

**CITY OF TEMPE
TRANSPORTATION COMMISSION**



STAFF REPORT

AGENDA ITEM 5

DATE

Nov. 18, 2014

SUBJECT

City Preliminary Long-Range Financial Forecast and Transit Fund Update

PURPOSE

Staff with the City Manager's Office will discuss the City Preliminary Long-Range Financial Forecast and Transit Fund Update.

BACKGROUND

The Budget Office prepares a comprehensive annual Long-range Financial Forecast as a kickoff to the operating budget process every Spring, typically in February. The Fall financial forecast update was developed several years ago as a result of economic challenges and the need to elicit City Council direction very early in order to prioritize and implement significant budget changes. The update included with this memo is intended to provide the City Council with information on how the 2013-14 fiscal year ended and whether financial strategies need to be adjusted, based on updated projections.

FISCAL IMPACT

None

CONTACT

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ATTACHMENTS

Oct. 16 IRS Memo
PowerPoint

Memorandum



Finance and Technology Department

Date: October 8, 2014

To: Mayor and Councilmembers

From: Ken Jones, Deputy City Manager, CFO

Through: Andrew Ching, City Manager

Subject: Long-Range Financial Forecast Update

The Budget Office prepares a comprehensive annual Long-range Financial Forecast as a kickoff to the operating budget process every Spring, typically in February. The Fall financial forecast update was developed several years ago as a result of economic challenges and the need to elicit City Council direction very early in order to prioritize and implement significant budget changes. The update included with this memo, which will be presented during your October 16th Issue Review Session, is intended to provide the City Council with information on how the 2013-14 fiscal year ended and whether financial strategies need to be adjusted, based on updated projections.

I will cover the General Fund in some detail during this update and provide an overview of the status of the other operating funds.

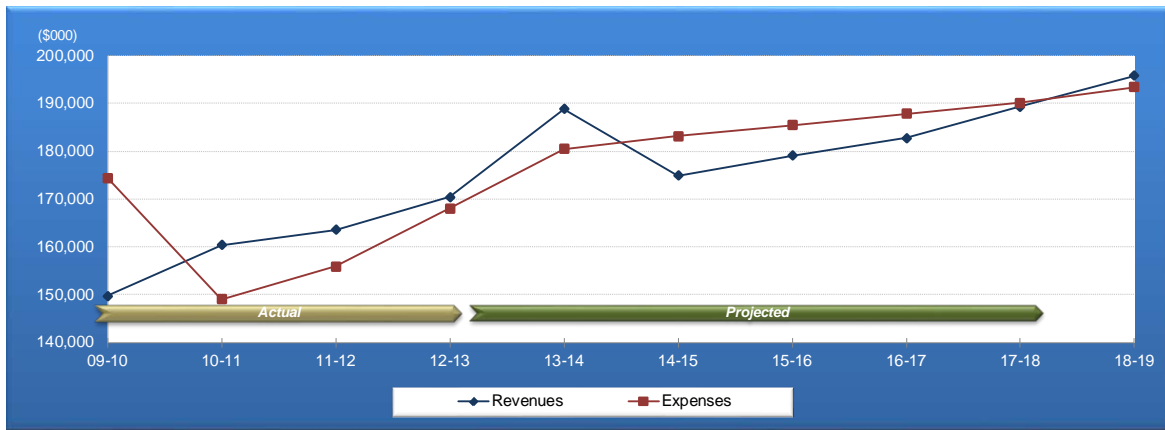
General Economic Conditions and Projections

Since the last Long-range Financial Forecast in February, economic outlooks have softened slightly in most regional and statewide projections. Retail sales projections are still projected to improve, but are slightly weaker in most recent studies than they were in February. However, Tempe's economy is currently outperforming the forecasts for state and regional growth. We are projecting that Tempe's retail and development activity will continue to outperform our surrounding cities for the rest of the current year and into next fiscal year.

Overall, our five-year forecast for local revenues is slightly better than our February projections. Following the expiration of the temporary sales tax in June, there is no need for budget reductions and, in fact, restrictions on compensation growth can be eased slightly. The trend continues to improve as we add years to the end of the forecast, indicating that the current strategy is producing the desired results.

On the following pages, I will comment on any significant changes to the forecasts for the City's operating funds.

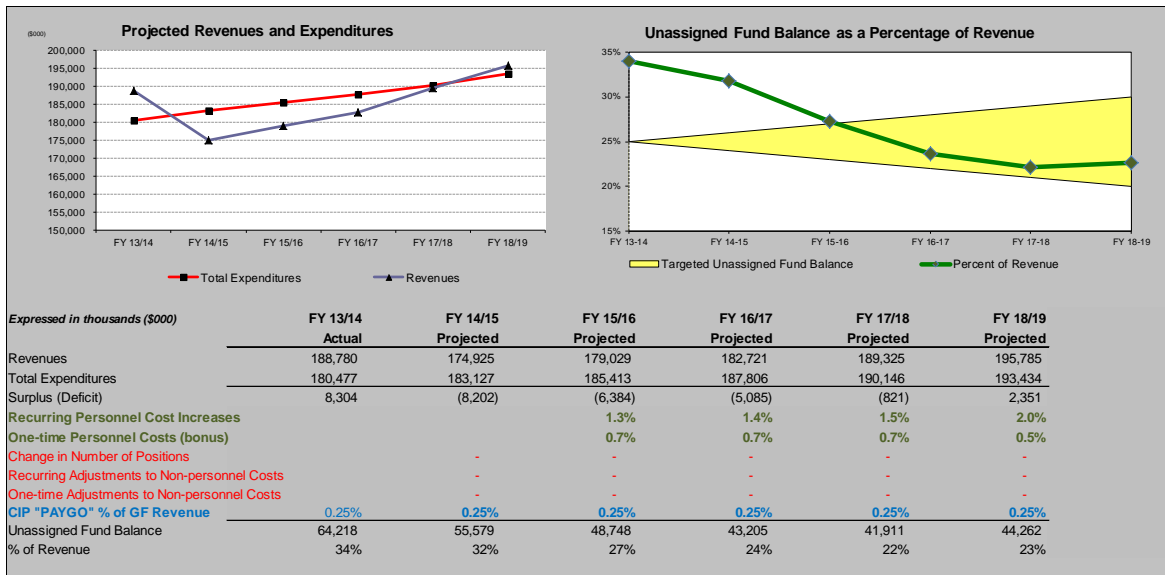
General Fund



| | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 | 16/17 | 17/18 | 18/19 |
|---|-----------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Actual | Actual | Actual | Actual | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
| Revenues (\$000) | | | | | | | | | | | |
| Local Taxes | 84,869 | 81,443 | 94,255 | 100,706 | 103,904 | 111,874 | 101,550 | 105,579 | 108,724 | 112,323 | 116,225 |
| Intergovernmental | 44,048 | 39,134 | 34,219 | 31,723 | 34,921 | 38,155 | 39,907 | 40,626 | 40,495 | 42,357 | 44,421 |
| Bldg & Trades/Plan & Zoning | 5,681 | 4,633 | 3,918 | 5,489 | 5,183 | 10,495 | 5,827 | 4,497 | 4,564 | 4,642 | 4,733 |
| Cultural and Recreation | 6,244 | 5,443 | 5,781 | 6,053 | 6,386 | 6,462 | 5,625 | 5,729 | 5,826 | 5,937 | 6,065 |
| Fines, Fees and Forfeitures | 9,201 | 7,109 | 7,576 | 7,732 | 8,132 | 8,190 | 7,943 | 8,090 | 8,228 | 8,384 | 8,564 |
| Business Licenses | 1,546 | 1,538 | 1,573 | 1,651 | 1,714 | 1,703 | 1,637 | 1,602 | 1,626 | 1,653 | 1,686 |
| Interest Income | 5,034 | 1,900 | 915 | 549 | 457 | 356 | 450 | 631 | 978 | 1,347 | 1,680 |
| Franchise Fees | 3,981 | 3,560 | 3,821 | 3,459 | 3,253 | 3,311 | 3,256 | 3,309 | 3,359 | 3,416 | 3,483 |
| Other Revenue Sources | 5,138 | 4,909 | 8,304 | 6,181 | 6,495 | 8,235 | 8,730 | 8,966 | 8,922 | 9,266 | 8,929 |
| Total Revenues | 165,741 | 149,669 | 160,362 | 163,542 | 170,445 | 188,780 | 174,925 | 179,029 | 182,721 | 189,325 | 195,785 |
| Expenditures (\$000) | | | | | | | | | | | |
| Personnel Costs | 149,330 | 146,038 | 120,302 | 124,440 | 134,594 | 143,448 | 147,344 | 150,291 | 152,373 | 154,629 | 157,393 |
| Materials and Supplies | 24,598 | 7,940 | 8,092 | 9,567 | 10,413 | 8,896 | 9,110 | 8,837 | 8,890 | 9,016 | 9,216 |
| Fees and Services | 429 | 21,746 | 19,708 | 24,211 | 22,471 | 28,429 | 27,590 | 27,230 | 27,641 | 28,217 | 28,742 |
| Travel and Training | 2,888 | 385 | 219 | 371 | 307 | 337 | 478 | 486 | 493 | 501 | 511 |
| Non-Deprmtl/Loan Repayment | 4,019 | 2,537 | 2,429 | 2,118 | 2,126 | 2,192 | 2,349 | 2,387 | 2,423 | 2,464 | 2,513 |
| Capital Outlay | 0 | 2,140 | 1,691 | 1,472 | 1,572 | 1,500 | 2,332 | 2,594 | 2,721 | 2,424 | 2,471 |
| Community Facilities District | 0 | (1,468) | - | (493) | (138) | 134 | (43) | (240) | (247) | (254) | (262) |
| Special Assessments | 785,824 | - | - | - | 2,064 | 1,004 | 1,004 | 1,004 | 1,004 | 1,004 | 1,004 |
| Transportation Mnce of Effort | 1,802 | 761 | 1,096 | 701 | 1,204 | 626 | 1,030 | 1,030 | 1,030 | 1,030 | 1,030 |
| Tourism and Convention Bureau | (6,420) | 1,500 | 2,000 | 2,060 | 2,102 | 2,130 | 2,160 | 2,193 | 2,223 | 2,257 | 2,296 |
| Internal Services/Adjustments | | (7,141) | (6,523) | (8,541) | (8,701) | (8,221) | (10,227) | (10,400) | (10,745) | (11,140) | (11,480) |
| Total Expenditures | 177,889 | 174,439 | 149,014 | 155,906 | 168,013 | 180,477 | 183,127 | 185,413 | 187,806 | 190,146 | 193,434 |
| Net Operating Surplus/(Deficit) | (12,148) | (24,771) | 11,348 | 7,637 | 2,432 | 8,304 | (8,202) | (6,384) | (5,085) | (821) | 2,351 |
| Interfund Transfers | | | | | | 5,004 | | | | | |
| Change to Assignment of Fund Balance | | | | | | (1,748) | | | | | |
| Capital Improvements Reserve | | | | | | | (437) | (448) | (457) | (473) | (489) |
| Unassigned Fund Balance | | | 41,884 | 50,955 | 52,659 | 64,218 | 55,579 | 48,748 | 43,205 | 41,911 | 44,262 |
| Unassigned Fund Balance % of Revenue | | | 26% | 31% | 31% | 34% | 32% | 27% | 24% | 22% | 23% |

Besides the economic assumptions built into the forecasts of all funds, the General Fund projections also include the following assumptions: 1) Total compensation growth is projected to grow by 2% to 2.5% in each year of the forecast (which is much improved from the February forecast); 2) the number of positions remains constant; and, 3) there is no expansion or contraction in current service levels or programs. The projected growth in total compensation is not a recommendation by management; rather it is an example of how projected resources could be allocated in future years and still comply with the City's policy of projecting an unreserved fund balance between 20% and 30% of annual revenue in each of the years of the forecast. The planned deficits from 2014-15, following the expiration of the .2% 4-year temporary sales tax, would result in a measured spend-down of fund balance that will enable the City to maintain current service

levels while maintaining a fund balance within policy. The figure below is a snapshot of our interactive budgeting model with these assumptions “plugged-in.” The graph on the right side of the figure shows how the unassigned fund balance stays above the policy minimum of 20% throughout the forecast, as planned.

