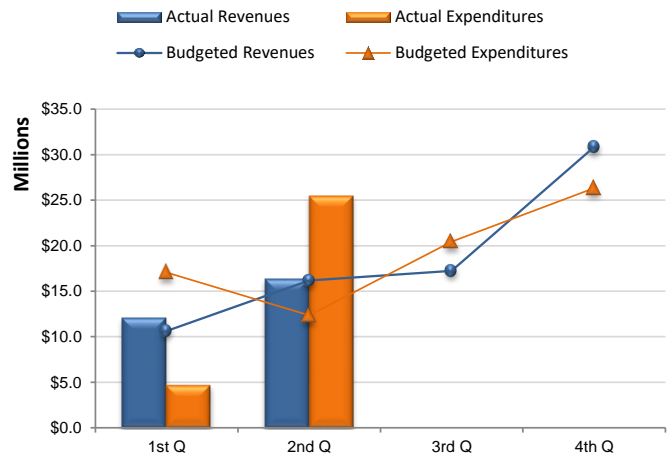
**Transit Fund**

	FY 23-24 YTD Budget	FY 23-24 2Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 26,817,061	\$ 28,364,682	37.9%	35.8%
Transfers In	-	-	0.0%	0%
<b>Total Revenues</b>	<b>\$ 26,817,061</b>	<b>\$ 28,364,682</b>	<b>37.9%</b>	<b>35.8%</b>
Operating	\$ 17,873,223	\$ 22,549,459	35.7%	28.3%
Capital	50,175	52,813	58.0%	55.1%
Debt Service	3,243,322	5,700	0.1%	69.0%
Transfers Out	8,233,091	7,608,937	92.4%	100.0%
<b>Total Expenses</b>	<b>\$ 29,399,811</b>	<b>\$ 30,216,910</b>	<b>39.7%</b>	<b>38.6%</b>
<b>Net Rev/Exp</b>	<b>\$ (2,582,750)</b>	<b>\$ (1,852,228)</b>		

\*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

**Positive**

The Transit Fund accounts for the receipt of the Mass Transit Tax, a 0.5% tax on sales. Fund resources are dedicated to transit system planning, design, and operations, community outreach, and debt service. Through the end of the second quarter, there is an operating deficit in the Transit Fund of \$1.8 million. Transit Fund revenue is at 37.9% of budget which is above the historical tracking percentage of 35.8%. Expenditures are 39.7% of budget while the historical tracking percentage is 38.6%. The net result is an operating shortfall through the second quarter of the fiscal year. It is anticipated that both revenues and expenditures will normalize in subsequent quarters of the fiscal year.



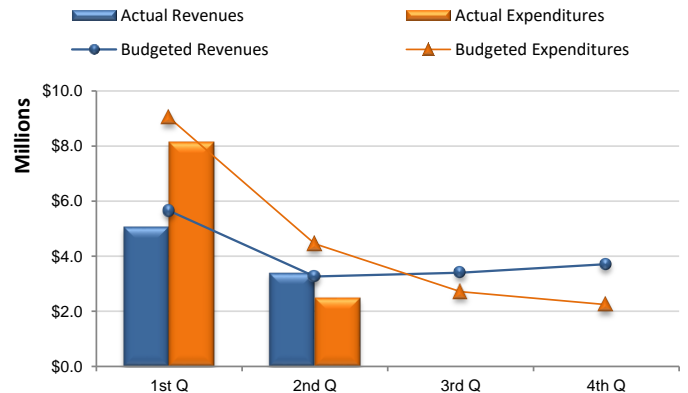
**Highway User Revenue Fund**

	FY 23-24 YTD Budget	FY 23-24 2Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 7,414,609	\$ 6,952,602	47.8%	51.0%
Transfers In	1,500,000	1,500,000	100.0%	100%
<b>Total Revenues</b>	<b>\$ 8,914,609</b>	<b>\$ 8,452,602</b>	<b>52.7%</b>	<b>55.6%</b>
Operating	\$ 5,859,199	\$ 4,924,268	44.9%	53.4%
Capital	1,994,336	74,509	4.0%	107.9%
Debt Service	-	-	0.0%	0.0%
Transfers Out	5,629,547	5,629,547	100.0%	100.0%
<b>Total Expenses</b>	<b>\$ 13,483,082</b>	<b>\$ 10,628,324</b>	<b>57.6%</b>	<b>73.1%</b>
<b>Net Rev/Exp</b>	<b>\$ (4,568,474)</b>	<b>\$ (2,175,722)</b>		

\*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

**Positive**

The Highway User Revenue Fund (HURF) accounts for the receipt of HURF distributions from the state. These revenues are derived largely from fuel taxes and vehicle registration fees and are allocated based on Tempe's share of state population as well as other factors. HURF resources are dedicated to Street and Traffic Operations, Maintenance, and Construction activities in the City. Revenues are 52.7% of budget compared to a historical average of 55.6%, and expenditures are 57.6% of budget compared to the three year historical trend of 73.1%. The net result is an operating deficit through the second quarter of \$2.2 million.

