STAFF SUMMARY

SUBJECT: Adoption of FY2012-2013 Final Budget.

BACKGROUND: As required by state law, on June 6, 2012, the City adopted a tentative budget establishing the upper expenditure level for fiscal year 2012-2013, published the tentative budget in a newspaper of local general circulation for two consecutive weeks, and noticed a public hearing on the budget for Wednesday, June 27, 2012 at 3:00 p.m. The final budget is now submitted to Mayor and Council for adoption after the close of the public hearing.

COST & SOURCE OF FUNDING:

The following is a recap of the proposed final budgeted expenditures for FY2012-2013:

OPERATING BUDGET	$ 59,190,458
CAPITAL BUDGET	$ 4,054,005
TOTAL BUDGET	$ 63,244,463

Additionally, the following schedules are attached which provide details to the final budget for FY 2012-2013:

Schedule A – Summary Schedule of Estimated Revenues and Expenditures/Expenses
Schedule C – Summary of Fund Type of Revenues Other Than Property Taxes
Schedule D – Summary by Fund Type of Other Financing Sources (Uses) and Inter-fund Transfers
Schedule E - Summary by Department of Expenditures/Expenses Within each Fund Type
Salaries Schedule – Detailed Salaries and Benefits for Each position in the FY2012-2013 budget

Funding to cover above expenditures will be provided by beginning reserve balances and revenues (including debt proceeds) generated and/or received during the fiscal year.

TOTAL COST OF PROJECT(S): As provided in the detail Tentative Budget document.

STATUTORY REQUIREMENTS, IF ANY: A.R.S. Title 42, Chapter 17 requires approval of the final budget in an amount not to exceed the amount approved in the tentative budget approval process and the City of Nogales Charter Section 77 requires approval of the salaries, wages and remuneration of all appointive officials and employees.

STAFF RECOMMENDATION/CITY OPTIONS:
Staff recommends adoption of the proposed final budget as presented, by adoption of Resolution No. R2012-06-006.

SUGGESTED MOTION:

"I move to approve Resolution No. R2012-06-006"

Finance Director

Approved City Manager

NOGALES, ARIZONA
Summary Schedule of Estimated Revenues and Expenditures/Expenses
Fiscal Year 2013

FUND	ADOPTED BUDGETED EXPENDITURES/ EXPENSES* 2012	ACTUAL EXPENDITURES/ EXPENSES ** 2012	FUND BALANCE/ NET ASSETS*** July 1, 2012**	PROPERTY TAX REVENUES 2013	ESTIMATED REVENUES OTHER THAN PROPERTY TAXES 2013	OTHER FINANCING 2013		INTERFUND TRANSFERS 2013		TOTAL FINANCIAL RESOURCES AVAILABLE 2013	BUDGETED EXPENDITURES/ EXPENSES 2013
						SOURCES	<USES>	IN	<OUT>		
1. General Fund	$ 23,048,861	$ 13,863,079	$ 5,463,433	Primary: $	$ 19,673,044	$	$	$	$ 380,386	$ 24,756,091	$ 25,136,477
2. Special Revenue Funds	17,732,949	2,210,884	466,739	Secondary:	20,937,208			258,503		21,662,450	21,403,947
3. Debt Service Funds Available											
4. Less: Amounts for Future Debt Retirement											
5. Total Debt Service Funds											
6. Capital Projects Funds	9,803,767	3,193,813			4,054,005					4,054,005	4,054,005
7. Permanent Funds	2,152,034	212,948	1,942,494		81,700					2,024,194	2,024,194
8. Enterprise Funds Available	9,817,731	5,816,592	483,063		10,142,777			380,386	258,503	10,747,723	10,625,840
9. Less: Amounts for Future Debt Retirement											
10. Total Enterprise Funds	9,817,731	5,816,592	483,063		10,142,777			380,386	258,503	10,747,723	10,625,840
11. Internal Service Funds											
12. TOTAL ALL FUNDS	$ 62,555,342	$ 25,297,316	$ 8,355,729	$	$ 54,888,734	$	$	$ 638,889	$ 638,889	$ 63,244,463	$ 63,244,463

EXPENDITURE LIMITATION COMPARISON	2012	2013
1. Budgeted expenditures/expenses	$ 62,555,342	$ 63,244,463
2. Add/subtract: estimated net reconciling items		
3. Budgeted expenditures/expenses adjusted for reconciling items	62,555,342	63,244,463
4. Less: estimated exclusions		
5. Amount subject to the expenditure limitation	$ 62,555,342	$ 63,244,463
6. EEC or voter-approved alternative expenditure limitation	$	$

[x] 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 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 in this column represent Fund Balance/Net Asset 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).