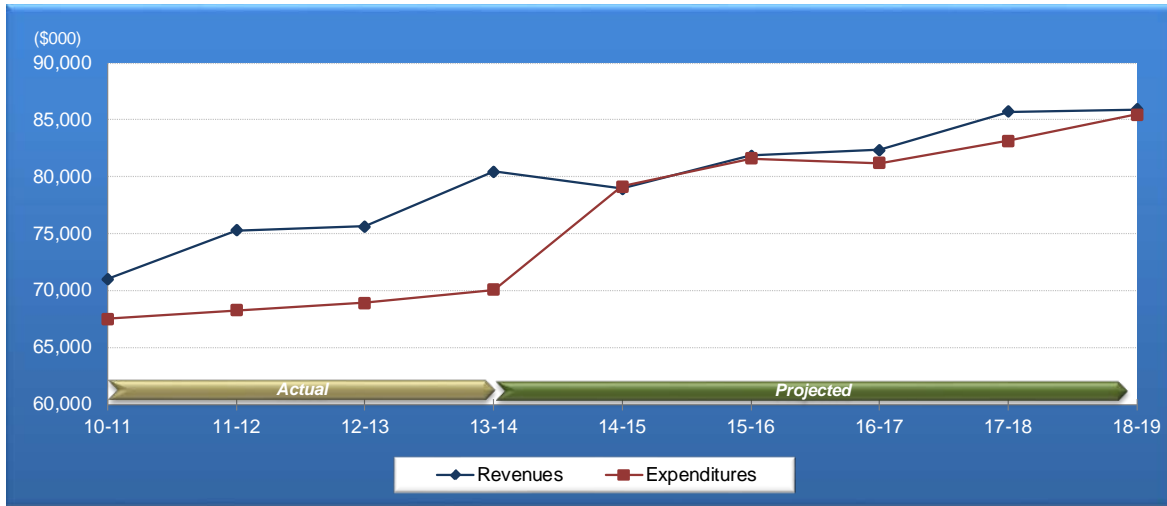


This forecast for the General Fund shows improved fund balance projections from our February forecast for the following reasons:

1. Taxable sales in FY 2013-14 were slightly above what was projected in February and continue to track very closely and slightly above forecast.
2. Sales tax audits in FY 2013-14 were approximately \$2 million greater than expected.
3. Transient Lodging (Bed) Tax revenues in FY 2013-14 were \$500,000 above budget.
4. Building, planning & engineering permit fees are being collected faster than anticipated, mostly due to very aggressive building schedules of current developments. FY 2013-14 development-related revenues were \$2.4 million above budget.
5. Court fines, fees & forfeitures in FY 2013-14 were \$1.4 million above budget.
6. Revenues from cultural & recreational fees were \$800,000 above budget last year.
7. Departments continue to exercise restraint and underspend their budgets wherever possible.

Items #2 and #4 above contributed greatly to the larger fund balance at the end of fiscal year 2013-14, but are assumed to be non-recurring, for the most part. The other factors have contributed to slightly improved revenue forecasts going forward.

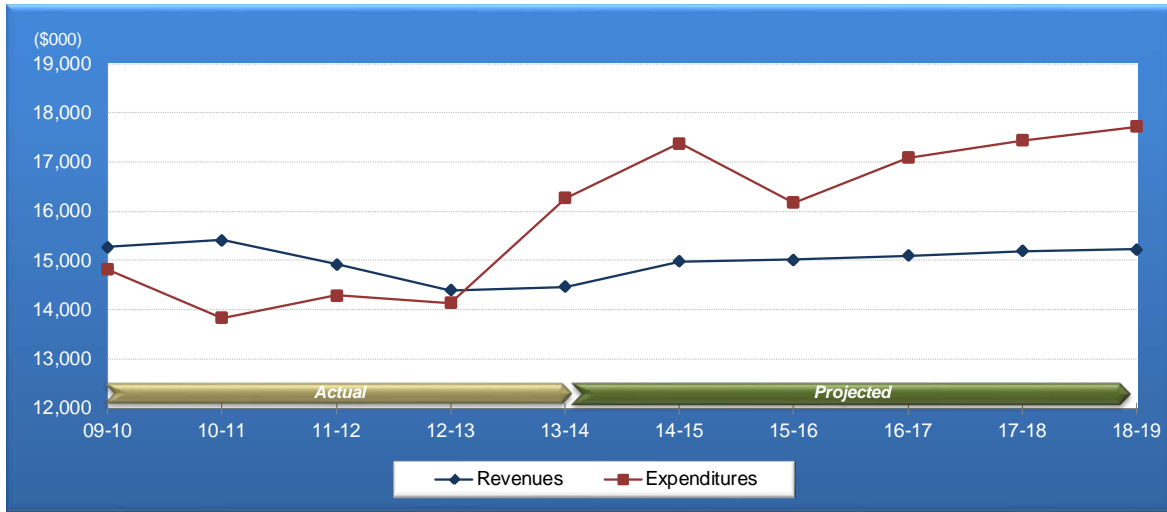
Water/Wastewater Enterprise Fund



| | 09/10 Actual | 10/11 Actual | 11/12 Actual | 12/13 Actual | 13/14 Projected | 14/15 Projected | 15/16 Projected | 16/17 Projected | 17/18 Projected | 18/19 Projected |
|--|-----------------|-----------------|-----------------|-----------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenues (\$000) | | | | | | | | | | |
| Charges for Service-Water | 32,813 | 35,796 | 40,242 | 42,304 | 45,499 | 47,612 | 49,958 | 50,057 | 52,525 | 52,629 |
| Charges for Service-Wastewater | 27,512 | 33,322 | 32,277 | 31,941 | 32,682 | 30,440 | 31,045 | 31,107 | 31,724 | 31,788 |
| Interest Income | 789 | 562 | 267 | 228 | 237 | 308 | 732 | 1,070 | 1,325 | 1,363 |
| Land and Facility Rental | 520 | 509 | 520 | 520 | 520 | 520 | - | - | - | - |
| Other Miscellaneous Revenue | 105 | 787 | 1,979 | 662 | 1,507 | 70 | 132 | 110 | 127 | 127 |
| Total Revenues | 61,781 | 70,998 | 75,284 | 75,655 | 80,444 | 78,950 | 81,866 | 82,343 | 85,702 | 85,908 |
| Expenditures (\$000) | | | | | | | | | | |
| Personnel Costs | 17,686 | 14,241 | 14,588 | 15,559 | 15,624 | 14,552 | 14,843 | 15,049 | 15,272 | 15,545 |
| Materials and Supplies | 3,799 | 4,038 | 4,660 | 4,962 | 3,757 | 6,161 | 6,353 | 5,908 | 6,005 | 6,104 |
| Fees and Services | 12,497 | 13,260 | 12,103 | 11,009 | 12,100 | 14,029 | 14,717 | 15,115 | 15,510 | 15,915 |
| Travel and Training | 122 | 92 | 76 | 52 | 52 | 173 | 175 | 178 | 181 | 184 |
| Debt Service | 28,940 | 31,995 | 32,694 | 33,199 | 33,991 | 34,634 | 36,242 | 37,758 | 38,959 | 40,236 |
| Transfers to CIP | 448 | 436 | 430 | 223 | 214 | 2,836 | 3,398 | 1,082 | 902 | 981 |
| Internal Service Charges | 2,215 | 1,575 | 1,724 | 1,812 | 2,066 | 3,325 | 3,399 | 3,511 | 3,641 | 3,751 |
| Indirect Cost Allocations | 2,146 | 1,853 | 1,985 | 2,104 | 2,239 | 2,450 | 2,504 | 2,587 | 2,682 | 2,764 |
| Contingency | - | - | - | - | - | 1,000 | - | - | - | - |
| Total Expenditures | 67,853 | 67,491 | 68,260 | 68,920 | 70,044 | 79,158 | 81,630 | 81,189 | 83,150 | 85,480 |
| Net Operating Surplus/(Deficit) | (6,072) | 3,507 | 7,024 | 6,735 | 10,400 | (208) | 236 | 1,154 | 2,551 | 427 |
| Unassigned Fund Balance | | | | 54,006 | 64,406 | 64,199 | 64,435 | 65,589 | 68,140 | 68,567 |
| Unassigned Fund Balance as a % of Revenue | | | | 71% | 80% | 81% | 79% | 80% | 80% | 80% |

The Water/Wastewater Fund is stable. The forecast assumes continued rate studies to update the approved rate modification plan. The most recent rate increases were significantly lower than what had been projected in the plan.

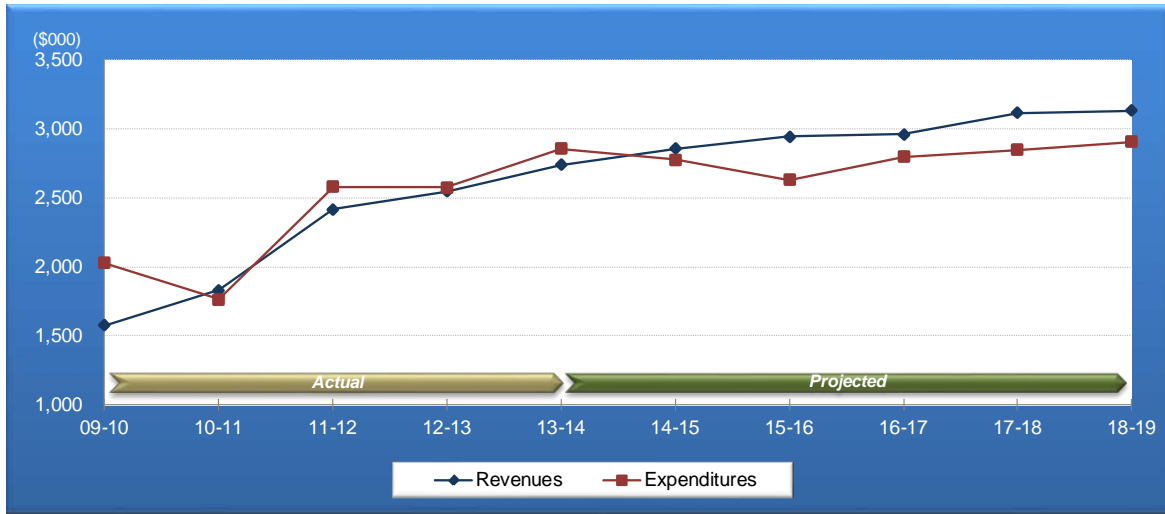
Solid Waste Enterprise Fund



| | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 | 16/17 | 17/18 | 18/19 |
|--|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Actual | Actual | Actual | Actual | Projected | Projected | Projected | Projected | Projected | Projected |
| Revenues (\$000) | | | | | | | | | | |
| Charges for Services | 14,958 | 15,157 | 14,866 | 14,447 | 14,400 | 14,796 | 14,826 | 14,856 | 14,886 | 14,915 |
| Interest Income | 67 | 47 | 35 | 27 | 18 | 25 | 24 | 26 | 2 | 0 |
| Other Revenue Sources | 251 | 212 | 26 | (81) | 43 | 166 | 166 | 215 | 307 | 307 |
| Total Revenues | 15,275 | 15,416 | 14,927 | 14,394 | 14,461 | 14,987 | 15,016 | 15,096 | 15,194 | 15,222 |
| Expenditures (\$000) | | | | | | | | | | |
| Personnel Costs | 5,602 | 5,327 | 5,260 | 5,571 | 5,508 | 5,401 | 5,509 | 5,585 | 5,668 | 5,769 |
| Materials and Supplies | 93 | 172 | 170 | 219 | 180 | 216 | 220 | 223 | 227 | 231 |
| Fees and Services | 3,252 | 3,502 | 3,487 | 3,639 | 3,743 | 3,485 | 3,491 | 3,496 | 3,503 | 3,510 |
| Travel and Training | 3 | 10 | 40 | 4 | 3 | 24 | 24 | 24 | 25 | 25 |
| Capital Outlay | 2,046 | 1,149 | 1,243 | 312 | 2,285 | 3,081 | 1,650 | 2,307 | 2,374 | 2,374 |
| Internal Service/Adjustments | 3,035 | 2,569 | 2,931 | 2,992 | 3,220 | 3,973 | 4,061 | 4,196 | 4,350 | 4,483 |
| Indirect Cost Allocations | 0 | 350 | 807 | 866 | 953 | 996 | 1,018 | 1,051 | 1,090 | 1,123 |
| Transfers | 782 | 752 | 350 | 541 | 371 | 202 | 202 | 202 | 202 | 202 |
| Total Expenditures | 14,812 | 13,832 | 14,287 | 14,143 | 16,264 | 17,377 | 16,174 | 17,085 | 17,438 | 17,717 |
| Net Operating Surplus/(Deficit) | 463 | 1,584 | 640 | 251 | (1,803) | (2,390) | (1,158) | (1,988) | (2,244) | (2,495) |
| Ending Fund Balance | | | | 7,424 | 5,621 | 3,231 | 2,073 | 85 | (2,159) | (4,654) |
| Fund Balance as a % of Revenue | | | | 52% | 39% | 22% | 14% | 1% | -14% | -31% |

The forecast for the Solid Waste Enterprise Fund does not assume any rate modifications during the forecast period. Public Works management has been implementing efficiency measures to reduce the cost of operations and is now performing a rate analysis. A rate modification plan will be developed and presented to the City Council for consideration and possible implementation in 2015-16. Increased costs beginning in 2013-14 represent cash purchases of vehicles and equipment that had been delayed during the economic downturn.