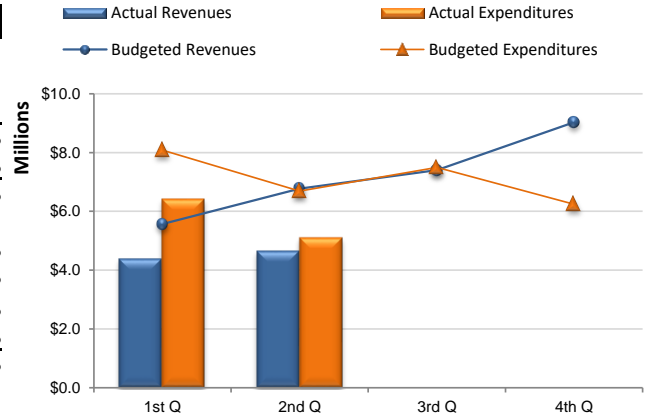






**CDBG/Section 8 Funds**

	FY 23-24 YTD Budget	FY 23-24 2Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 12,340,304	\$ 9,016,246	31.3%	42.9%
Transfers In	-	-	0.0%	0%
<b>Total Revenues</b>	<b>\$ 12,340,304</b>	<b>\$ 9,016,246</b>	<b>31.3%</b>	<b>42.9%</b>
Operating	\$ 14,262,175	\$ 10,999,198	39.4%	51.1%
Capital	2,414	2,675	4.7%	4.2%
Debt Service	509,372	529,534	96.3%	92.6%
Transfers Out	-	-	0.0%	0.0%
<b>Total Expenses</b>	<b>\$ 14,773,961</b>	<b>\$ 11,531,407</b>	<b>40.4%</b>	<b>51.8%</b>
<b>Net Rev/Exp</b>	<b>\$ (2,433,657)</b>	<b>\$ (2,515,161)</b>		



\*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

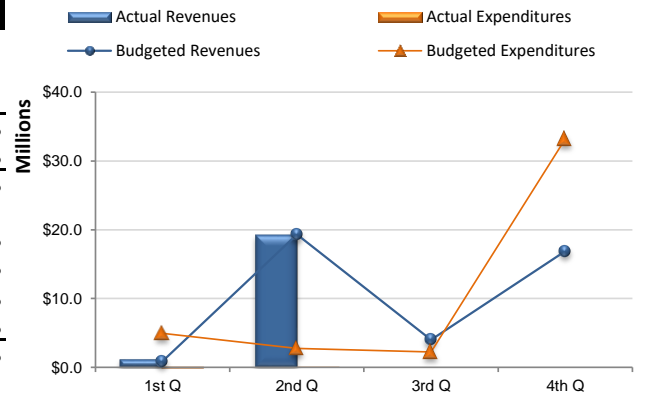
**Watch**

The Community Development Block Grant (CDBG) and Section 8 Funds are established to account for the receipt and expenditure of federal grants for redevelopment and rental subsidies for low income residents. Revenues through the second quarter total 31.3% of the FY 2023-24 budget, compared to the historical percentage of 42.9%. Expenditures through the second quarter total 40.4% of the FY 2023-24 budget, compared to the historical percentage of 51.8%. The net effect on the fund status through the second quarter is an operating deficit of \$2.5 million. This is largely due to the timing of grant revenue receipts from the federal government.



**Debt Service Fund**

	FY 23-24 YTD Budget	FY 23-24 2Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 19,918,663	\$ 19,862,814	52.3%	52.4%
Transfers In	295,850	530,365	17.1%	10%
<b>Total Revenues</b>	<b>\$ 20,214,512</b>	<b>\$ 20,393,179</b>	<b>49.6%</b>	<b>49.2%</b>
Operating	\$ -	\$ -	0.0%	0.0%
Capital	-	-	0.0%	0.0%
Debt Service	5,290,014	(116,981)	-0.3%	13.0%
Transfers Out	2,402,989	-	0.0%	100.0%
<b>Total Expenses</b>	<b>\$ 7,693,003</b>	<b>\$ (116,981)</b>	<b>-0.3%</b>	<b>17.8%</b>
<b>Net Rev/Exp</b>	<b>\$ 12,521,510</b>	<b>\$ 20,510,160</b>		



