



# Fiscal Year 2023 Proposed Budget & Property Tax Levy

## GENERAL INFORMATION GUIDE

**Budget approval & adjustments:** As referenced in statute Mayor & Council is legally authorized to approve the City's budget. This includes any subsequent budget adjustments that may be necessary throughout the course of the fiscal year in order to ensure the continuance of service delivery to the South Tucson community.

In the months leading up to the adoption of the Tentative Budget, staff worked diligently with all departments to ensure their needs were communicated to Mayor & Council for consideration. At the same time, staff followed up on Mayor & Council's survey list of priorities, which has been updated for Fiscal Year 2023. After several meetings and discussion, staff was directed to incorporate \$409K in the Fiscal Year 2023 Tentative Budget to help address Department Needs and Council Priorities.

Please note that any department / operating needs communicated to Mayor & Council or staff after the adoption of the Fiscal Year 2023 Tentative Budget (June 22, 2022) may be considered by the Mayor & Council as a future agenda item for discussion, direction and possible budget adjustment after the adoption of the Fiscal Year 2023 Annual Budget (Final Draft, A.R.S. §§ 42-17105).

**What are the budget increases for?** As indicated in the presentation for the Fiscal Year 2023 Tentative Budget (June 22, 2022), a total of \$409K has been incorporated in the General Fund budget to address the following Department Needs and Council Priorities:

- *Roof Replacement, budget increase of \$50K*
- *Converted the Planning & Zoning Director position to Full Time, cost: \$55K (salary & benefits)*
- *Added a Full Time Economic Development position, cost: \$69K (salary & benefits)*
- *Rear Loader for Public Works, 10% down payment and an annual payment \$48.5K*
- *Police Department Uniform Personnel (Police Classified & Police Reserves), wage increase of \$2.00/hr, net cost: \$65K*
- *Adjust salaries for compression. To be applied towards Civilian positions for which the \$1.50/hr increase in FY22 was less than 9%; Cost: \$27.8K*
- *Allocation of \$70.8K for 3% Merits for all qualifying Civilian and Fire Department Personnel (Fire Classified & Fire Reserves).*

**Total General Fund Budget for FY2023: \$6,298,110.00**

The increase in Restricted budget can be attributed mostly to Housing Capital Fund Projects and Transportation Improvement Projects with RTA. A significant increase has also been included in the HURF budget (fund 235) to assist with streetlight repairs, signage and potholes. **Total Restricted Budget for FY2023: \$8,215,063.00**

**Please see the "Implementation Table" for more details and page references to the budget.**

**Primary Property Tax:** Levy limits are calculated and provided by the State of Arizona Department of Revenue. Communication is also received from Pima County and overseen by the State of Arizona Property Tax Oversight Commission.

The primary rate of \$0.2338 is the constitutional levy limit for the City of South Tucson in Fiscal Year 2023 and collections are estimated to come in at \$59,192 for the entire city. The constitutional levy limit for the City of South Tucson was \$0.2370 per \$100 valuation in Fiscal Year 2022 and collections were estimated at \$58,889.



## GENERAL INFORMATION GUIDE (cont...)

### Statutory requirements complied with:

<b>State Statute</b>	<b>Item</b>	<b>Completed</b>	<b>Date of Completion</b>
None	Deliver proposed budget for city council for review (required any time before adoption of tentative)	X	FY2022 budget levels leading up to FY2023 Baseline Budget were discussed prior to April.
A.R.S. §§ 42-17101	Adopt Tentative Budget	X	June 22, 2022
A.R.S. §§ 42-17105	Post Tentative Budget on website for 60 months	X	After adoption June 22, 2022
A.R.S. §§ 42-17103	Publish Tentative Budget once a week for two consecutive weeks,	X	Published 6/24/2022 and 7/1/2022
A.R.S. §§ 42-17105	Hold Public Hearing & Final Budget adoption	X	Accomplished with this item – meeting 7/5/2022
A.R.S. §§ 42-17105	Post entire final budget on website for 60 months	Pending	To be completed upon adoption

### List of Council Meetings held to discuss city finance and budget:

All agendas and minutes can be found on the city's website: [www.southtucsonaz.gov](http://www.southtucsonaz.gov)

3/15/2022

STUDY SESSION: GENERAL FUND – OVERVIEW (RECAP) & FY2023 BASELINE BUDGET (PRELIMINARY)

4/19/2022

STUDY SESSION: GENERAL FUND – FY2023 BASELINE BUDGET (PRELIMINARY) & DEPARTMENT NEEDS UPDATE

5/3/2022

DISCUSSION AND POSSIBLE DIRECTION: GENERAL FUND – FY2023 BASELINE BUDGET (PRELIMINARY), MAYOR AND COUNCIL PRIORITIES & DEPARTMENT NEEDS

