

March 5, 2024

MEMORANDUM TO: Honorable Mayor and City Council

THRU: Charles P. Potucek, City Manager

FROM: David J. Felix, CPA, Chief Financial Officer

SUBJECT: REQUEST FOR AGENDA ITEM PLACEMENT  
Resolution 2024-013 - Transfer of Funds from the General Fund to the Highway User Revenue, Capital Improvements, and additional FY24 PSPRS contribution

### BACKGROUND

We will soon close the books on Fiscal Year Ending June 30, 2023. Due primarily City Transaction Privilege Tax Revenues and State Shared Revenues finishing above budget and capital expenditures being under budget, we estimate General Fund revenues over expenditures at approximately \$5.6M.

Per Council policy, staff recommends transferring \$2,000,000 of this \$5.6M to the Highway User Revenue Fund (HURF), \$1,000,000 to the Capital Improvements Fund (CIF) and making an additional \$2,000,000 payment to the Arizona Public Safety Retirement System in Fiscal Year 2024. The HURF and CIF transfers will help fund potential Fiscal Year 2024/25 projects. The PSPRS payment will be split \$1,250,000 towards the current police unfunded liability and \$750,000 towards the current fire unfunded liability. As these payments are being approved from FY23 funds for a payment in FY24, the FY23 Financial Report will include a \$2M General Fund restricted balance. This also allows the unrestricted General Fund Reserves to grow by about \$600,000, or 8%, for the fiscal year. If this resolution is approved, the estimated June 30, 2023 unrestricted General Fund balance will increase to \$7.77M.

If you have any questions, please contact me.

RESOLUTION 2013-013

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SIERRA VISTA, COCHISE COUNTY, ARIZONA; TRANSFERRING FUNDS FROM THE GENERAL FUND TO THE HIGHWAY USER REVENUE AND CAPITAL IMPROVEMENTS FUNDS AND APPROVING AN ADDITIONAL PAYMENT TO THE PUBLIC SAFETY RETIREMENT SYSTEM, AND AUTHORIZING AND DIRECTING THE CITY MANAGER, CITY CLERK, CITY ATTORNEY OR THEIR DULY AUTHORIZED OFFICERS AND AGENTS TO TAKE ALL STEPS NECESSARY TO CARRY OUT THE PURPOSES AND INTENT OF THIS RESOLUTION.

WHEREAS, the General Fund has current available resources from which to help fund projects in the Highway User Revenue and Capital Improvements Funds, and pay towards the City's unfunded PSPRS liability; and

WHEREAS, it is in the best interest of the City to use General Fund resources to these purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SIERRA VISTA, ARIZONA, AS FOLLOWS:

SECTION 1

The settled policy of approving budget deviations in excess of \$10,000 between funds is reaffirmed.

SECTION 2

The City Council hereby authorizes the transfer of \$2,00,000 from the General Fund to the Highway User Revenue Fund, \$2,000,000 from the General Fund to the Capital Improvements Fund for Fiscal Year Ending June 30, 2023,

SECTION 3

The City Council hereby authorizes ta payment of \$2,000,000 from the Fiscal Year 2023 General Fund surplus the Arizona Public Safety Retirement System, with the payment being made in Fiscal Year 2024, with \$1,250, 000 toward the unfunded police liability and \$750,000 towards the unfunded fire liability,

SECTION 4

The City Manager, City Clerk, City Attorney, or their duly authorized officers and agents, are hereby authorized and directed to take all steps necessary to carry out the purposes and intent of this Resolution.

PASSED AND ADOPTED BY THE MAYOR AND CITY COUNCIL OF THE CITY  
OF SIERRA VISTA, ARIZONA, THIS 14<sup>th</sup> DAY OF MARCH 2024.

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CLEA McCAA  
Mayor

ATTEST:

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JILL ADAMS  
City Clerk

APPROVED AS TO FORM:

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NATHAN J. WILLIAMS  
City Attorney

PREPARED BY: DAVID J. FELIX, CPA, Chief Financial Officer

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