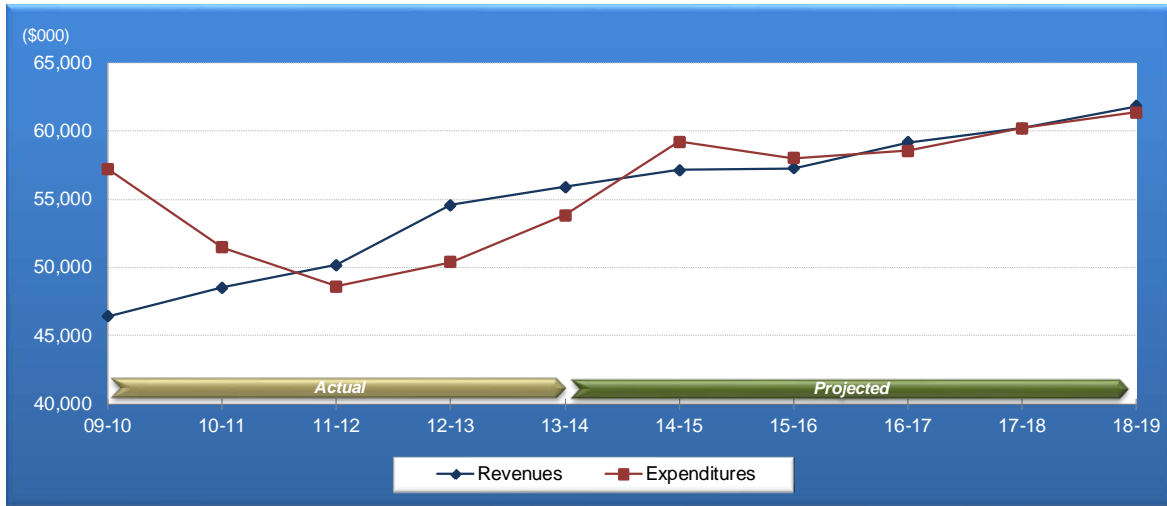
Golf Enterprise Fund



| | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 | 16/17 | 17/18 | 18/19 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Actual | Actual | Actual | Actual | Projected | Projected | Projected | Projected | Projected | Projected |
| Revenues (\$000) | | | | | | | | | | |
| Greens Fees | 1,370 | 1,397 | 1,509 | 1,600 | 1,809 | 1,859 | 1,921 | 1,930 | 2,050 | 2,061 |
| Pro Shop/Restaurant | 204 | 165 | - | - | - | - | - | - | - | - |
| Rental Charges | - | - | 581 | 645 | 639 | 660 | 740 | 743 | 775 | 779 |
| Range Fees | - | - | 173 | 189 | 191 | 210 | 211 | 214 | 216 | 218 |
| Interest Income | 1 | - | (2) | (1) | (1) | - | - | - | - | - |
| Other Revenue Sources | 3 | 270 | 155 | 114 | 103 | 128 | 74 | 74 | 74 | 74 |
| Total Revenues | 1,578 | 1,833 | 2,417 | 2,548 | 2,741 | 2,856 | 2,945 | 2,962 | 3,115 | 3,131 |
| Expenditures (\$000) | | | | | | | | | | |
| Personnel Costs | 1,115 | 727 | 852 | 689 | 738 | 751 | 766 | 779 | 790 | 804 |
| Materials and Supplies | 198 | 227 | 451 | 555 | 499 | 485 | 493 | 500 | 509 | 518 |
| Fees and Services | 448 | 455 | 923 | 937 | 969 | 1,064 | 885 | 902 | 921 | 943 |
| Capital Outlay | 8 | 111 | 137 | 121 | 181 | 179 | 180 | 180 | 180 | 180 |
| Internal Service Charges | 132 | 115 | 151 | 160 | 322 | 161 | 165 | 170 | 177 | 182 |
| Indirect Cost Allocations | 126 | 129 | 66 | 115 | 150 | 139 | 142 | 146 | 152 | 156 |
| Transfers | - | - | - | - | - | - | - | 122 | 122 | 122 |
| Total Expenditures | 2,027 | 1,765 | 2,580 | 2,578 | 2,858 | 2,779 | 2,630 | 2,800 | 2,851 | 2,906 |
| Net Operating Surplus/(Deficit) | (449) | 68 | (163) | (30) | (118) | 77 | 315 | 162 | 265 | 225 |
| Ending Fund Balance | | | | (697) | (815) | (738) | (423) | (260) | 5 | 230 |
| Fund Balance as a % of Revenue | | | | -27% | -30% | -26% | -14% | -9% | 0% | 7% |

The Golf Enterprise Fund continues to generate increased revenues and is projected to perform slightly better than break-even in the remaining years of the forecast. Planned improvements to the irrigation system at the Rolling Hills Golf Course could further stabilize the fund.

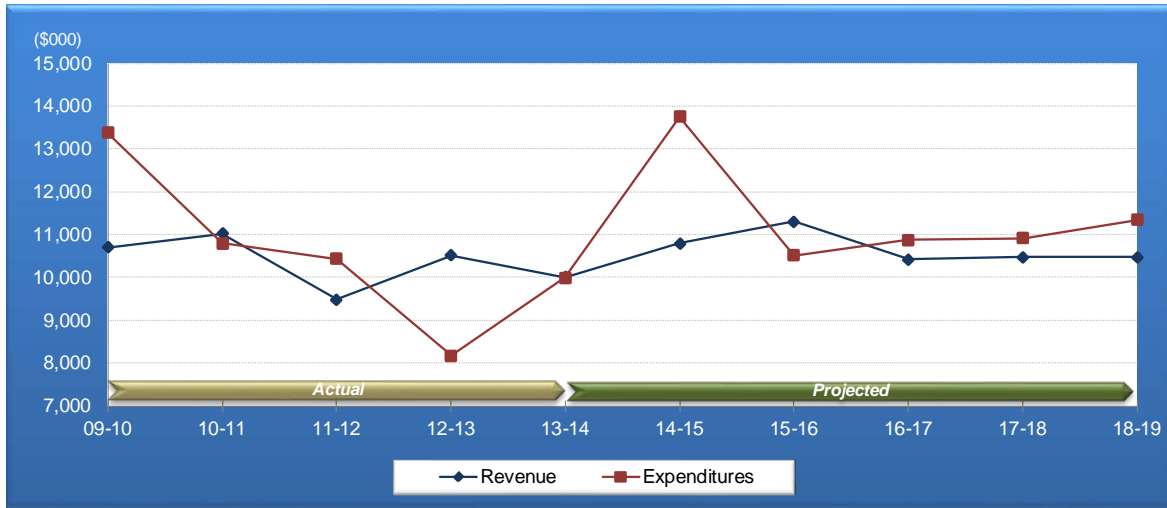
Transit Special Revenue Fund



| | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 | 16/17 | 17/18 | 18/19 |
|--|-----------------|----------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|
| | Actual | Actual | Actual | Actual | Projected | Projected | Projected | Projected | Projected | Projected |
| Revenues (\$000) | | | | | | | | | | |
| Transit Tax | 27,891 | 29,012 | 30,172 | 30,087 | 33,539 | 33,346 | 34,791 | 35,751 | 36,883 | 38,130 |
| LTAF II | 184 | - | 475 | 476 | 477 | 476 | 476 | 476 | 476 | 476 |
| ASU-Flash Transit | 721 | 856 | 874 | 814 | 820 | 903 | 919 | 936 | 952 | 969 |
| Interest Income | 404 | 430 | 339 | 178 | 102 | 148 | 314 | 445 | 553 | 554 |
| Light-Rail Fares | 2,603 | 2,972 | 3,521 | 3,814 | 3,603 | 3,847 | 4,231 | 4,746 | 4,335 | 4,465 |
| Out of Jurisdiction Svc Revenue | 10,473 | 8,923 | 7,960 | 7,357 | - | - | - | - | - | - |
| EVBOB Maint & Fuel (RPTA) | - | - | - | 182 | 6,236 | 6,652 | 6,313 | 6,433 | 6,549 | 6,667 |
| PTF Funding | 2,241 | 2,003 | 2,270 | 2,166 | 2,274 | 2,849 | 2,809 | 2,945 | 3,007 | 3,086 |
| Bus Fares | - | - | - | - | 4,992 | 4,867 | 4,877 | 4,887 | 4,897 | 4,906 |
| Miscellaneous Revenue | 1,891 | 4,336 | 4,570 | 9,523 | 3,875 | 4,065 | 2,545 | 2,568 | 2,581 | 2,594 |
| Total Revenues | 46,408 | 48,533 | 50,180 | 54,596 | 55,919 | 57,153 | 57,275 | 59,186 | 60,234 | 61,847 |
| Expenditures (\$000) | | | | | | | | | | |
| Personnel Costs | 4,027 | 2,869 | 2,681 | 2,911 | 3,030 | 2,300 | 2,346 | 2,378 | 2,413 | 2,457 |
| Materials and Supplies | 3,670 | 3,680 | 3,944 | 3,805 | 4,561 | 4,714 | 4,552 | 4,500 | 4,537 | 4,663 |
| Fees and Services | 42,892 | 38,643 | 35,391 | 37,407 | 36,755 | 40,183 | 41,059 | 42,496 | 44,901 | 45,880 |
| Travel and Training | 11 | 8 | 3 | 6 | 3 | 15 | 15 | 16 | 16 | 16 |
| Capital Outlay | 61 | 17 | 49 | 214 | 168 | 72 | 285 | 52 | 53 | 54 |
| Debt Service | 5,186 | 5,275 | 5,313 | 4,247 | 4,668 | 4,663 | 4,658 | 4,659 | 4,658 | 4,657 |
| Internal Svc Charges/Adjmts | 751 | 340 | 248 | 280 | 220 | 984 | 1,006 | 1,040 | 1,080 | 1,110 |
| Contingency | - | - | - | - | - | 108 | 110 | 112 | 178 | 188 |
| Indirect Cost Allocations | 656 | 633 | 617 | 560 | 698 | 810 | 828 | 860 | 890 | 920 |
| New Transit Tax CIP Funding | - | - | 367 | 959 | 3,760 | 5,390 | 3,173 | 2,459 | 1,486 | 1,444 |
| Total Operating Expenditures | 57,255 | 51,464 | 48,613 | 50,389 | 53,862 | 59,239 | 58,033 | 58,572 | 60,212 | 61,388 |
| Net Operating Surplus/(Deficit) | (10,847) | (2,931) | 1,567 | 4,207 | 2,057 | (2,087) | (758) | 614 | 22 | 459 |
| Fund Balance Assigned for Debt Retirement | | | | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | - |
| Unassigned Fund Balance | | | | 27,571 | 29,628 | 27,541 | 26,783 | 27,397 | 27,418 | 27,877 |
| Unassigned Fund Balance as a % of Revenue | | | | 50% | 53% | 48% | 47% | 46% | 46% | 45% |

The Transit Fund receives the majority of its funding from the dedicated .5% Transit Tax. The fund has stabilized since the dip in sales tax revenue during the downturn in the economy. The fund balance is very healthy. Projected costs for operating the proposed modern streetcar are included in the forecast. No expenditures are included for construction of the streetcar project.