\*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

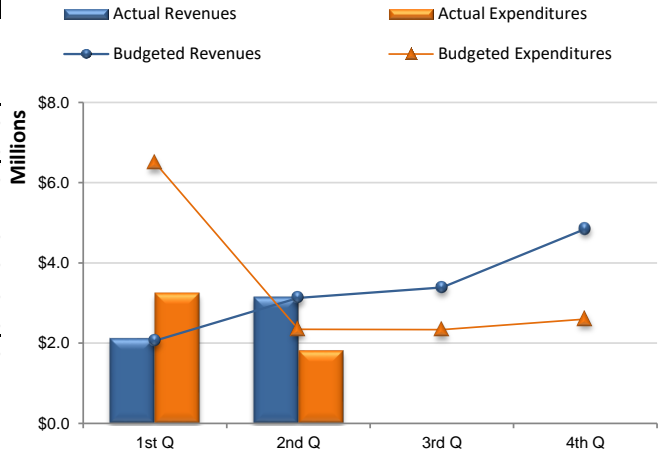
**Positive**

The Debt Service Fund accounts for the receipt of secondary property taxes to be used for payment of debt service on the City's tax supported debt. The City receives significant revenue from the Maricopa County Treasurer's Office in October and May, coinciding with the property tax due dates. The annual secondary tax levy includes the amount necessary to make the annual payments of principal and interest on existing bonds, payments of principal and interest on new debt planned for the ensuing year, plus a reasonable delinquency factor. The majority of the debt service payments as well as all transfers out occur during the last quarter of the fiscal year. Actual revenues through the second quarter are 49.6% of budget compared to the historical tracking percentages of 49.2%. Actual expenditures through the second quarter are -(0.3)% of budget, compared to the historical tracking percentages of 17.8%. The net result is an operating surplus of \$20.5 million. The variances in both revenues and expenditures are primarily due to the timing of receipts and bond payments.



**Arts & Cultural Fund**

	FY 23-24 YTD Budget	FY 23-24 2Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 5,188,712	\$ 5,267,514	40.0%	39.4%
Transfers In	-	-	0.0%	0%
<b>Total Revenues</b>	<b>\$ 5,188,712</b>	<b>\$ 5,267,514</b>	<b>39.2%</b>	<b>38.6%</b>
Operating	\$ 4,394,918	\$ 3,669,601	41.8%	50.1%
Capital	16,017	23,763	33.2%	22.4%
Debt Service	78,089	1,500	0.3%	13.4%
Transfers Out	4,354,000	1,354,000	31.1%	100.0%
<b>Total Expenses</b>	<b>\$ 8,843,023</b>	<b>\$ 5,048,865</b>	<b>36.6%</b>	<b>64.2%</b>
<b>Net Rev/Exp</b>	<b>\$ (3,654,311)</b>	<b>\$ 218,650</b>		



\*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

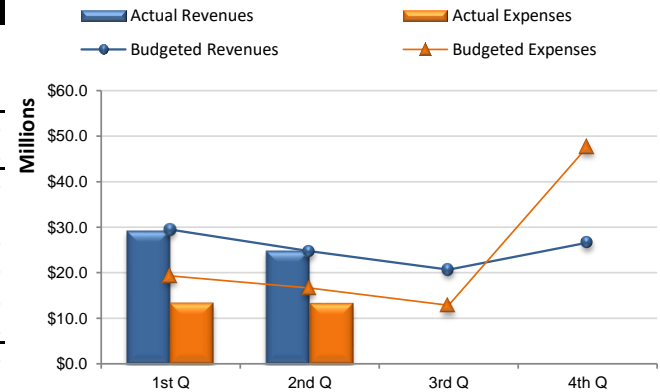
**Positive**

The Arts & Culture Fund accounts for the receipt of the 0.1% Arts & Cultural Sales Tax, which is used to fund operating expenses associated with the Tempe Center for the Arts (TCA), Tempe History Museum, Edna Vihel Arts Center and other arts and cultural programming. Revenues through the second quarter of FY 2023-24 are 39.2% of budget, compared to the historical tracking percentage of 38.6%. Total expenditures are 36.6% of budget, compared to a historical average of 64.2%. The net result is an operating surplus of \$219 thousand.