NOGALES, ARIZONA
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2013

SOURCE OF REVENUES	ESTIMATED REVENUES 2012	ACTUAL REVENUES* 2012	ESTIMATED REVENUES 2013
GENERAL FUND			
Local taxes			
Transaction Privilege Taxes	$ 9,787,750	$ 8,282,921	$ 10,056,527
Bed Tax	298,000	217,034	262,000
Franchise - Cable TV	81,000	78,117	78,511
Franchise - Electric & Gas	448,000	301,387	431,202
Public Utility Tax	153,000	136,239	168,608
Licenses and permits			
Transaction Privilege Tax License	61,653	46,145	43,500
Occupational Business License	588,000	596,378	575,000
Animal License	25,100	13,361	18,000
Building Permits	42,308	64,359	50,000
Other Permits	33,600	56,228	43,800
Intergovernmental			
State Transaction Privilege Tax	1,576,452	1,338,028	1,742,395
State Urban Revenue	1,758,731	1,465,536	2,128,262
State Vehicle License	1,404,684	1,146,404	1,365,780
County Library IGA	232,518	193,765	236,213
Charges for services			
Ambulance Fees	975,000	585,773	940,000
Cemetery Fees	33,000	23,630	30,000
Library Fees	16,000	11,971	15,100
Planning & Zoning Fees	2,000	3,975	2,800
Building Inspection Fees	200	150	2,000
Recreation Fees	59,000	38,257	55,000
Parking Meter Fees	185,200	139,597	181,000
Other Fees			
Fines and forfeits			
Court Fines	482,500	355,127	537,239
Interest on investments			
Interest Income	32,487	631	7,610
Rental/Lease Income	38,160	28,972	36,984
Contributions			
Contributions/Donations	3,000	4,879	3,000
Miscellaneous			
Other - Special Events	7,000	4,194	10,000
Other - Revenue		275	500
Miscellaneous Revenue	11,000	31,737	30,000
Reimbursement Police & Fire	483,125	126,870	449,213
Recovered Expense Insurance	20,000	6,832	15,000
Reimbursement / Recoveries Other	150,000	920	150,000
Evidence - Police	10,000		
Prints & Reports - Police	12,000	5,190	7,800
Total General Fund	$ 19,010,468	$ 15,304,882	$ 19,673,044

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

NOGALES, ARIZONA
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2013

SOURCE OF REVENUES	ESTIMATED REVENUES 2012	ACTUAL REVENUES* 2012	ESTIMATED REVENUES 2013
SPECIAL REVENUE FUNDS			
HURF	$ 1,738,355	$ 1,192,015	$ 1,572,918
HURF - SB 1232			925,000
Other Income - Interest	17,299		3,600
	$ 1,755,654	$ 1,192,015	$ 2,501,518
Nogales Rides	$ 71,750	$ 1,764	$ 95,384
	$ 71,750	$ 1,764	$ 95,384
City Court PPR JCEF	$ 7,000	$ 12,152	$ 20,120
Municipal Court	4,500	4,280	5,235
AZJAC Grant	32,377		25,271
Research Help for Students			15,020
SGIA	23,000	23,000	23,000
E-Rate Program	23,350		20,000
	$ 90,227	$ 39,432	$ 108,646
Internet Crimes Against Children	$ 10,000	$	$ 10,000
Bullet Proof Vest Partnership	16,000	2,156	16,000
Homeland Security	2,419,427	399,847	2,206,700
	$ 2,445,427	$ 402,003	$ 2,232,700
GOHS/DUI Task Force	$ 546,808	$ 24,537	$ 143,250
Border Security Enhancement	1,179,303	75,030	1,050,000
AZ Auto Theft Authority	300,000		175,000
SW Border Anti-Money Laundering	1,314,300	140,521	624,926
	$ 3,340,411	$ 240,088	$ 1,993,176
Tohono O'Odham	$ 500,000	$	$ 500,000
Misc Funding	6,977,623		7,000,000
Impound Fees	50,000	24,300	75,000
SB 1398 Additional Assessment		9,538	50,000
Federal Asset Seizure Program	785,970	234,157	5,000,000
	$ 8,313,593	$ 267,995	$ 12,625,000
AZDOHS Fire Dept Grant	$ 130,000	$ 17,280	$ 120,720
Victim's Rights Grant	6,900	6,900	7,000
EECBG Grant	151,559	53,456	60,000
CDBG Grant	90,000	14,858	300,000
	$ 378,459	$ 92,494	$ 487,720
Border Environment Cooperation Commission	$ 411,719	$	$ 411,719
CDBG Street Improvements	489,911	3,000	481,345
VFD Retirement Fund	1,300		
	$ 902,930	$ 3,000	$ 893,064
Total Special Revenue Funds	$ 17,298,451	$ 2,238,791	$ 20,937,208