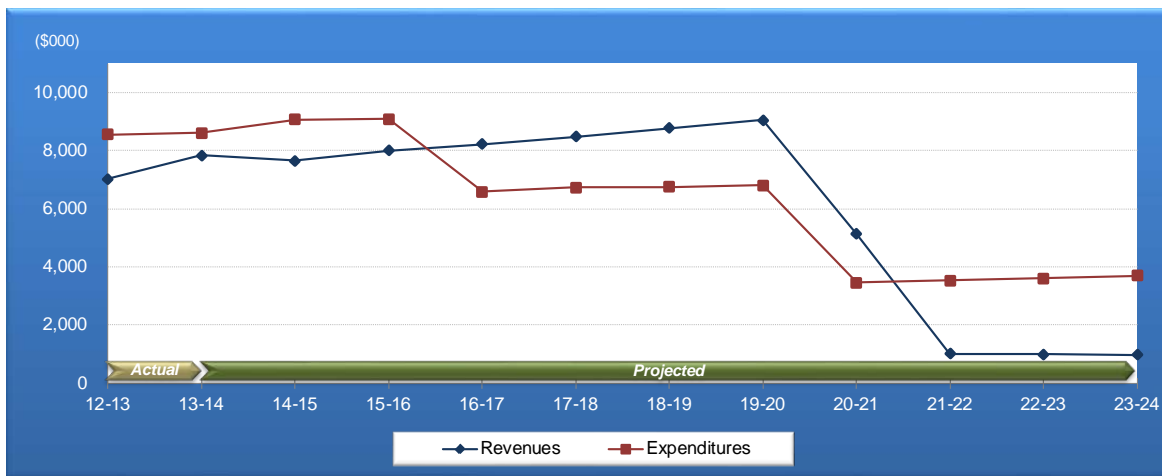
Transportation (HURF) Special Revenue Fund



| | 09/10 Actual | 10/11 Actual | 11/12 Actual | 12/13 Actual | 13/14 Projected | 14/15 Projected | 15/16 Projected | 16/17 Projected | 17/18 Projected | 18/19 Projected |
|--|-----------------|-----------------|-----------------|-----------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Revenues (\$000) | | | | | | | | | | |
| Highway User Revenue Tax | 9,422 | 9,503 | 8,098 | 8,856 | 9,125 | 9,630 | 10,145 | 9,248 | 9,269 | 9,269 |
| Miscellaneous | 516 | 420 | 682 | 479 | 257 | 138 | 123 | 145 | 170 | 173 |
| Maintenance of Effort Transfer | 761 | 1,096 | 701 | 1,177 | 626 | 1,030 | 1,030 | 1,030 | 1,030 | 1,030 |
| Total Revenues | 10,700 | 11,020 | 9,481 | 10,512 | 10,009 | 10,798 | 11,298 | 10,423 | 10,469 | 10,472 |
| Expenditures (\$000) | | | | | | | | | | |
| Personnel Costs | 5,245 | 3,176 | 3,048 | 3,554 | 3,910 | 4,602 | 4,694 | 4,759 | 4,830 | 4,916 |
| Materials and Supplies | 465 | 367 | 424 | 457 | 580 | 770 | 783 | 794 | 808 | 824 |
| Fees and Services | 2,065 | 2,105 | 1,892 | 1,936 | 2,058 | 2,367 | 2,406 | 2,442 | 2,483 | 2,532 |
| Travel and Training | 17 | 7 | 10 | 12 | 8 | 19 | 20 | 20 | 20 | 21 |
| Capital Outlay | 549 | 236 | 107 | 77 | 227 | 778 | 336 | 518 | 362 | 576 |
| Debt Service | 2,770 | 2,770 | 1,550 | 500 | - | - | - | - | - | - |
| CIP Pay as you go | - | - | - | - | 1,427 | 3,277 | 300 | 300 | 300 | 300 |
| Loan Repayment | 310 | 310 | 3 | 3 | 3 | 5 | 5 | 5 | 5 | 5 |
| Internal Service Charges | 1,035 | 974 | 2,758 | 983 | 1,016 | 1,062 | 1,086 | 1,122 | 1,163 | 1,199 |
| Indirect Cost Allocations | 927 | 854 | 641 | 654 | 758 | 876 | 880 | 909 | 943 | 971 |
| Total Expenditures | 13,383 | 10,800 | 10,433 | 8,177 | 9,987 | 13,757 | 10,508 | 10,869 | 10,914 | 11,342 |
| Net Operating Surplus/(Deficit) | (2,683) | 220 | (952) | 2,335 | 22 | (2,958) | 790 | (446) | (445) | (870) |
| Ending Fund Balance | | | | 8,120 | 8,142 | 5,184 | 5,973 | 5,527 | 5,082 | 4,212 |
| Fund Balance as a % of Revenue | | | | 77% | 81% | 48% | 53% | 53% | 49% | 40% |

The Transportation Fund receives the large majority of its funding from State-shared Highway User Revenue Funds (HURF). The City uses the money to fund street improvements. After sweeping over \$6.8 million from the City's distribution from 2004 through 2014, the Legislature has partially restored the annual sweeps.

Performing Arts Special Revenue Fund



| | 12/13 | 13/14 | 14/15 | 15/16 | 16/17 | 17/18 | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | 23/24 |
|--|----------------|--------------|----------------|----------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|----------------|
| | Actual | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected | Projected |
| Revenues (\$000) | | | | | | | | | | | | |
| Performing Arts Tax | 6,237 | 6,922 | 6,912 | 7,255 | 7,455 | 7,691 | 7,951 | 8,157 | 4,178 | - | - | - |
| Facility Revenue | 772 | 905 | 720 | 743 | 766 | 789 | 812 | 837 | 862 | 888 | 914 | 942 |
| Interest Income | 15 | 8 | 10 | - | - | - | 9 | 52 | 85 | 109 | 72 | 34 |
| Total Revenues | 7,024 | 7,835 | 7,642 | 7,998 | 8,221 | 8,480 | 8,773 | 9,046 | 5,125 | 996 | 986 | 976 |
| Expenditures (\$000) | | | | | | | | | | | | |
| Personnel Costs | 1,671 | 1,811 | 1,856 | 1,893 | 1,919 | 1,948 | 1,982 | 2,016 | 2,049 | 2,083 | 2,118 | 2,154 |
| Materials and Supplies | 108 | 112 | 112 | 166 | 115 | 192 | 151 | 123 | 126 | 128 | 131 | 133 |
| Fees and Services | 469 | 509 | 599 | 614 | 628 | 644 | 661 | 678 | 696 | 714 | 733 | 752 |
| Travel and Other | 0 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Debt Service | 5,925 | 5,928 | 5,927 | 5,922 | 3,428 | 3,429 | 3,428 | 3,434 | - | - | - | - |
| Internal Service Charges | 257 | 247 | 471 | 481 | 497 | 515 | 531 | 552 | 574 | 597 | 621 | 646 |
| Total Expenditures | 8,548 | 8,606 | 9,065 | 9,077 | 6,588 | 6,729 | 6,755 | 6,805 | 3,447 | 3,525 | 3,605 | 3,687 |
| Net Operating Surplus/(Deficit) | (1,523) | (771) | (1,422) | (1,078) | 1,632 | 1,751 | 2,018 | 2,241 | 1,678 | (2,528) | (2,618) | (2,711) |
| Ending Fund Balance | 1,461 | 690 | (732) | (1,811) | (178) | 1,573 | 3,590 | 5,832 | 7,510 | 4,981 | 2,363 | (348) |
| Fund Balance as a % of Revenue | 21% | 9% | -10% | -23% | -2% | 19% | 41% | 64% | 147% | 500% | 240% | -36% |

Approximately 90% of the revenue in the Performing Arts Fund is derived from the City's .1% Arts Sales Tax. The rest is received from users of the Tempe Center for the Arts (TCA).

Revenues are not sufficient to cover current expenditures and the fund balance is expected to be depleted this fiscal year. A cumulative deficit of approximately \$1.8 million is expected to build through 2015-16, when half of the debt issued to build the TCA will be retired, resulting in a reduced annual debt service cost of \$2.5 million. At that point, the annual surplus will grow to approximately \$2.2 million by December 2020, when the Arts Tax expires and the remaining debt is retired. The ongoing structural deficit after 2020 is projected to be approximately \$2.5 million.

Community Services management continues to explore opportunities for the Performing Arts Fund to ensure stability after 2020.

| Forecast Growth Rates - October 16, 2014 | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenues | FY 14/15 | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 |
| Taxable Sales Growth | 5.1% | 3.8% | 2.8% | 3.2% | 3.4% |
| General Fund Sales Tax Revenue | -11.6% | 3.3% | 2.8% | 3.2% | 3.4% |
| Total Sales Tax Rate | 1.8% | 1.8% | 1.8% | 1.8% | 1.8% |
| General Fund | 1.2% | 1.2% | 1.2% | 1.2% | 1.2% |
| Transit Fund | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% |
| Performing Arts Fund | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% |
| Primary Property Tax Levy Growth | 5.0% | 3.9% | 4.1% | 4.1% | 4.1% |
| Bed Tax Taxable Sales Growth | -4.3% | 14.9% | 3.4% | 3.3% | 3.2% |
| Bed Tax Rate | 5.0% | 5.0% | 5.0% | 5.0% | 5.0% |
| City Population Growth | 0.2% | 0.2% | 0.2% | 0.2% | 0.2% |
| State Population Growth | 1.4% | 1.7% | 1.9% | 2.0% | 2.0% |
| State Shared Income Tax Growth | 8.6% | 0.8% | -2.5% | 4.0% | 4.6% |
| State Shared Sales Tax Growth | 3.8% | 2.4% | 0.6% | 5.8% | 5.8% |
| State Vehicle License Tax Growth | -5.5% | 3.6% | 4.6% | 3.4% | 3.4% |
| Building and Trades Growth | -44.5% | -22.8% | 1.5% | 1.7% | 2.0% |
| Cultural and Recreational Growth | -13.0% | 1.8% | 1.7% | 1.9% | 2.2% |
| Fees, Fines, Forfeitures Growth | -3.0% | 1.8% | 1.7% | 1.9% | 2.2% |
| Business Licenses Growth | -3.9% | -2.1% | 1.5% | 1.7% | 2.0% |
| Expenditures | | | | | |
| | FY 14/15 | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 |
| Salary Growth | 2.7% | 2.2% | 3.3% | 3.7% | 3.0% |
| FICA (% of payroll) | 7.7% | 7.7% | 7.7% | 7.7% | 7.7% |
| State Retirement (% of payroll) | 11.6% | 11.7% | 11.7% | 11.8% | 11.8% |
| Police Retirement (% of payroll) | 35.1% | 37.4% | 39.5% | 40.1% | 40.1% |
| Fire Retirement (% of payroll) | 38.8% | 41.7% | 44.1% | 44.7% | 44.7% |
| Health, Dental, Life Actives | 7.5% | 7.5% | 7.5% | 7.5% | 7.5% |
| Health, Dental, Life Retirees | 8.0% | 8.0% | 8.0% | 8.0% | 6.0% |
| Mediflex Growth | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Other Fringe Benefits Growth | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| General Inflation | 1.7% | 1.7% | 1.5% | 1.7% | 2.0% |
| Electricity Inflation | 3.3% | 3.3% | 3.3% | 3.3% | 3.3% |
| Water Inflation | 0.0% | 5.0% | 0.0% | 5.0% | 0.0% |
| Sewer Inflation | 0.0% | 2.0% | 0.0% | 2.0% | 0.0% |
| Gasoline Inflation | -4.3% | -3.6% | -1.3% | 0.8% | 2.8% |