**Water/Wastewater Fund**

	FY 23-24 YTD Budget	FY 23-24 2Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 54,210,933	\$ 53,934,764	54.5%	54.8%
Transfers In	-	-	0.0%	0%
<b>Total Revenues</b>	<b>\$ 54,210,933</b>	<b>\$ 53,934,764</b>	<b>53.1%</b>	<b>53.4%</b>
Operating	\$ 25,822,173	\$ 22,538,381	48.8%	55.9%
Capital	940,712	613,463	28.8%	44.1%
Debt Service	3,681,609	71,762	0.2%	8.6%
Transfers Out	5,524,735	3,463,390	62.7%	100.0%
<b>Total Expenses</b>	<b>\$ 35,969,229</b>	<b>\$ 26,686,997</b>	<b>27.6%</b>	<b>37.3%</b>
<b>Net Rev/Exp</b>	<b>\$ 18,241,704</b>	<b>\$ 27,247,767</b>		



\*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

**Positive**

The Water/Wastewater Fund is an enterprise fund used to account for all water and wastewater treatment operations in the City. Total revenues through the second quarter of FY 2023-24 are 53.1%, compared to the historical tracking percentage of 53.4%. Total expenses through the second quarter are 27.6% of budget compared to 37.3% historically. Through the second quarter, the fund posted a \$27.2 million surplus.



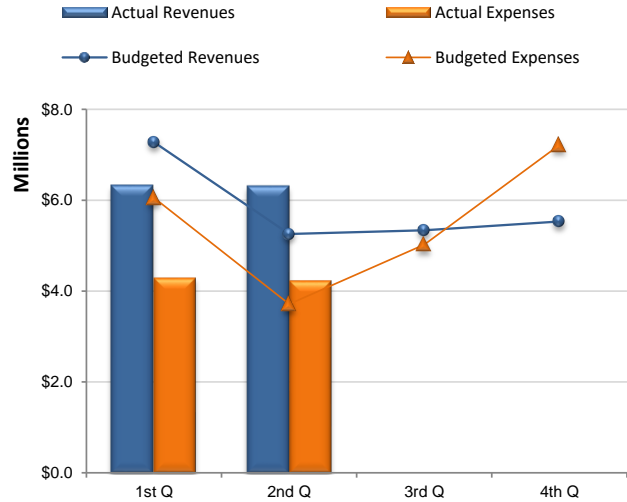
**Solid Waste Fund**

	FY 23-24 YTD Budget	FY 23-24 2Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 10,652,878	\$ 10,740,273	49.9%	49.5%
Transfers In	1,879,652	1,879,652	100.0%	100%
<b>Total Revenues</b>	<b>\$ 12,532,530</b>	<b>\$ 12,619,925</b>	<b>53.9%</b>	<b>53.6%</b>
Operating	\$ 5,400,323	\$ 5,270,056	41.5%	42.5%
Capital	4,289,966	3,178,224	34.4%	46.5%
Debt Service	-	-	0.0%	0.0%
Transfers Out	74,676	74,676	100.0%	100.0%
<b>Total Expenses</b>	<b>\$ 9,764,965</b>	<b>\$ 8,522,956</b>	<b>38.7%</b>	<b>44.4%</b>
<b>Net Rev/Exp</b>	<b>\$ 2,767,565</b>	<b>\$ 4,096,969</b>		

\*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

**Positive**

The Solid Waste Fund is an enterprise fund that accounts for the operating, maintenance, and capital costs of providing residential and commercial solid waste services. Total revenues through the second quarter of FY 2023-24 are 53.9% of budget compared to 53.6% historically. Total expenses through the second quarter are 38.7% of budget compared to 44.4% historically. Through the second quarter, the fund posted a \$4.1 million surplus.



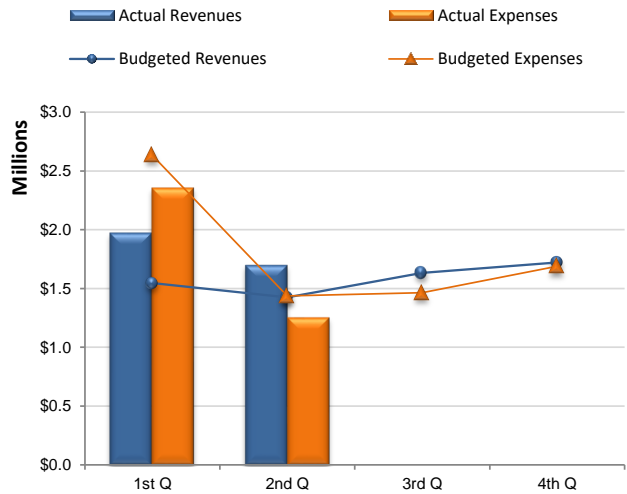
**Emergency Medical Transport**

	FY 23-24 YTD Budget	FY 23-24 2Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 2,971,306	\$ 3,671,023	58.0%	47.0%
Transfers In	-	-	0.0%	0%
<b>Total Revenues</b>	<b>\$ 2,971,306</b>	<b>\$ 3,671,023</b>	<b>58.0%</b>	<b>47.0%</b>
Operating	\$ 2,638,447	\$ 2,493,450	44.7%	47.3%
Capital	281,503	33,966	6.9%	57.5%
Debt Service	-	-	0.0%	0.0%
Transfers Out	1,148,756	1,084,776	94.4%	100.0%
<b>Total Expenses</b>	<b>\$ 4,068,706</b>	<b>\$ 3,612,192</b>	<b>50.0%</b>	<b>56.3%</b>
<b>Net Rev/Exp</b>	<b>\$ (1,097,401)</b>	<b>\$ 58,830</b>		

