

June 25, 2024

MEMORANDUM TO: Honorable Mayor and City Council

THRU: Charles P. Potucek, City Manager
Victoria Yarbrough, Assistant City Manager

FROM: David J Felix, CPA, Chief Financial Officer
Jennifer Dillaha, Budget Officer

SUBJECT: REQUEST FOR AGENDA ITEM PLACEMENT RESOLUTION
2024-043 Adoption of the Tentative Budget for FY 2024/2025

BACKGROUND

The proposed FY 2024/2025 Tentative Budget for the City is \$172,359,341. Council adoption of this resolution will effectively cap the FY 2024/2025 budget pursuant to A.R.S. Section 42-17105. The final budget amount may be less than, or equal to, the tentative budget, but it may not exceed it. The changes from the tentative budget book previously provided to you are as follows:

1. General Fund
 - a. Removed NERIS double entry from IT Software – (\$35,000)
 - b. Removed reduction to IT Office Equipment Maintenance - \$27,385
 - c. Increased NERIS Fire Reporting System in IT Software – \$6,002
 - d. Added 2% Market Shift in January for FT & PT - \$288,559
 - e. Recalculated Allocations:
 - a. Personnel – (\$56,756 more)
 - b. O&M - \$5,360 less
 - f. Transfer-In CIF to pay for Fire Station 2 capital – (\$235,550)
2. CIF
 - a. Added Transfer-Out to GF to pay for Fire Station 2 capital - \$235,550
 - b. Decreased Roadrunner Park Construction – (\$235,550)

There are changes that occurred since the special budget work session on Monday, June 10:

1. General Fund
 - a. Added 4th Fire Battalion Chief reclass - \$10,532
 - b. Increased Transfer-In CIF to pay for Fire Station 2 capital – (\$10,532)
2. CIF
 - c. Added Transfer-Out to GF to pay for Fire Station 2 capital - \$10,532
 - d. Decreased Roadrunner Park Construction – (\$10,532)

3. MPO
 - a. Decrease Revenue – \$301,069
 - b. Decrease O&M – (\$301,069)

4. Airport
 - a. Increase Federal Grants – (\$159,918)
 - b. Increase State Grants – (\$7,483)
 - c. Increase Infrastructure - \$167,401

There are three additional changes to the budget since the work session on June 10, 2024.

First, the reclassification for the fourth Fire Battalion Chief position was not included previously in the budget. Subsequently, the Transfer-In from CIF was raised to cover the amount needed in the General Fund to cover the cost of the Fire Station 2 capital items.

Second, the Sierra Vista Metropolitan Planning Organization (SVMPO) budget has been revised for FY25. FY24's budget was placed in the system for FY25 as a placeholder until the new numbers were received.

Lastly, there is a potential grant for runway rehabilitation and new taxiway connector added into the Airport Fund

The proposed approval schedule is as follows:

- July 25, 2024 - Resolution to approve the final budget, Public Hearing on Property Tax
- August 18, 2024 – Resolution to adopt FY2024/2025 Property Tax Levy

RESOLUTION 2024-043

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SIERRA VISTA, COCHISE COUNTY, ARIZONA; ADOPTING THE TENTATIVE BUDGET FOR THE CITY OF SIERRA VISTA FOR FISCAL YEAR 2024/2025; GIVING NOTICE TO TAXPAYERS ON THE ESTIMATED EXPENDITURES AND REVENUES PRIOR TO ADOPTING THE FINAL BUDGET AND FIXING THE TAX LEVIES FOR THE FISCAL YEAR 2024/2025; 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, pursuant to the provisions of Arizona Revised Statutes, Title 42, the Mayor and Council have completed reviews of the estimated amounts required to meet public expenses for the ensuing FY 2024/2025; and

WHEREAS, the Mayor and Council have likewise completed review of the projected amounts of revenues anticipated from all sources and found projected revenues in balance with estimated expenses as set forth in the statements and schedules hereinafter attached; and

WHEREAS, the said A.R.S. Section 42-17104 requires a public hearing on the budget and tax levies prior to the final adoption for FY 2024/2025; and

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

SECTION 1

That the estimated expenditures and projected revenues, hereinafter set forth in the attached statements and schedules be, and hereby are, adopted as the tentative budget for the City of Sierra Vista, Arizona, for the FY 2024/2025.

SECTION 2

That the estimated expenditures, as hereinafter set forth, together with a notice that the City Council shall meet for the purpose of the public hearing from taxpayers to adopt the final budget for the City of Sierra Vista for the Fiscal Year 2024/2025 on or before the 1st Monday of August 2024, at Sierra Vista City Hall, 1011 N. Coronado Drive, Sierra Vista, Arizona, and will further meet for purpose of setting the property tax levy on or before the 3rd Monday of August 2024, at Sierra Vista City Hall, 1011 N. Coronado Drive, Sierra Vista, Arizona, be, and hereby are, authorized and directed to be published in the manner prescribed by law.

SECTION 3

That the monies from any budgeted fund may be used for any of these adopted appropriations, except monies specifically restricted by State law or by City ordinance or resolution, and the transfer of any sums between funds which are less than \$10,000 shall be made upon approval by the City Manager, and \$10,000 or more shall be made upon approval by the Mayor and City Council be, and hereby is, approved and authorized.

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 27th DAY OF JUNE, 2024.

CLEA McCAA, II
Mayor

ATTEST:

APPROVED AS TO FORM:

JILL ADAMS
City Clerk

NATHAN J. WILLIAMS
City Attorney

PREPARED BY:
Jennifer Dillaha
Budget Officer