City Council Issue Review Session October 16, 2014

Preliminary

Long-range Financial Forecast

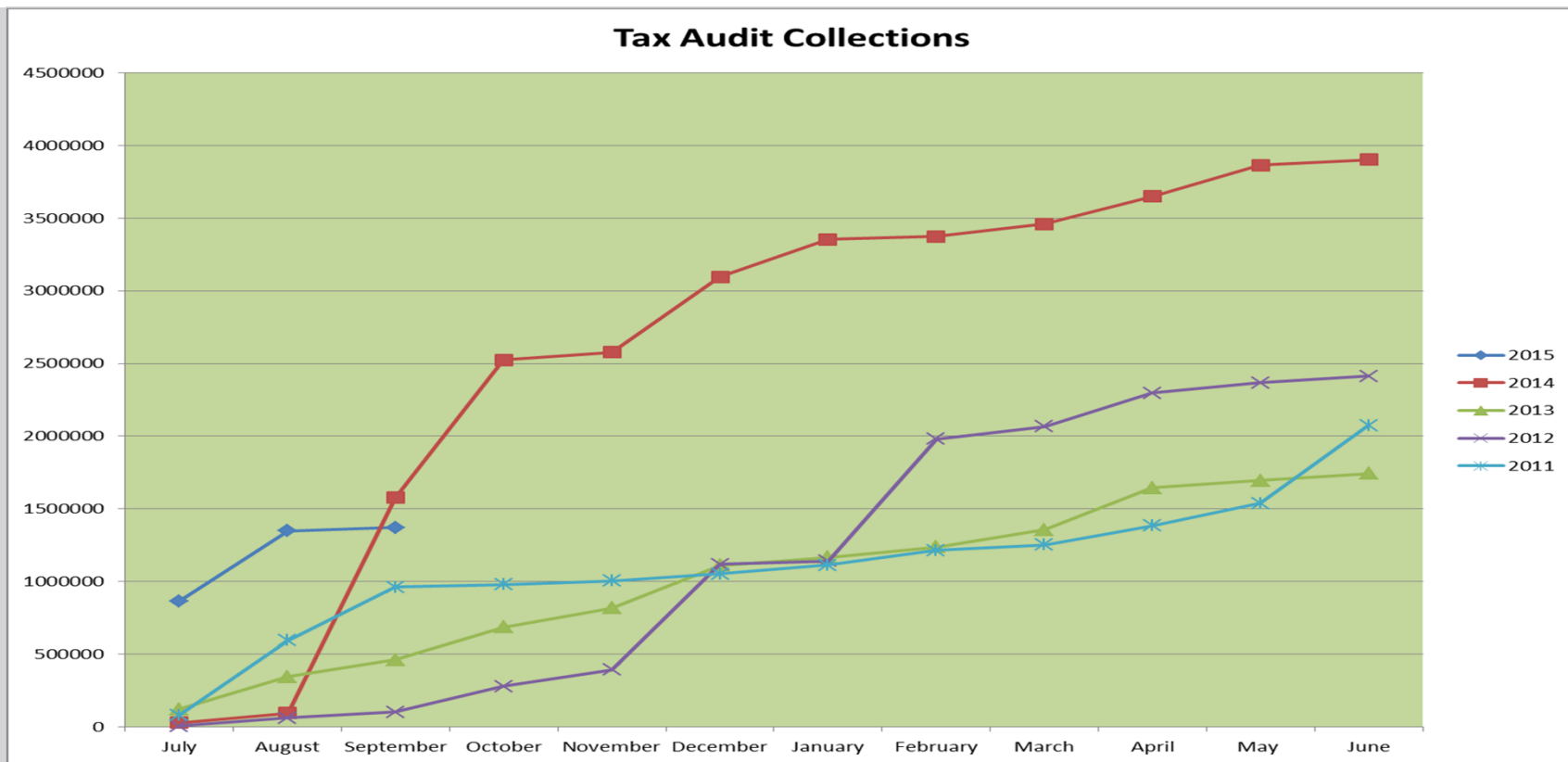
Purpose of the Preliminary Update

- To review past year's financial performance compared to budget/forecast
- To adapt financial strategies to current conditions
- To discuss early budget priorities

Issues Impacting the Forecast

- Expiration of the temporary sales tax
- Significant building permit revenue earlier than anticipated
- Significant revenue from sales tax audits

2013-14 Tax Audit Collections



Deviations from Previous 2013-14 General Fund Forecast

- City Sales Tax **+\$1.95 mil**
- Bed Tax **+\$0.5 mil**
- Bldg., Planning & Engineering Fees **+\$2.4 mil**
- Court Fines, Fees & Forfeitures **+\$1.4 mil**
- Cultural & Recreational Fees **+\$0.8 million**

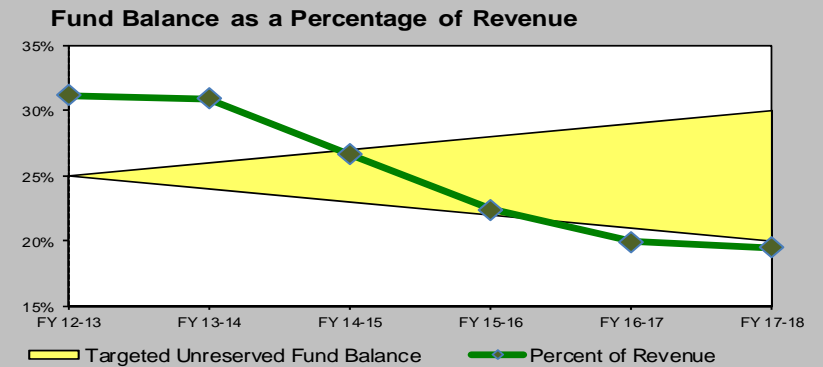
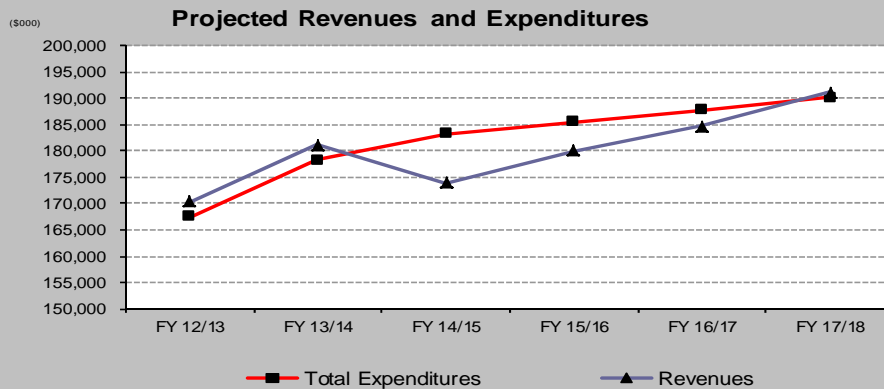
Issues Excluded From the Forecast

- Potential recessionary trends
- Any negative impacts from State budget balancing

Other Forecast Assumptions

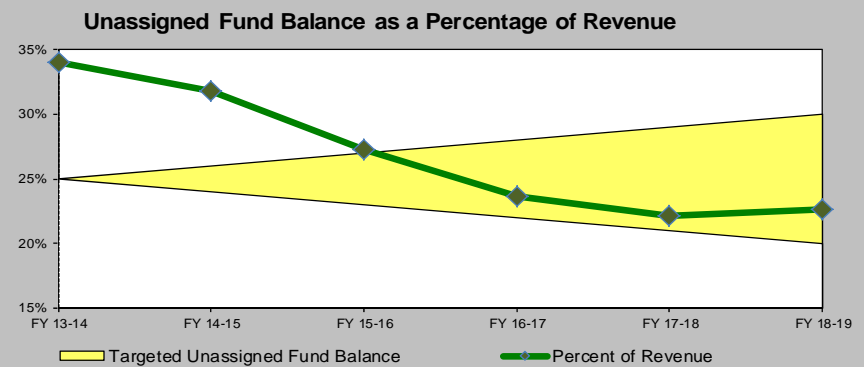
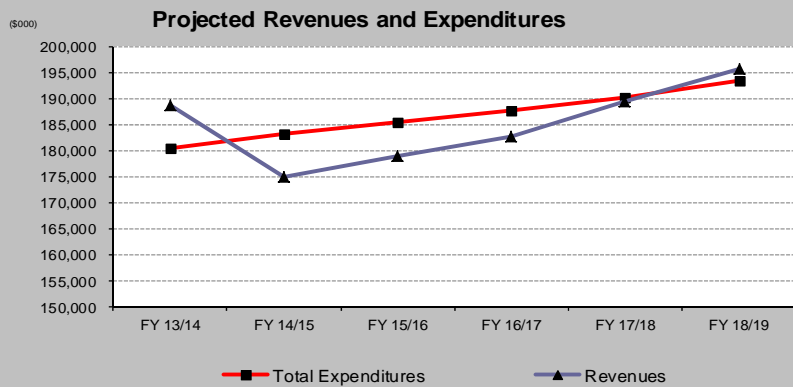
- Continued moderate economic growth
- Restricted, but improved, compensation growth
- Constant number of positions
- No net program/service growth or reduction
- Continued full funding of post-employment benefits
- (Detailed economic assumptions provided)

General Fund Outlook in February 2014



| <i>Expressed in thousands (\$000)</i> | FY 12/13 Actual | FY 13/14 Projected | FY 14/15 Projected | FY 15/16 Projected | FY 16/17 Projected | FY 17/18 Projected |
|--|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenues | 170,445 | 181,138 | 173,978 | 180,028 | 184,663 | 191,151 |
| Total Expenditures | 167,483 | 178,282 | 183,256 | 185,509 | 187,767 | 190,144 |
| Surplus (Deficit) | 2,962 | 2,856 | (9,278) | (5,480) | (3,105) | 1,007 |
| Recurring Personnel Cost Increases | | | 1.2% | 1.2% | 1.2% | 1.2% |
| One-time Personnel Costs (bonus) | | | 0.4% | 0.4% | 0.2% | 0.2% |
| Change in Number of Positions | | - | - | - | - | - |
| Recurring Adjustments to Non-personnel Costs | | - | - | - | - | - |
| CIP "PAYGO" % of GF Revenue | | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% |
| Unassigned Fund Balance | 53,162 | 56,018 | 46,304 | 40,374 | 36,808 | 37,337 |
| % of Revenue | 31% | 31% | 27% | 22% | 20% | 20% |

Updated General Fund Outlook

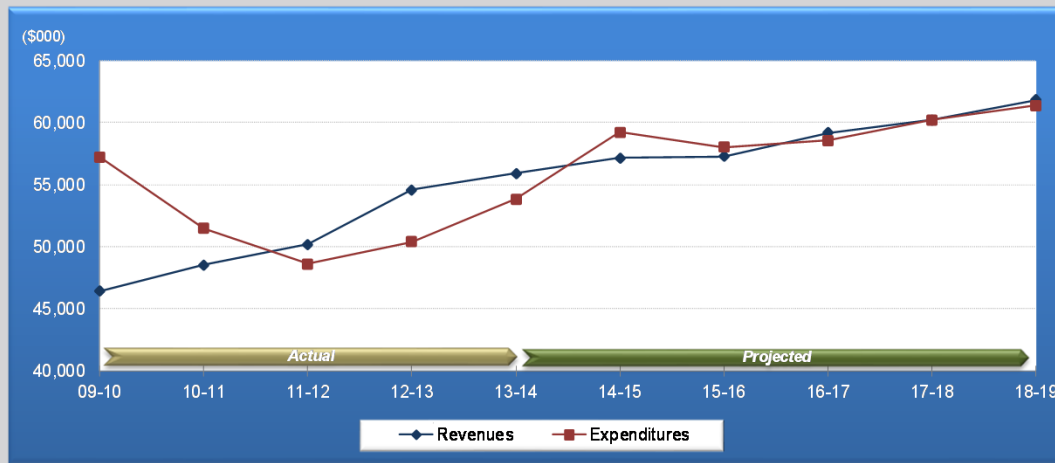


| Expressed in thousands (\$000) | FY 13/14 | FY 14/15 | FY 15/16 | FY 16/17 | FY 17/18 | FY 18/19 |
|--|----------|-----------|-----------|-----------|-----------|-----------|
| | Actual | Projected | Projected | Projected | Projected | Projected |
| Revenues | 188,780 | 174,925 | 179,029 | 182,721 | 189,325 | 195,785 |
| Total Expenditures | 180,477 | 183,127 | 185,413 | 187,806 | 190,146 | 193,434 |
| Surplus (Deficit) | 8,304 | (8,202) | (6,384) | (5,085) | (821) | 2,351 |
| Recurring Personnel Cost Increases | | | 1.3% | 1.4% | 1.5% | 2.0% |
| One-time Personnel Costs (bonus) | | | 0.7% | 0.7% | 0.7% | 0.5% |
| Change in Number of Positions | | - | - | - | - | - |
| Recurring Adjustments to Non-personnel Costs | | - | - | - | - | - |
| One-time Adjustments to Non-personnel Costs | | - | - | - | - | - |
| CIP "PAYGO" % of GF Revenue | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% |
| Unassigned Fund Balance | 64,218 | 55,579 | 48,748 | 43,205 | 41,911 | 44,262 |
| % of Revenue | 34% | 32% | 27% | 24% | 22% | 23% |

Questions / Comments?

