



MAYOR & COUNCIL COMMUNICATION

June 6, 2023

Subject: Special Meeting of the Mayor and Council Required by ARS §42-17105.A. - Adoption of Fiscal Year 23/24 Budget (City Wide) Page: 1 of 2

Issue – Upon the close of the public hearing on the tentative budget, the Mayor and Council are to recess the regular meeting and convene in a special meeting for the purpose of adopting the Fiscal Year 23/24 Budget.

City Manager's Office Recommendation – It is recommended that the attached Resolution No. 23629 authorizing a final budget for Fiscal Year 23/24 be adopted.

Legal Considerations – The City Attorney has prepared the attached Resolution for Mayor and Council adoption.

Plan Tucson Considerations - This item relates to Chapter Four, Plan Implementation and Administration, and the City's ability to implement Plan Tucson by having the right foundational elements in place, such as resources, partnerships, procedures, agreements, and other administrative elements.

THE FINAL BUDGET FOR FISCAL YEAR 23/24

State law requires adoption of the final budget in the special meeting held immediately after the conclusion of the public hearing on the budget as tentatively adopted. The budget as finally adopted cannot increase appropriations in excess of appropriations authorized in the budget as tentatively adopted by Resolution No. 23629 and the supporting schedules thereto. However, the Mayor and Council can order a reduction in any appropriation authorized by Resolution No. 23629.

RESOLUTION ADOPTING FINAL BUDGET FOR FISCAL YEAR 22/23 – The attached resolution, determining and adopting final estimates of proposed expenditures for Fiscal Year 23/24, is based on the tentative budget adopted on May 23, 2023. It assumes the adoption of a primary property tax rate, estimated to be \$0.4461 per \$100 assessed valuation, that will yield \$19,325,110 which is the maximum amount which can be raised by primary property tax levy for the 23/24 Fiscal Year and includes \$1,098,500 as reimbursement for involuntary tort or claims paid in Fiscal Year 21/22. It also assumes the adoption of a secondary tax rate, estimated to be \$0.6040 per \$100 assessed valuation, that will yield \$26,168,170 the amount necessary to provide fully for all General Obligation bond debt service expenses.

Section 1 of the attached resolution includes by reference that information required by state law. ARS §42-17101 requires that the city prepare a full and complete statement of the estimated expenditures and revenues for Fiscal Year 23/24 and the different amounts of estimated revenues and proposed expenditures for Fiscal Year 23/24. ARS §42-17101.3.(b) and §4217102.B. require that the information be itemized in accordance with forms provided by the Auditor General. This information is set forth in Schedules A through G of the attached resolution finally determining and adopting the budget for the 23/24 budget year.

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As previously noted, ARS §42-17105.A. requires that the Mayor and Council, at tonight's special meeting, shall finally determine and adopt the estimates of the proposed revenues and expenditures as set forth in Schedules A through G of the attached resolution as the city's adopted budget for Fiscal Year 23/24. In compliance with ARS §42-17105.C., the amounts proposed for adoption do not exceed the amounts tentatively adopted by the Mayor and Council on May 23, 2023.

Section 2 of the attached resolution identifies the total of appropriations by purpose as required by the various sections of the Arizona Revised Statutes commonly referred to as the State Budget Law.

Section 3 of the attached resolution identifies the total of appropriations by purpose subject to the State Budget Law.

The Mayor and Council may either adopt this resolution as presented, or order reductions in any of the appropriations set forth by purpose. Staff is prepared to revise the resolution promptly in accordance with any policy decisions of the Mayor and Council, to permit final adoption of the budget at tonight's meeting.

TAX RATE FOR FISCAL YEAR 2022/23

Arizona Revised Statutes require adoption of a primary and secondary property tax levy not less than fourteen days after the adoption of the final budget. An ordinance establishing tax levies in accordance with the budget as finally adopted will be on the regular agenda for the meeting of July 18, 2023. Both rates may be different, dependent upon the final actual assessed valuations for the respective purposes.

Respectfully submitted,



Michael J. Ortega, P.E.
City Manager

MJO/AR/AO/jh
BUSINESS SERVICES

Attachment: FY24 5-Year Projections and Investment Plan
Resolution

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