\*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

**Positive**

The Emergency Medical Transport Fund is an enterprise fund that provides for operation, maintenance, and debt service costs associated with providing an ambulance service for medical emergencies within the community. Total revenues through the second quarter of FY 2023-24 are 58.0% of budget compared to the historical average of 47.0%. Total expenses through the second quarter are 50.0% of budget compared to the historical average of 56.3%. Through the second quarter, the fund has an operating surplus of \$59 thousand.





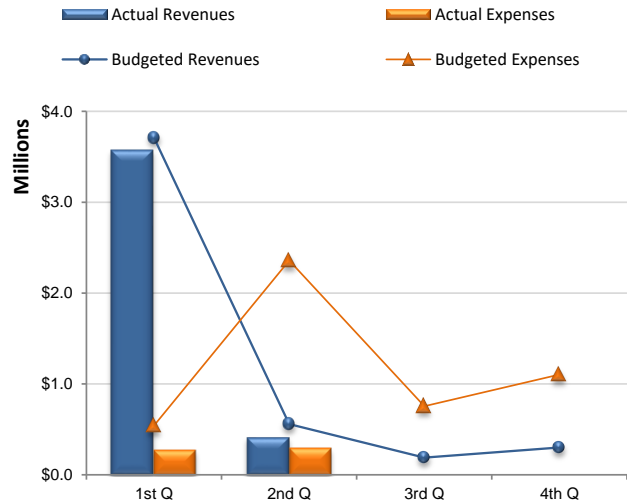
**Restricted Revenue and Donations**

	FY 23-24 YTD Budget	FY 23-24 2Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 4,267,745	\$ 3,988,650	83.8%	89.7%
Transfers In	-	-	0.0%	0%
<b>Total Revenues</b>	<b>\$ 4,267,745</b>	<b>\$ 3,988,650</b>	<b>83.8%</b>	<b>89.7%</b>
Operating	\$ 2,900,465	\$ 558,334	11.7%	61.0%
Capital	-	4,230	0.0%	0.0%
Debt Service	-	-	0.0%	0.0%
Transfers Out	-	-	0.0%	0.0%
<b>Total Expenses</b>	<b>\$ 2,900,465</b>	<b>\$ 562,564</b>	<b>11.8%</b>	<b>61.0%</b>
<b>Net Rev/Exp</b>	<b>\$ 1,367,279</b>	<b>\$ 3,426,086</b>		

\*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

**Positive**

The Restricted Revenue and Donations Fund accounts for the receipt and expenditure of restricted revenue and donations related to general governmental activities. Revenues through the second quarter total 83.8%, while expenditures total 11.8% of budget. The \$3.4 million surplus through the second quarter is mostly due to timing of receipt of funds vs. incurred expenses. It is anticipated that the variance will normalize as the fiscal year progresses.



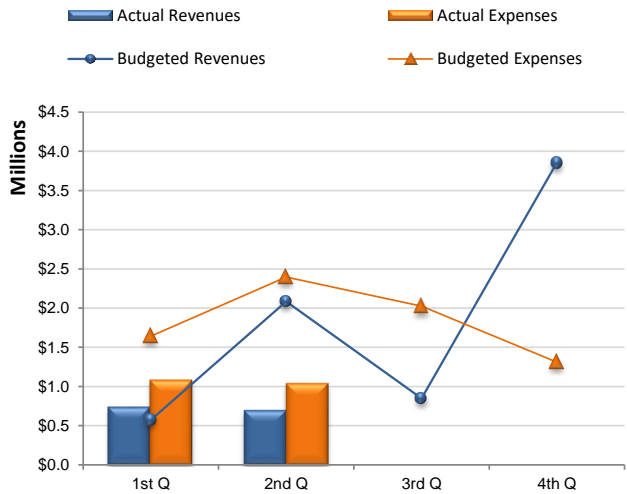
**Police Dept-RICO & Grants**

	FY 23-24 YTD Budget	FY 23-24 2Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 2,656,839	\$ 1,438,134	19.5%	36.1%
Transfers In	-	-	0.0%	0%
<b>Total Revenues</b>	<b>\$ 2,656,839</b>	<b>\$ 1,438,134</b>	<b>19.5%</b>	<b>36.1%</b>
Operating	\$ 4,036,425	\$ 2,019,681	27.4%	54.8%
Capital	-	91,230	0.0%	0.0%
Debt Service	-	-	0.0%	0.0%
Transfers Out	-	-	0.0%	0.0%
<b>Total Expenses</b>	<b>\$ 4,036,425</b>	<b>\$ 2,110,911</b>	<b>28.6%</b>	<b>54.8%</b>
<b>Net Rev/Exp</b>	<b>\$ (1,379,586)</b>	<b>\$ (672,777)</b>		