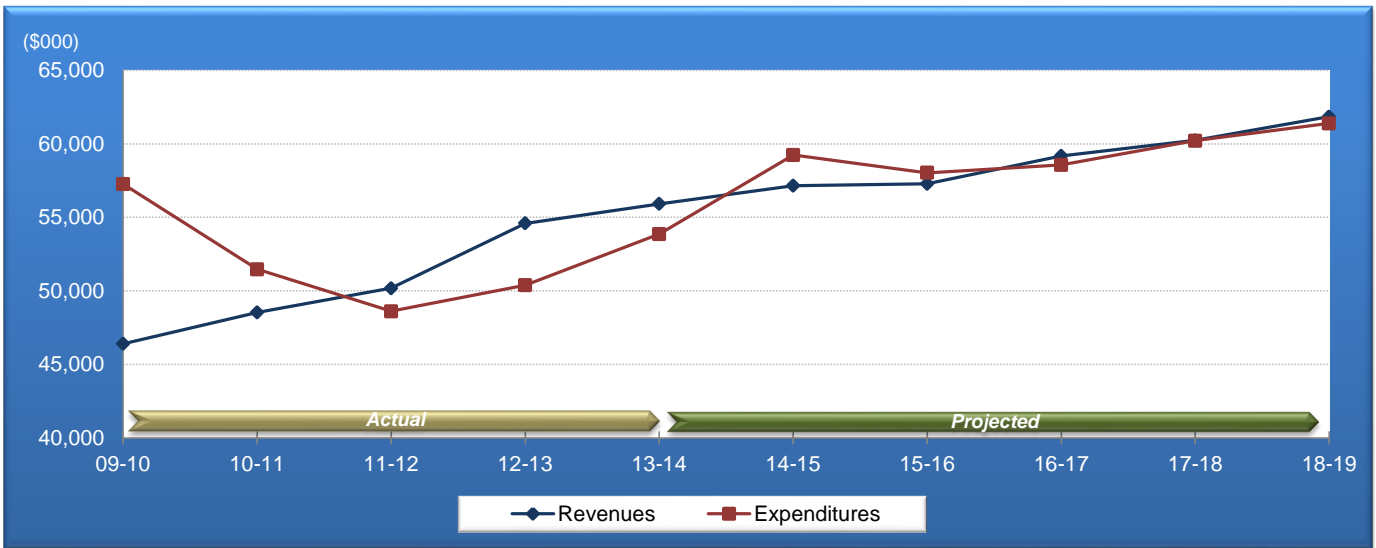
- Early budget priorities?
- Recommended changes to financial strategies?

Transit Fund: Projected Revenues and Expenditures: October 16, 2014



| | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 | 16/17 | 17/18 | 18/19 |
|--|----------|---------|--------|--------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Actual | Actual | Actual | Actual | Projected | Projected | Projected | Projected | Projected | Projected |
| Total Revenues | 46,408 | 48,533 | 50,180 | 54,596 | 55,919 | 57,153 | 57,275 | 59,186 | 60,234 | 61,847 |
| Total Operating Expenditures | 57,255 | 51,464 | 48,613 | 50,389 | 53,862 | 59,239 | 58,033 | 58,572 | 60,212 | 61,388 |
| Net Operating Surplus/(Deficit) | (10,847) | (2,931) | 1,567 | 4,207 | 2,057 | (2,087) | (758) | 614 | 22 | 459 |
| Fund Balance Assigned for Debt Retirement | | | | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | - |
| Unassigned Fund Balance | | | | 27,571 | 29,628 | 27,541 | 26,783 | 27,397 | 27,418 | 27,877 |
| Unassigned Fund Balance as a % of Revenue | | | | 50% | 53% | 48% | 47% | 46% | 46% | 45% |

Transit Fund: Projected Revenues and Expenditures: October 16, 2014



| | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 | 15/16 | 16/17 | 17/18 | 18/19 |
|--|-----------------|----------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|
| | Actual | Actual | Actual | Actual | Projected | Projected | Projected | Projected | Projected | Projected |
| Revenues (\$000) | | | | | | | | | | |
| Transit Tax | 27,891 | 29,012 | 30,172 | 30,087 | 33,539 | 33,346 | 34,791 | 35,751 | 36,883 | 38,130 |
| LTA II | 184 | - | 475 | 476 | 477 | 476 | 476 | 476 | 476 | 476 |
| ASU-Flash Transit | 721 | 856 | 874 | 814 | 820 | 903 | 919 | 936 | 952 | 969 |
| Interest Income | 404 | 430 | 339 | 178 | 102 | 148 | 314 | 445 | 553 | 554 |
| Light-Rail Fares | 2,603 | 2,972 | 3,521 | 3,814 | 3,603 | 3,847 | 4,231 | 4,746 | 4,335 | 4,465 |
| Out of Jurisdiction Svc Revenue | 10,473 | 8,923 | 7,960 | 7,357 | - | - | - | - | - | - |
| EVBOB Maint & Fuel (RPTA) | - | - | - | 182 | 6,236 | 6,652 | 6,313 | 6,433 | 6,549 | 6,667 |
| PTF Funding | 2,241 | 2,003 | 2,270 | 2,166 | 2,274 | 2,849 | 2,809 | 2,945 | 3,007 | 3,086 |
| Bus Fares | - | - | - | - | 4,992 | 4,867 | 4,877 | 4,887 | 4,897 | 4,906 |
| Miscellaneous Revenue | 1,891 | 4,336 | 4,570 | 9,523 | 3,875 | 4,065 | 2,545 | 2,568 | 2,581 | 2,594 |
| Total Revenues | 46,408 | 48,533 | 50,180 | 54,596 | 55,919 | 57,153 | 57,275 | 59,186 | 60,234 | 61,847 |
| Expenditures (\$000) | | | | | | | | | | |
| Personnel Costs | 4,027 | 2,869 | 2,681 | 2,911 | 3,030 | 2,300 | 2,346 | 2,378 | 2,413 | 2,457 |
| Materials and Supplies | 3,670 | 3,680 | 3,944 | 3,805 | 4,561 | 4,714 | 4,552 | 4,500 | 4,537 | 4,663 |
| Fees and Services | 42,892 | 38,643 | 35,391 | 37,407 | 36,755 | 40,183 | 41,059 | 42,496 | 44,901 | 45,880 |
| Travel and Training | 11 | 8 | 3 | 6 | 3 | 15 | 15 | 16 | 16 | 16 |
| Capital Outlay | 61 | 17 | 49 | 214 | 168 | 72 | 285 | 52 | 53 | 54 |
| Debt Service | 5,186 | 5,275 | 5,313 | 4,247 | 4,668 | 4,663 | 4,658 | 4,659 | 4,658 | 4,657 |
| Internal Svc Charges/Adjmts | 751 | 340 | 248 | 280 | 220 | 984 | 1,006 | 1,040 | 1,080 | 1,110 |
| Contingency | - | - | - | - | - | 108 | 110 | 112 | 178 | 188 |
| Indirect Cost Allocations | 656 | 633 | 617 | 560 | 698 | 810 | 828 | 860 | 890 | 920 |
| New Transit Tax CIP Funding | - | - | 367 | 959 | 3,760 | 5,390 | 3,173 | 2,459 | 1,486 | 1,444 |
| Total Operating Expenditures | 57,255 | 51,464 | 48,613 | 50,389 | 53,862 | 59,239 | 58,033 | 58,572 | 60,212 | 61,388 |
| Net Operating Surplus/(Deficit) | (10,847) | (2,931) | 1,567 | 4,207 | 2,057 | (2,087) | (758) | 614 | 22 | 459 |
| Fund Balance Assigned for Debt Retirement | | | | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | 8,500 | - |
| Unassigned Fund Balance | | | | 27,571 | 29,628 | 27,541 | 26,783 | 27,397 | 27,418 | 27,877 |
| Unassigned Fund Balance as a % of Revenue | | | | 50% | 53% | 48% | 47% | 46% | 46% | 45% |

CITY OF TEMPE
Transportation Commission
STAFF REPORT



AGENDA ITEM 6

DATE

November 18, 2014

SUBJECT

Transportation CIP Requests /MAG Annual Grant Process Review

PURPOSE

The purpose of this memo is to provide an update on the Transportation CIP Projects with a specific focus on Transit related projects that staff will be submitting for the FY 2015-16 budget year as well as the types of grants available for transportation-related projects along with a list of possible projects. Staff is seeking Commission direction on prioritizing projects to apply for grant funding.

BACKGROUND

There are several grant opportunities available for transportation-related projects. These include:

- FTA Section 5310 - grant for transportation for elderly and persons with disabilities
- Transportation Investment Generating Economic Recovery (TIGER)
- Congestion Mitigation and Air Quality Program (CMAQ)
- Urbanized Area Formula Program (5307)
- Job Access Reverse Commute (JARC)
- Transportation Alternatives Program (TAP)

Numbers 1 through 23 below are projects currently in the City's Capital Improvement Project (CIP) list and their grant funding source if applicable. Numbers 24 through 28 are unfunded projects not listed in the current CIP that staff plans to submit for in the FY 2015/16 CIP process. These could be submitted for grant funding along with a suggested grant funding source.

Current CIP Projects

1. Alameda Drive & I-10 Bicycle / Pedestrian Bridge - **Federal Grant - CMAQ**
2. Broadway Road Streetscape Project - Federal Grant – CMAQ, MAG - *Safety Funds*
3. Bicycle Boulevard
4. Bus Stop Capital Maintenance
5. Bus Pullout Project
6. Bus Purchases – Fleet - **Federal Grant - 5307**
7. CNG Expansion - East Valley Bus Operations & Maintenance Facility - **Federal Grant - 5307**

8. Creamery Branch Rail Path (along 8th Street) - **Federal Grant - CMAQ**
9. El Paso Natural Gasline Easement Multiuse Path Phase III - **Federal Grant - CMAQ**
10. EVBOM - Facility Asset Maintenance (East Valley Bus Ops/Maint Facility) - **Federal Grant - 5307**
11. Hardy Drive Streetscape Project - **Federal Grant - CMAQ**
12. Highline Canal Path (Baseline – Knox Road) - **Federal Grant - CMAQ**
13. North South Rail Spur Path - **Federal Grant - CMAQ**
14. Pathway Capital Maintenance
15. Rio Salado Southbank Path Tempe – Phoenix - **Federal Grant - CMAQ**
16. Rio Salado Southbank Path Underpass at 101 & 202 Freeway Interchange - **Federal Grant - CMAQ**
17. Rio Salado Southbank Path Underpass at Priest Drive - **Federal Grant - CMAQ**
18. Tempe / Phoenix Bike Share - **Federal Grant - CMAQ**
19. Tempe Transit Center
20. Transit Passenger Facilities - Bus Stop Improvements - **Federal Grant - 5307**
21. TTC - Facility Asset Maintenance
22. Unaccounted Federal Grants Contingency - **Federal Grants**
23. University Drive Bike/Ped Improvements (Union Pacific Railroad to Priest) - **Federal Grant – CMAQ**

Unfunded/Potential CIP Projects

24. Bus Purchases - Orbit Heavy Duty 30' Alternative Fuel (**Federal Grant, PTF, Transit Fund**)
25. Bus Purchases – Orbit Light Duty 26' Unleaded/Compressed Natural Gas Fuel (Federal Grant, PTF, Transit Fund)
26. Underpass at Southbank Rio Salado Path and McClintock Drive Update
27. Artist Designed Bicycle Racks
28. Alameda Drive (48th Street to Rural Road) Streetscape
29. Tempe North South Rail Spur Path

Included as attachments are the 2014-15 Approved CIP projects for the Transit Program, Transportation and ROW Program, and the Traffic Signals and Street Lighting Program. For the Transportation and ROW Program as well as the Traffic Signals and Street Lighting Program, staff anticipate submitting similar requests as approved in FY 2014-15.