5/31/2022

STUDY SESSION, DISCUSSION & DIRECTION: FISCAL YEAR 2022-2023 GENERAL FUND & RESTRICTED BUDGET OVERVIEW

6/7/2022

STUDY SESSION, DISCUSSION & DIRECTION: FISCAL YEAR 2022-2023 GENERAL FUND & RESTRICTED BUDGET OVERVIEW

6/22/2022

RESOLUTION NO. 22-09 OF THE MAYOR AND COUNCIL OF THE CITY OF SOUTH TUCSON, ARIZONA, FOR THE ADOPTION OF THE TENTATIVE BUDGET OF THE CITY OF SOUTH TUCSON FOR THE 2022-2023 FISCAL YEAR, ADOPTING THE ESTIMATED AMOUNTS REQUIRED TO MEET THE PUBLIC EXPENSES FOR THE FISCAL YEAR 2022-2023, AUTHORIZING AND DIRECTING PUBLICATION OF THE STATEMENTS AND SCHEDULES OF THE TENTATIVE BUDGET

Please note: this list does not include Housing Board items

City of South Tucson Council Meeting

Tuesday, June 7, 2022

UPDATED FOR MEETING: 06/22/2022

AGENDA ITEM

Discussion & Possible Direction: Fiscal Year 2022-2023 General Fund & Restricted Budget Overview

**SCENARIO 2 / OPTIONS - BREAKDOWN SHEET**

Option Line No.	Description	Cost of Implementation	Scenario 2	Notes
	FY2023 Baseline Budget Deficit		(518,554.22)	
	Dedicate ARPA Resources to Public Safety		477,174.12	Fund 358, Year 1 (1/2 of first disb.)
			(41,380.10)	
	Dip into Fund Balance \$41.8 K		41,380.10	
	<i>FY2023 Baseline Budget Net Position (after option implementation)</i>		-	

**Mayor & Council Priorities**

	Contingency, GL# 100-5600-750-500 on 5/3/2022		367,399.00	
Various adjustments:				
	Personnel Expense Transfer from HURF to General Fund		(28,000.00)	
	Increase in State Shared Revenue (Auto Lieu / Veh Lic)		19,639.00	
	Medical Insurance Net Savings		1,997.59	
	Pima County Animal Care - IGA Cost Suspended		92,661.89	
	<b>Contingency, GL# 100-5600-750-500</b>	<b>UPDATED</b>	<b>453,697.48</b>	

1	Roof & A/C	50,000.00	(50,000.00)	To increase budget capacity for upcoming project. <b>GL Account No. 100-5500-710-430 Improvements</b>
2	20 x Knox Boxes for Elderly Residential Homes	10,000.00	(10,000.00)	This is based on an average/approx. cost of \$500 per box. Installation not included. <b>GL Account No. 100-5600-750-500 Contingency</b>
3	Planning & Zoning Director to Full Time	55,000.00	(55,000.00)	This is the cost for 1,705.6 hours; currently budgetted is the Part Time Director position at \$21.6K for 374.4 hours. Annual salary = \$55K <b>GL Account No. 100-1700-510-XXX Sal/Ben</b>
4	Full Time Economic Development Position	69,000.00	(69,000.00)	Annual Salary = \$48.9K <b>GL Account No. 100-1700-510-XXX Sal/Ben</b>
5	Rear Loader - Public Works	71,474.52	(71,474.52)	Cost through state contract \$230K for Diesel; Financed with 10% down payment at 4.5% for 5 years, approx. annual payment = \$48.5K / year (\$4K per month). <b>\$23K GL Account No. 100-5600-750-500 Contingency</b> <b>\$48.5K GL Account No. 100--6000-620-570 Equipment Lease</b>
	<i>Contingency - Roll Forward Ending Balance</i>		198,222.96	

**Department Needs**

**Option# 6-9 included in: GL Account No. 100-5600-510-116 Employee Benefits - Adjustments**

6	Police Dept. \$2.00/Hr Increase	132,964.00	(132,964.00)	The average of the increase = 9%
7	PD Savings from FT Position (FY21)	(67,750.00)	67,750.00	
8	To adjust for Civilian Compression	27,828.48	(27,828.48)	For those who received less than a 9% increase from the \$1.50/hr in FY22
9	3% Merits to Civilians & Fire Dept	70,804.00	(70,804.00)	
	<i>Contingency - Roll Forward Ending Balance</i>		34,376.48	