\*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

**Positive**

The Police Dept-RICO & Grants Fund accounts for the receipt and expenditure of grants, donations, asset forfeitures, and tow hearing fines associated with Police Department activities. Revenues through the second quarter total 19.5% of the FY 2023-24 budget, compared to the historical percentage of 36.1%. Expenditures through the second quarter total 28.6% of the FY 2023-24 budget, compared to the historical percentage of 54.8%. The net result of the fund's status through the second quarter is an operating deficit of \$673 thousand. The deficit is due largely to the timing of receipt of grant revenue for reimbursement of expended funds.





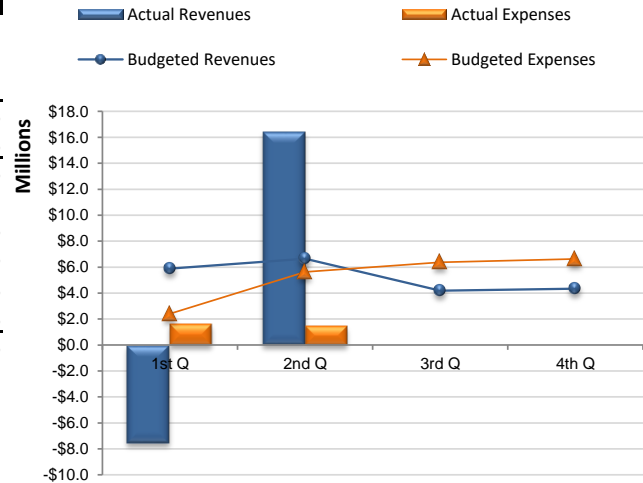
**Governmental Grants**

	FY 23-24 YTD Budget	FY 23-24 2Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 12,526,929	\$ 8,855,728	42.1%	59.5%
Transfers In	-	-	0.0%	0%
<b>Total Revenues</b>	<b>\$ 12,526,929</b>	<b>\$ 8,855,728</b>	<b>42.1%</b>	<b>59.5%</b>
Operating	\$ 8,038,721	\$ 3,059,225	14.5%	38.2%
Capital	-	39,745	0.0%	0.0%
Debt Service	-	-	0.0%	0.0%
Transfers Out	-	-	0.0%	0.0%
<b>Total Expenses</b>	<b>\$ 8,038,721</b>	<b>\$ 3,098,970</b>	<b>14.7%</b>	<b>38.2%</b>
<b>Net Rev/Exp</b>	<b>\$ 4,488,207</b>	<b>\$ 5,756,758</b>		

\*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

**Positive**

The Governmental Grants Fund accounts for the receipt and expenditure of grants related to general governmental activities. Revenues through the second quarter of FY 2023-24 total 42.1%, compared to the historical percentage of 59.5%. Expenditures through the second quarter total 14.7% of the FY 2023-24 budget, compared to the historical percentage of 38.2%.



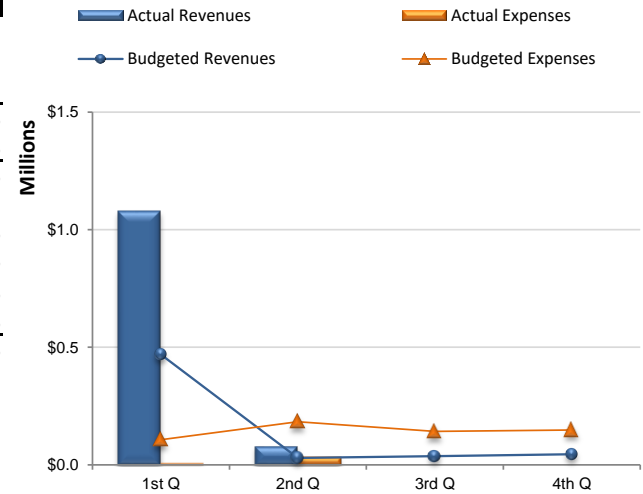
**Court Enhancement Fund**

	FY 23-24 YTD Budget	FY 23-24 2Q Actual*	% Budget Actual	% Budget 3yr. Avg.
Revenues	\$ 498,560	\$ 1,163,417	200.3%	85.9%
Transfers In	-	-	0.0%	0%
<b>Total Revenues</b>	<b>\$ 498,560</b>	<b>\$ 1,163,417</b>	<b>200.3%</b>	<b>85.9%</b>
Operating	\$ 290,297	\$ 40,519	7.0%	50.0%
Capital	-	-	0.0%	0.0%
Debt Service	-	-	0.0%	0.0%
Transfers Out	-	-	0.0%	0.0%
<b>Total Expenses</b>	<b>\$ 290,297</b>	<b>\$ 40,519</b>	<b>7.0%</b>	<b>50.0%</b>
<b>Net Rev/Exp</b>	<b>\$ 208,262</b>	<b>\$ 1,122,898</b>		

\*Actual amounts exclude internal service charges, inventory, contingency and encumbrances.