FISCAL IMPACT

Fiscal impact will be based on approved projects in the FY 2015/16 CIP.

RECOMMENDATION

This item is for information and input.

CONTACT

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shelly_seyler@tempe.gov

480-350-8854

ATTCHMENTS

2014-15 CIP Projects - Transit Program

2014-15 CIP Projects - Transportation and ROW Program

2014-15 CIP Projects - Traffic Signals and Street Lighting Program



2014-15 CIP Projects - Transit Program

| Project Name & Number | Funding Source(s) | Capital Budget Re-appropriations | New 2014-15 Appropriation Request | 2014-15 Total Requested Appropriation | Additional Projected Needs | | | | Total 5-Year Program |
|---|----------------------|-------------------------------------|---|---|----------------------------|-----------|-----------|---------|-------------------------|
| | | | | | 2015-16 | 2016-17 | 2017-18 | 2018-19 | |
| Alameda Drive & I-10 Bicycle / Pedestrian Bridge: NA | | | | | | | | | |
| | Transit Tax | - | - | - | 103,000 | - | 48,400 | - | 151,400 |
| | Federal Grant - CMAQ | - | - | - | - | - | 1,200,000 | - | 1,200,000 |
| | Project Total | - | - | - | 103,000 | - | 1,248,400 | - | 1,351,400 |
| Bicycle Boulevard: NA | | | | | | | | | |
| | Transit Tax | - | - | - | 100,000 | 100,000 | 100,000 | 100,000 | 400,000 |
| Broadway Road Streetscape Project: 6003059 | | | | | | | | | |
| | Transit Tax | 527,883 | 1,294,330 | 1,822,213 | - | - | - | - | 1,822,213 |
| | Federal Grant - CMAQ | - | 3,857,670 | 3,857,670 | - | - | - | - | 3,857,670 |
| | MAG - Safety Funds | - | 705,000 | 705,000 | - | - | - | - | 705,000 |
| | Project Total | 527,883 | 5,857,000 | 6,384,883 | - | - | - | - | 6,384,883 |
| Bus Stop Capital Maintenance: 6005239 | | | | | | | | | |
| | Transit Tax | 1,140,108 | 620,806 | 1,760,914 | 638,867 | 657,453 | 400,000 | 400,000 | 3,857,234 |
| City of Tempe Bus Pullout Project: 6006764 | | | | | | | | | |
| | Transit Tax | 630,161 | - | 630,161 | - | - | - | - | 630,161 |
| City of Tempe Bus Purchases - Fleet: 6006752 | | | | | | | | | |
| | Transit Tax | 125,000 | - | 125,000 | - | - | - | - | 125,000 |
| | Federal Grant - 5307 | 500,000 | - | 500,000 | - | - | - | - | 500,000 |
| | Project Total | 625,000 | - | 625,000 | - | - | - | - | 625,000 |
| CNG Expansion - East Valley Bus Operations & Maintenance Facility: 6005809 | | | | | | | | | |
| | Transit Tax | 473,457 | - | 473,457 | - | - | - | - | 473,457 |
| | Federal Grant - 5307 | - | 1,054,100 | 1,054,100 | - | - | - | - | 1,054,100 |
| | Project Total | 473,457 | 1,054,100 | 1,527,557 | - | - | - | - | 1,527,557 |
| Creamery Branch Rail Path (along 8th Street): 6007139 | | | | | | | | | |
| | Transit Tax | - | 206,000 | 206,000 | - | 126,979 | - | - | 332,979 |
| | Federal Grant - CMAQ | - | - | - | - | 1,379,021 | - | - | 1,379,021 |
| | Project Total | - | 206,000 | 206,000 | - | 1,506,000 | - | - | 1,712,000 |
| El Paso Natural Gasline Easement Multi-use Path Phase III: 6006069 | | | | | | | | | |
| | Transit Tax | 147,947 | 75,400 | 223,347 | - | - | - | - | 223,347 |
| | Federal Grant - CMAQ | - | 1,323,000 | 1,323,000 | - | - | - | - | 1,323,000 |
| | Project Total | 147,947 | 1,398,400 | 1,546,347 | - | - | - | - | 1,546,347 |
| EVBOM - Facility Asset Maintenance (East Valley Bus Ops/Maint Facility): 6006089 | | | | | | | | | |
| | Transit Tax | 696,793 | 350,000 | 1,046,793 | 239,000 | 239,000 | 239,000 | 239,000 | 2,002,793 |
| | Federal Grant - 5307 | - | 250,000 | 250,000 | - | - | - | - | 250,000 |
| | Project Total | 696,793 | 600,000 | 1,296,793 | 239,000 | 239,000 | 239,000 | 239,000 | 2,252,793 |
| Hardy Drive Streetscape Project: 6004379 | | | | | | | | | |
| | Transit Tax | 13,669 | 374,376 | 388,045 | - | - | - | - | 388,045 |
| | Federal Grant - CMAQ | 1,142,591 | 655,624 | 1,798,215 | - | - | - | - | 1,798,215 |
| | Project Total | 1,156,260 | 1,030,000 | 2,186,260 | - | - | - | - | 2,186,260 |

2014-15 CIP Projects - Transit Program (continued)

| Project Name & Number | Funding Source(s) | Capital Budget Re-appropriations | New 2014-15 Appropriation Request | 2014-15 Total Requested Appropriation | Additional Projected Needs | | | | Total 5-Year Program |
|---|----------------------|-------------------------------------|---|---|----------------------------|------------------|------------------|------------------|-------------------------|
| | | | | | 2015-16 | 2016-17 | 2017-18 | 2018-19 | |
| Highline Canal Path (Baseline - Knox Road): 6006079 | Transit Tax | 200,000 | - | 200,000 | 1,144,339 | 644,044 | - | - | 1,988,383 |
| | Federal Grant - CMAQ | - | 67,000 | 67,000 | 1,366,661 | 1,866,956 | - | - | 3,300,617 |
| | Project Total | 200,000 | 67,000 | 267,000 | 2,511,000 | 2,511,000 | - | - | 5,289,000 |
| North South Rail Spur Path: 6007089 | Transit Tax | - | 347,000 | 347,000 | - | - | - | - | 347,000 |
| | Federal Grant - CMAQ | - | 65,000 | 65,000 | - | - | - | - | 65,000 |
| | Project Total | - | 412,000 | 412,000 | - | - | - | - | 412,000 |
| Pathway Capital Maintenance: 6005249 | Transit Tax | 401,812 | 550,000 | 951,812 | 250,000 | 250,000 | 250,000 | 250,000 | 1,951,812 |
| Rio Salado Southbank Path Tempe - Phoenix: 6004139 | Transit Tax | 695,180 | 460,000 | 1,155,180 | - | - | - | - | 1,155,180 |
| | Federal Grant - CMAQ | 961,861 | - | 961,861 | - | - | - | - | 961,861 |
| | Project Total | 1,657,041 | 460,000 | 2,117,041 | - | - | - | - | 2,117,041 |
| Rio Salado Southbank Path Underpass at 101 & 202 Freeway Interchange: 6004319 | Transit Tax | 996,279 | - | 996,279 | - | - | - | - | 996,279 |
| Rio Salado Southbank Path Underpass at Priest Drive: 6007189 | Transit Tax | - | 206,000 | 206,000 | 79,604 | - | - | - | 285,604 |
| | Federal Grant - CMAQ | - | - | - | 1,165,396 | - | - | - | 1,165,396 |
| | Project Total | - | 206,000 | 206,000 | 1,245,000 | - | - | - | 1,451,000 |
| Tempe / Phoenix Bike Share: 6007199 | Transit Tax | - | 350,000 | 350,000 | 201,300 | - | - | - | 551,300 |
| | Federal Grant - CMAQ | - | - | - | 750,000 | - | - | - | 750,000 |
| | Project Total | - | 350,000 | 350,000 | 951,300 | - | - | - | 1,301,300 |
| Tempe Transit Center: 6006762 | Transit Tax | 258,491 | - | 258,491 | - | - | - | - | 258,491 |
| Transit Passenger Facilities - Bus Stop Improvements: 6003579 | Transit Tax | 249,114 | 190,600 | 439,714 | 202,640 | 227,720 | 234,142 | 240,726 | 1,344,942 |
| | Federal Grant - 5307 | - | 100,000 | 100,000 | - | - | - | - | 100,000 |
| | Project Total | 249,114 | 290,600 | 539,714 | 202,640 | 227,720 | 234,142 | 240,726 | 1,444,942 |
| TTC - Facility Asset Maintenance (Transportation Center): 6006099 | Transit Tax | 200,000 | 314,000 | 514,000 | 214,000 | 214,000 | 214,000 | 214,000 | 1,370,000 |
| Unaccounted Federal Grants Contingency: 6005259 | Transit Tax | 530,428 | - | 530,428 | - | - | - | - | 530,428 |
| | Federal Grants | 1,271,714 | 850,000 | 2,121,714 | - | - | - | - | 2,121,714 |
| | Project Total | 1,802,142 | 850,000 | 2,652,142 | - | - | - | - | 2,652,142 |
| University Drive Bike/Ped Improvements (Union Pacific Railroad to Priest): 6004509 | Transit Tax | 59,964 | 51,300 | 111,264 | - | - | - | - | 111,264 |
| | Federal Grant - CMAQ | 992,023 | 848,700 | 1,840,723 | - | - | - | - | 1,840,723 |
| | Project Total | 1,051,987 | 900,000 | 1,951,987 | - | - | - | - | 1,951,987 |
| Transit Program Total | | 12,214,475 | 15,165,906 | 27,380,381 | 6,454,807 | 5,705,173 | 2,685,542 | 1,443,726 | 43,669,629 |



2014-15 CIP Projects - Transportation and R.O.W. Program

| Project Name & Number | Funding Source(s) | Capital Budget Re-appropriations | New 2014-15 Appropriation Request | 2014-15 Total Requested Appropriation | Additional Projected Needs | | | | Total 5-Year Program |
|--|-------------------------------|-------------------------------------|---|---|----------------------------|-----------|-----------|-----------|-------------------------|
| | | | | | 2015-16 | 2016-17 | 2017-18 | 2018-19 | |
| Arterial, Collector, and Residential Street Asset Preservation: 5499741 | | | | | | | | | |
| | Highway User Revenue Fund | - | 2,727,029 | 2,727,029 | - | - | - | - | 2,727,029 |
| | General Obligation Bonds | 487,029 | 1,478,948 | 1,965,977 | 3,105,877 | 5,045,767 | 5,539,995 | 6,816,995 | 22,474,610 |
| | Project Total | 487,029 | 4,205,977 | 4,693,006 | 3,105,877 | 5,045,767 | 5,539,995 | 6,816,995 | 25,201,639 |
| Bridge Maintenance: 5499898 | | | | | | | | | |
| | General Obligation Bonds | 291,538 | 200,000 | 491,538 | 200,000 | 300,000 | 300,000 | 300,000 | 1,591,538 |
| Minor Concrete Improvements: 5401419 | | | | | | | | | |
| | General Obligation Bonds | 50,501 | 200,000 | 250,501 | 200,000 | 300,000 | 300,000 | 300,000 | 1,350,501 |
| Potential Federal Grants Contingency: 5406139 | | | | | | | | | |
| | Federal Grants | 865,000 | 135,000 | 1,000,000 | - | - | - | - | 1,000,000 |
| Railroad Quiet Zone: 5401901 | | | | | | | | | |
| | Capital Projects Fund Balance | 342,153 | - | 342,153 | - | - | - | - | 342,153 |
| | Federal Grants | 700,000 | - | 700,000 | - | - | - | - | 700,000 |
| | Project Total | 1,042,153 | - | 1,042,153 | - | - | - | - | 1,042,153 |
| ROW Landscape Replacement and Revitalization: 5406149 | | | | | | | | | |
| | Highway User Revenue Fund | 100,000 | 300,000 | 400,000 | 300,000 | 300,000 | 300,000 | 300,000 | 1,600,000 |
| Transportation and R.O.W. Program Total | | 2,836,221 | 5,040,977 | 7,877,198 | 3,805,877 | 5,945,767 | 6,439,995 | 7,716,995 | 31,785,831 |