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

NOGALES, ARIZONA
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2013

SOURCE OF REVENUES	ESTIMATED REVENUES 2012	ACTUAL REVENUES* 2012	ESTIMATED REVENUES 2013
DEBT SERVICE FUNDS			
	$	$	$
	$	$	$
Total Debt Service Funds	$	$	$
CAPITAL PROJECTS FUNDS			
BOR Recharging Water	$ 1,000,000	$	$ 50,000
EPA Line Item	2,054,215	1,409,176	252,053
	$ 3,054,215	$ 1,409,176	$ 302,053
Morley Avenue Paving	$ 2,107,145	$ 1,428,190	$ 361,819
Walnut Street Paving	430,381		430,381
Crawford Street Paving	288,777	8,211	262,697
Manila Dr. & Corinthian Dr. Paving	274,825	22,296	231,609
Coronado Subdivision Paving / Water	1,007,085	539,988	381,574
Frank Reed Traffic Flow Enhancement	217,000		314,050
	$ 4,325,213	$ 562,284	$ 1,982,130
Neighborhood Center	$ 28,000		
Old City Hall Improvements	57,000		85,000
City Hall Fountain	35,000		35,000
	$ 120,000	$	$ 120,000
Camp Little Park Restrooms	$ 20,984		20,984
Meadow Hills Park	42,105	4,124	14,640
Soccer Field	150,390	2,110	146,964
Vista del Cielo Water Storage Tank	588,956		588,956
Pedestrian Bridge	997,050		
Community Streets Improvements			850,000
Neighborhood Entry Monuments	18,316	2,825	
	$ 1,817,801	$ 1,817,801	$ 1,621,544
Bank of America (FKA Koch Lease)	$ 486,538	$	$ 28,278
	$ 486,538	$	$ 28,278
Total Capital Projects Funds	$ 9,803,767	$ 3,789,261	$ 4,054,005
PERMANENT FUNDS			
Sewer Development Fees	$ 35,000	$ 61,867	$ 45,000
Water Development Fees	25,000	22,425	36,700
	$ 60,000	$ 84,292	$ 81,700
Total Permanent Funds	$ 60,000	$ 84,292	$ 81,700

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

NOGALES, ARIZONA
Summary by Fund Type of Revenues Other Than Property Taxes
Fiscal Year 2013

SOURCE OF REVENUES	ESTIMATED REVENUES 2012	ACTUAL REVENUES* 2012	ESTIMATED REVENUES 2013
ENTERPRISE FUNDS			
Waste Water Fund	$ 1,701,556	$ 1,405,504	$ 2,400,144
Water Fund	2,575,058	2,033,756	2,946,418
Sanitation Fund	2,536,500	2,100,003	2,500,806
	$ 6,813,114	$ 5,539,263	$ 7,847,368
Nogales Housing Authority	$ 2,439,304	$ 626,561	$ 2,295,409
	$ 2,439,304	$ 626,561	$ 2,295,409
Total Enterprise Funds	$ 9,252,418	$ 6,165,824	$ 10,142,777
INTERNAL SERVICE FUNDS			
	$	$	$
	$	$	$
Total Internal Service Funds	$	$	$
TOTAL ALL FUNDS	$ 55,425,104	27,583,050	54,888,734

* Includes actual revenues recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated revenues for the remainder of the fiscal year.