**Positive**

The Court Enhancement Fund is established to account for fine, fee and forfeiture revenues dedicated for City Court purposes pursuant to state statute and city code. Revenues through the second quarter total 200.3% of the FY 2023-24 budget, compared to the historical percentage of 85.9%. Expenditures through the second quarter total 7.0% of the FY 2023-24 budget, compared to the historical percentage of 50.0%. This results in a surplus of \$1.1 million.

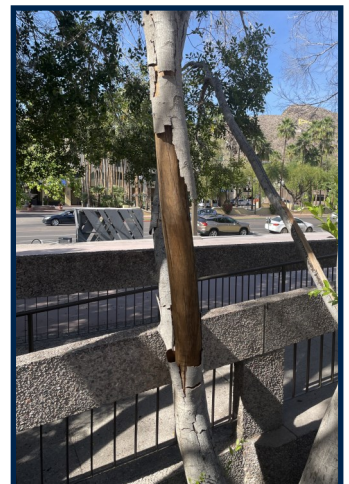
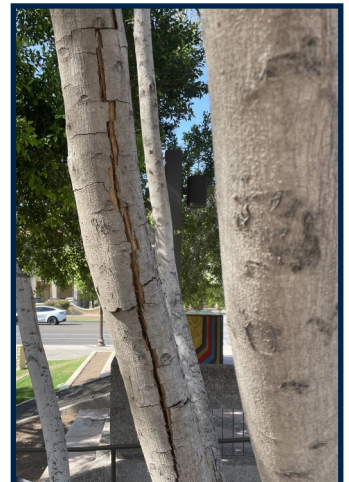
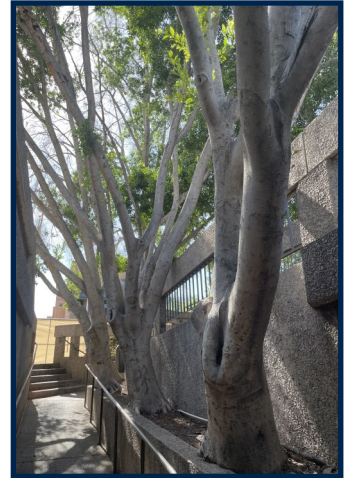


# COMMUNITY SERVICES UPDATE

May 3, 2024

## Parks: Urban Forest Tree Removal Update

The City Hall garden level project, scheduled to begin in early 2025, will include the removal of several trees. Prior to that project starting, the City's Urban Forester has recommended the removal of four (4) Ficus trees located near the northwest corner of City Hall. These trees have significantly declined in health, have Sooty Canker Fungus, and are becoming a safety risk. They are located in the planter along the ramp from the West parking lot and will be scheduled for removal within the next month. When scheduled, the work will start no earlier than 7 a.m. to minimize impacts to the Mission Palms Hotel, their guests, and surrounding businesses. The tree stumps will be removed as part of the garden level project in 2025 due to the challenges posed by grinding them in the planter and surrounding concrete. Two (2) additional Ficus trees in front of City Hall are also declining and will be addressed as part of the garden level project. Some branches have already been removed from these trees for safety reasons.



# COMMUNITY SERVICES UPDATE

May 3, 2024

## Music Under the Stars

On Friday, April 26, the Tempe Community Arts team welcomed nearly 2,000 people and hosted 600 musicians performing at Tempe Diablo Stadium for the annual Music Under the Stars event. This unique collaboration between student and professional musicians provided an inclusive community atmosphere where everyone enjoyed a night of live music free of charge.

Students from all six Tempe Union High School District bands performed alongside professional musicians from the Arizona Wind Symphony and The Academy Drum & Bugle Corps Brass Line under beautiful Tempe night skies. The event also featured Corona and Desert Vista's steel drums, Marcos' mariachi band and a stunning firework finale. Special thanks to Councilmember Berdetta Hodge for giving the welcome.

Music Under the Stars reflects a successful partnership between Tempe Community Arts and the Tempe Union High School District, designed to connect students with local arts professionals. During the 2023-2024 school year, Community Arts Team's Arts in Schools Grants funded 24 music programs which specifically supported band, percussion and orchestra programs and provided music teachers with funds to work with professional musicians and purchase specialty music equipment.