2014-15 CIP Projects - Traffic Signals and Street Lighting Program

| Project Name & Number | Funding Source(s) | Capital Budget Re-appropriations | New 2014-15 Appropriation Request | 2014-15 Total Requested Appropriation | Additional Projected Needs | | | | Total 5-Year Program |
|---|-------------------------------|-------------------------------------|---|---|----------------------------|-----------|---------|---------|-------------------------|
| | | | | | 2015-16 | 2016-17 | 2017-18 | 2018-19 | |
| East Valley Arterial Congestion | | | | | | | | | |
| Monitoring: 6907259 | | | | | | | | | |
| | General Obligation Bonds | - | 50,000 | 50,000 | 49,997 | - | - | - | 99,997 |
| | Federal Grant - CMAQ | - | - | - | 165,388 | - | - | - | 165,388 |
| | Project Total | - | 50,000 | 50,000 | 215,385 | - | - | - | 265,385 |
| Fiber Optic Installation & ITS Improv: | | | | | | | | | |
| Elliot, Guadalupe and Warner: 6906179 | | | | | | | | | |
| | Capital Projects Fund Balance | 60,000 | - | 60,000 | - | - | - | - | 60,000 |
| | General Obligation Bonds | - | - | - | 164,286 | - | - | - | 164,286 |
| | Federal Grant - CMAQ | - | - | - | 383,333 | - | - | - | 383,333 |
| | Project Total | 60,000 | - | 60,000 | 547,619 | - | - | - | 607,619 |
| Fiber Optic Installation and ITS Improv: | | | | | | | | | |
| Broadway/I-10 and Rio Salado/L101: 6906169 | | | | | | | | | |
| | Capital Projects Fund Balance | 15,000 | - | 15,000 | - | - | - | - | 15,000 |
| | General Obligation Bonds | - | - | - | 17,394 | - | - | - | 17,394 |
| | Federal Grant - CMAQ | 36,000 | - | 36,000 | 287,751 | - | - | - | 323,751 |
| | Project Total | 51,000 | - | 51,000 | 305,145 | - | - | - | 356,145 |
| Fiber Optic Installation: Rural Road | | | | | | | | | |
| North: 6907269 | | | | | | | | | |
| | Highway User Revenue Fund | - | 200,000 | 200,000 | - | - | - | - | 200,000 |
| | General Obligation Bonds | - | - | - | - | 59,455 | - | - | 59,455 |
| | Federal Grant - CMAQ | - | - | - | - | 983,626 | - | - | 983,626 |
| | Project Total | - | 200,000 | 200,000 | - | 1,043,081 | - | - | 1,243,081 |
| Fiber Optic Installation: Rural Road | | | | | | | | | |
| South: NA | | | | | | | | | |
| | General Obligation Bonds | - | - | - | 19,000 | - | 53,639 | - | 72,639 |
| | Federal Grant - CMAQ | - | - | - | - | - | 887,389 | - | 887,389 |
| | Project Total | - | - | - | 19,000 | - | 941,028 | - | 960,028 |
| HSIP Safety Program Phase 2 (Ped Timers | | | | | | | | | |
| and Preemp Cards): 6905279 | | | | | | | | | |
| | Capital Projects Fund Balance | 5,000 | - | 5,000 | - | - | - | - | 5,000 |
| | Federal Grant - HSIP | 76,800 | - | 76,800 | - | - | - | - | 76,800 |
| | Project Total | 81,800 | - | 81,800 | - | - | - | - | 81,800 |
| HSIP Safety Program Phase 3 - 5: | | | | | | | | | |
| 6906199 | | | | | | | | | |
| | Capital Projects Fund Balance | 10,000 | - | 10,000 | - | - | - | - | 10,000 |
| | General Obligation Bonds | - | 34,130 | 34,130 | - | - | - | - | 34,130 |
| | Federal Grant - HSIP | 106,917 | 213,834 | 320,751 | - | - | - | - | 320,751 |
| | Project Total | 116,917 | 247,964 | 364,881 | - | - | - | - | 364,881 |
| New Signals/Safety Upgrades: 6906209 | | | | | | | | | |
| | Highway User Revenue Fund | 130,000 | 50,000 | 180,000 | - | - | - | - | 180,000 |
| | Developer Assistance | 180,000 | - | 180,000 | - | - | - | - | 180,000 |
| | Project Total | 310,000 | 50,000 | 360,000 | - | - | - | - | 360,000 |
| Street Light Pole Structural | | | | | | | | | |
| Replacement: 6999849 | | | | | | | | | |
| | General Obligation Bonds | - | 250,000 | 250,000 | 250,000 | 300,000 | 300,000 | 300,000 | 1,400,000 |

2014-15 CIP Projects - Traffic Signals and Street Lighting Program (continued)

| Project Name & Number | Funding Source(s) | Capital Budget Re-appropriations | New 2014-15 Appropriation Request | 2014-15 Total Requested Appropriation | Additional Projected Needs | | | | Total 5-Year Program |
|---|-------------------------------|-------------------------------------|---|---|----------------------------|------------------|------------------|----------------|-------------------------|
| | | | | | 2015-16 | 2016-17 | 2017-18 | 2018-19 | |
| Street Light Upgrade / New Install: 6999869 | General Obligation Bonds | - | 250,000 | 250,000 | 250,000 | 300,000 | 300,000 | 300,000 | 1,400,000 |
| Traffic Control Cabinets and Hardware Replacement: 6905709 | Capital Projects Fund Balance | 43,890 | - | 43,890 | - | - | - | - | 43,890 |
| | Federal Grant - CMAQ | 726,110 | - | 726,110 | - | - | - | - | 726,110 |
| | Project Total | 770,000 | - | 770,000 | - | - | - | - | 770,000 |
| Traffic Signal Foundation: 6903389 | General Obligation Bonds | 20,027 | 75,000 | 95,027 | 75,000 | 150,000 | 150,000 | 150,000 | 620,027 |
| Traffic Signal Green Sign Face Replacement: 6906229 | General Obligation Bonds | 68,773 | 50,000 | 118,773 | 50,000 | 100,000 | 100,000 | 100,000 | 468,773 |
| Traffic Signals and Street Lighting Program Total | | 1,478,517 | 1,172,964 | 2,651,481 | 1,712,149 | 1,893,081 | 1,791,028 | 850,000 | 8,897,739 |

STAFF REPORT

AGENDA ITEM 8

DATE

November 18, 2014

SUBJECT

Future Agenda Items

PURPOSE

The Chair will request future agenda items from the commission members.

BACKGROUND

The following future agenda items have been previously identified by the Commission or staff:

- Bus Unification (December)
- Proposed Short Term Improvements for I-10/I-17 (December)
- TIM Market Research Results (December)
- 8th Street Streetscape Project (December)
- North South Railroad Spur Multi-use Path Update (December)
- Chair and Vice Chair Elections (January)
- Streetcar (January)
- Orbit Saturn (January)
- BikeShare (January)
- 2015/16 Media Buy (February)
- Bike Hero (February)
- City Budget Long-Range Forecast Update (Operating) & CIP follow-up (March)
- CIP Discussion (April)
- Orbit Saturn (April)
- MAG Pedestrian Design Assistance Grants (May)
- City Tentative Fiscal Year 2015-16 Operating Budget (June)
- MAG Congestion Mitigation and Air Quality Program (CMAQ ITS) (June)
- Orbit Saturn & Larger Orbit buses (October)

FISCAL IMPACT

None

RECOMMENDATION

This item is for information only.

CONTACT

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ATTACHMENTS: City Annual Budget Planning Process and MAG Annual Grant Process

City Annual Budget Planning Process

| Council/Public Input Dates | Topic | Transportation Commission Input/Info. Dates | Action Requested by Transportation Commission |
|-----------------------------------|--|--|--|
| August | Issue Review Session – Budget Strategy Update | n/a | |
| October | Issue Review Session – Long-Range Forecast Presentation | November | Commission provided a copy of the long-range forecast. |
| November | Committee of the Whole – Budget Discussion Follow-up | n/a | |
| Early February | Issue Review Session – Introduction of CIP Requests | December | Staff requests that the Commission review and provide input regarding Transportation CIP requests. |
| Mid-February | Public Meeting(s) – Budget (Operating and Capital Budgets) | n/a | |
| Late February | Issue Review Session – Long-Range Forecast Update (Operating) & CIP follow-up | March | Commission provided with an update on Operating and CIP discussion. |
| Mid-March | Issue Review Session- CIP Discussion | April | Commission provided with an update on the CIP discussion. |
| Late April | Issue Review Session – FY 2014-15 Operating Budget Review | n/a | |
| Late May: | Council considers adoption of Tentative Fiscal Year 2015-16 Operating Budget | June | Commission provided with an update on the tentative adoption. |
| Early June | Council considers adoption of Final Fiscal Year 2015-16 Operating Budget and Public hearing and adoption of the Fiscal Year 2015-16 Capital Improvements Program | n/a | |

MAG Annual Grant Process

| Timeline | Grant Type | Transportation Commission Input Dates | Action Requested by Transportation Commission |
|---|---|---------------------------------------|--|
| Annually released in Early to Mid-February and due in Early to Mid-March | FTA Section 5310 - Grant for transportation for elderly and persons with disabilities. | November | Staff requests that the commission review and provide input regarding proposed project. |
| Annually released Early March and due in late April | Transportation Investment Generating Economic Recovery (TIGER) – Federal Department of Transportation discretionary grant program. Total available funds nationwide was \$600 million for 2014. Regional projects are solicited by MAG. | November | Staff requests that the commission review and provide input regarding proposed project. |
| Annually released in late May and due in late June | MAG Pedestrian Design Assistance Grants | May & June | Staff requests that the commission review and provide input regarding proposed project. |
| FY 2015 or 2016 | Highway Safety Improvement Program (HSIP) – There is a state portion (ADOT) and a regional portion (MAG). ADOT accepts requests for state funds on a continual/ongoing basis. Selections are based on safety needs and data. MAG regional funds are currently programmed through FY 2017. | Not Applicable | Based on historical safety data, staff has already identified the intersections of Rural Road & Southern Avenue and Rural Road & University Drive as priorities for future HSIP funding. |

| | | | |
|---|---|-----------------|---|
| February 2015 | Urbanized Area Formula Program (5307) – Administered by Federal Transit Administration and pays for capital projects such as transit facilities and rolling stock. Most of the funding is committed to pay for transit improvements identified in the MAG Regional Transportation Plan. Unspent portion of the funds are offered by MAG every two years via competitive grants. | November | Staff requests that the commission review and provide input regarding proposed projects. |
| March 2015 with full solicitation, every 3 years | Congestion Mitigation and Air Quality Program (CMAQ) – Bike and Pedestrian Improvements; PM2.5; Transit; Street Sweepers. | November | Staff requests that the commission review and provide input regarding proposed project. |
| Mid-March 2016 and due Mid-April, every 2 years | Job Access Reverse Commute (JARC) – Projects that are eligible must demonstrate improved job access for low income population. | November | Staff requests that the commission review and provide input regarding proposed project. |
| August 2016 and due in mid-September, every 3 years: | Transportation Alternatives Program (TAP) - Bike and Pedestrian Projects | November | Staff requests that the commission review and provide input regarding proposed project. |
| ON HOLD Released in August and due in September | Congestion Mitigation and Air Quality Program (CMAQ ITS) are Federal fund for ITS projects. Projects are selected based on air quality scores and committee member scores. Programming is set through FY 2017. It is not known at this time how the arterial ITS program will proceed. | June | Staff requests that the commission review and provide input regarding proposed projects prior to call for projects in August. |