**CITY OF SOUTH TUCSON**  
**Summary Schedule of Estimated Revenues and Expenditures/Expenses**  
**Fiscal Year 2023**

Fiscal Year	S c h	Description	FUNDS										Total All Funds		
			General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Permanent Fund	Enterprise Funds Available	Internal Service Funds						
2022	E 1	Adopted/Adjusted Budgeted Expenditures/Expenses*	6,149,494	5,983,455	0	2,285,000	0	0	0	0	0	0	0	0	14,417,948
2022	E 2	Actual Expenditures/Expenses**	5,466,004	3,072,803	0	0	0	0	0	0	0	0	0	0	8,538,807
2023	B 3	Fund Balance/Net Position at July 1***	1,541,940	999,360											2,541,299
2023	B 4	Primary Property Tax Levy	59,192												59,192
2023	B 5	Secondary Property Tax Levy	0												0
2023	C 6	Estimated Revenues Other than Property Taxes	6,197,307	5,625,724	0	2,275,000	0	0	0	0	0	0	0	0	14,098,031
2023	D 7	Other Financing Sources	0	0	0	0	0	0	0	0	0	0	0	0	0
2023	D 8	Other Financing (Uses)	0	0	0	0	0	0	0	0	0	0	0	0	0
2023	D 9	Interfund Transfers In	0	0	0	0	0	0	0	0	0	0	0	0	0
2023	D 10	Interfund Transfers (Out)	0	0	0	0	0	0	0	0	0	0	0	0	0
2023	D 11	Line 11: Reduction for Fund Balance Reserved for Future Budget Year Expenditures													
LESS: Maintained for Future Debt Retirement															0
Maintained for Future Capital Projects															0
Maintained for Future Financial Stability			1,500,560	663,021											2,163,581
2023	E 12	Total Financial Resources Available	6,297,879	5,962,063	0	2,275,000	0	0	0	0	0	0	0	0	14,534,942
2023	E 13	Budgeted Expenditures/Expenses	6,298,110	5,940,062	0	2,275,000	0	0	0	0	0	0	0	0	14,513,173

**EXPENDITURE LIMITATION COMPARISON**

	2022	2023
1 Budgeted expenditures/expenses	\$ 14,417,948	\$ 14,513,173
2 Add/subtract: estimated net reconciling items		
3 Budgeted expenditures/expenses adjusted for reconciling items	14,417,948	14,513,173
4 Less: estimated exclusions		
5 Amount subject to the expenditure limitation	\$ 14,417,948	\$ 14,513,173
6 EEC expenditure limitation	\$	\$

The city/town does not levy property taxes and does not have special assessment districts for which property taxes are levied. Therefore, Schedule B has been omitted.

\* Includes Expenditure/Expense Adjustments Approved in the current year from Schedule E.

\*\* Includes actual amounts as of the date the proposed budget was prepared, adjusted for estimated activity for the remainder of the fiscal year.

\*\*\* Amounts on this line represent Fund Balance/Net Position amounts except for amounts not in spendable form (e.g., prepaids and inventories) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).



**City of South Tucson**  
Tentative Budget  
Fiscal Year 2022-2023

<b>FUND NAME</b>	<b>AMOUNT</b>
<b><u>GENERAL FUND</u></b>	<b>\$6,298,110</b>
MAYOR & COUNCIL	\$41,507
CITY MANAGER	\$271,750
CITY CLERK / PERSONNEL	\$105,813
FINANCE	\$201,976
IT	\$98,861
DEVELOPMENT SERVICES	\$361,367
MAGISTRATE COURT	\$261,588
FIRE	\$1,045,884
POLICE	\$2,037,516
PUBLIC WORKS	\$141,054
NON-DEPARTMENTAL	\$1,730,794
<b><u>RESTRICTED FUNDS</u></b>	
HOUSING AUTHORITY	\$3,338,527
HURF	\$502,415
JVYC	\$113,000
PUBLIC SAFETY GRANTS	\$845,251
CDBG	\$330,294
MISC.	\$795,976
FIRE RESERVE	\$6,000
EXPLORER PROGRAM	\$8,600
CAPITAL PROJECTS	\$2,275,000
<b>TOTALS</b>	<b>\$14,513,173</b>

**NOTICE OF PUBLIC HEARING**

**NOTICE IS HEREBY GIVEN** that the City of South Tucson will conduct a public hearing by the Mayor and Common Council on Tuesday, July 5, 2021 at 6:00 p.m. at the Fernando Castro Council Chambers, 1601 S. 6th Avenue, South Tucson, AZ 85713 to discuss the Fiscal Year 2022-2023 budget. Tentative Budget document is available for public inspection at 1601 S. 6th Avenue, Monday through Friday between 8:00 a.m. and 5:00 p.m or on the City's website: [www.southtucsonaz.gov](http://www.southtucsonaz.gov)

**PUBLICATION / NOTICE**