Learn more at [tempe.gov/Music](https://tempe.gov/Music)



# COMMUNITY SERVICES UPDATE

May 3, 2024

## Ken McDonald Clubhouse Renovation Update

### Public Outreach

The first round of public outreach held Feb. 28-Mar. 20 resulted in several recurring themes for initial site concepts, including:

- Support for the overall clubhouse and site concept, including outdoor seating and lawn
- Support for additional parking near the clubhouse
- Support for a west side practice area
- Desire to keep an east side practice green
- Importance of buffering neighbors from increased clubhouse parking



Using this feedback, the team at **Douglas Fredrickson Architects (DFA)**, updated the concepts and a second round of public outreach was held from Apr. 15-29 to review final draft concepts. Feedback showed favorable support for the changes that were made to consolidate parking in order to maintain a practice green on the east side and ensure that adjacent residences were buffered and separated from the parking lot.

### Next Steps

- Refine cost estimates to ensure that the design concepts can be constructed within the allotted budget.
- Work Study Session—May 16 to review project status prior to beginning formal design

### Anticipated project timeline



Visit [www.tempe.gov/clubhouse](http://www.tempe.gov/clubhouse) for project progress and updates.

*The Ken McDonald Clubhouse Renovation project is jointly funded by City of Tempe and CourseCo.*



## Upcoming Community Events at Ken McDonald Golf Course

A CourseCo core value and key element of the public private partnership is community inclusion and broadening recreational use at the golf course. Join the CourseCo team in May for bi-weekly free Yoga on the Fairway (May 17 and May 31) and a month long Back-to-School supply drive.

**KEN McDONALD'S**

**BACK TO SCHOOL SUPPLY DRIVE**

PAPER	INDEX CARDS
PENS	NOTEBOOKS
PENCILS	BINDERS
HIGHLIGHTERS	FOLDERS
PAPER TOWELS	MARKERS
TISSUES	BACKPACKS
TAPE	GIFT CARDS

**COLLECTING ALL MAY**

# COMMUNITY SERVICES UPDATE

May 3, 2024

## Special Events Update: May 3 - 24

The Special Events Task Force Committee works with event producers up to 18 months in advance to ensure the administrative and operational logistics are addressed before the event receives final approval.

Date	Event	Location	Notation
5/3	Movies in the Park: The Little Mermaid	Kiwanis Park	Community Event
5/4	Tempe Night Market	Centerpoint Plaza	Community Event
5/4	Buses Bugs & Brews	Four Peaks	Extension of Premise
5/3-5/5	CASA de Mayo	6th Street	Cinco de Mayo Event
5/10	Movies in the Park: Wish	Kiwanis Park	Community Event
5/11	Donut Judge Me 5K	Tempe Beach Park	Community Walk/Run
5/11	Care 7: Be Kind to Your Mind	Kiwanis Park	Mental Health Awareness Walk
5/12	ARR Summer Series #1	Giuliano Park	Community Walk/Run
5/17	Movies in the Park: Finding Nemo	Kiwanis Park	Community Event
5/18	Arizona Sunrise Series	Kiwanis Park	Community Walk/Run
5/19	Boots in the Park	Tempe Beach Park	Music Festival
5/24	Movies in the Park: Elemental	Kiwanis Park	Community Event

### Movies in the Park is Back

Bring your family and friends to Kiwanis Park each Friday in May. Our family-friendly movie series is back. Movies begin at dusk (around 7 p.m.) on the north soccer field (enter at Baseline Rd. & Ash Ave.). Come early to lay down your blanket and bring some snacks or dinner. The Tempe Play Mobile will be onsite for some pre-movie fun and activities.

This Friday's (May 3) movie event will host a Special Summer of Fun kickoff. Come early to enjoy games and activities while learning about all the fun there is to explore in Tempe this summer. Check out booths from Tempe Community Arts, special interest recreation camps, Tempe Aquatics, Tempe Public Library, Tempe History Museum and Tempe Play Mobile.

A special thank you to the Tempe Diablos for their continued support of this community event.



# COMMUNITY SERVICES UPDATE

May 3, 2024

## Special Events Update—continued

For additional information on activities, events, and things to do in and around Tempe, visit:

**Tempe Arts and Culture** ([Tempe.gov/arts](https://tempe.gov/arts)),

**Downtown Tempe Authority** ([Downtowntempe.com/explore](https://downtowntempe.com/explore)),

**Tempe Tourism** ([Tempetourism.com](https://tempetourism.com)), and

**Tempe Public Library** ([Tempepubliclibrary.org](https://tempepubliclibrary.org)).