NOGALES, ARIZONA
Summary by Fund Type of Other Financing Sources/<Uses> and Interfund Transfers
Fiscal Year 2013

FUND	OTHER FINANCING 2013 SOURCES	OTHER FINANCING 2013 <USES>	INTERFUND TRANSFERS 2013 IN	INTERFUND TRANSFERS 2013 <OUT>
GENERAL FUND				
GENERAL FUND	$	$	$	$ 380,386
Total General Fund	$	$	$	$ 380,386
SPECIAL REVENUE FUNDS				
HURF	$	$	$ 258,503	$
Total Special Revenue Funds	$	$	$ 258,503	$
DEBT SERVICE FUNDS				
	$	$	$	$
Total Debt Service Funds	$	$	$	$
CAPITAL PROJECTS FUNDS				
	$	$	$	$
Total Capital Projects Funds	$	$	$	$
PERMANENT FUNDS				
	$	$	$	$
Total Permanent Funds	$	$	$	$
ENTERPRISE FUNDS				
SEWER	$	$	$ 380,386	$
WATER				258,503
Total Enterprise Funds	$	$	$ 380,386	$ 258,503
INTERNAL SERVICE FUNDS				
	$	$	$	$
Total Internal Service Funds	$	$	$	$
TOTAL ALL FUNDS	$	$	$ 638,889	$ 638,889

NOGALES, ARIZONA
Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2013

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2012	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2012	ACTUAL EXPENDITURES/ EXPENSES* 2012	BUDGETED EXPENDITURES/ EXPENSES 2013
GENERAL FUND				
Non Departmental	$ 6,304,803	$ 51,850	$ 1,870,697	$ 8,017,009
Mayor	85,593		63,809	91,247
Council	102,775		71,653	122,025
Emergency Response	200,000			200,000
Administration	445,710		334,093	450,319
Finance	1,229,864		873,276	1,251,936
Human Resources	204,181		123,511	213,372
Planning & Zoning	218,325	(53,632)	87,659	221,713
Elections	1,500		17	41,500
Building Inspection	101,716	(24,272)	43,648	104,702
MIS	398,488		332,049	383,435
City Attorney	662,764		370,360	669,574
City Court	392,785	12,000	290,185	400,659
Library	465,417		353,845	472,482
Police	6,028,923	(35,979)	4,377,866	6,136,377
Fire	3,800,252	(7,974)	2,971,788	3,925,779
Volunteer Firefighters				7,920
Streets		58,007	28,975	
Facilities Maintenance	676,445		491,874	668,360
Engineering	302,055		199,136	306,460
Cemetery	113,413		86,371	116,398
Animal Control	254,172		184,949	246,600
Recreation	452,983		307,106	459,884
Parks	556,697		399,877	578,726
Golf Course	50,000		335	50,000
Total General Fund	$ 23,048,861	$	$ 13,863,079	$ 25,136,477
SPECIAL REVENUE FUNDS				
HURF	$ 1,755,654	$	$ 1,120,375	$ 2,501,518
Nogales Rides	71,750		43,076	99,301
City Court PPR JCEF	197,370		32,800	189,297
Municipal Court	58,628		343	64,880
AZ JAC Grant		32,377	4,887	25,271
Research Help for Students Grant				15,020
SGIA	23,000		15,397	23,000
E-Rate Program	23,350			20,000
Internet Crimes Against Children	10,000			10,000
Bullet Proof Vest Partnership	16,000		2,156	16,000
Homeland Security	2,419,427		596,459	2,206,700
GOHS/DUI Task Force	546,808		33,032	143,250
Border Security Enhancement	1,179,303		77,931	1,050,000
AZ Auto Theft Authority	300,000			175,000
SW Border Anti-Money Laundering	1,314,300		158,464	624,926
Tohono-O'Odham	650,000			650,000
Miscellaneous Funding	7,010,000	(32,377)		7,000,000
Impound Fees	90,000		8,005	147,000
SB 1398 Additional Assessment				62,000
Federal Assets Seizure Program	785,970		29,506	5,000,000
AZDOHS Fire Dept Grant	130,000		17,071	120,720
Victim's Rights Grant	6,900			7,000
EECBG	151,559		52,725	60,000
CDBG	90,000		14,858	300,000
BECC	411,719			411,719
CDBG Streets Improvements	489,911		3,799	481,345
VFD	1,300			
Total Special Revenue Funds	$ 17,732,949	$	$ 2,210,884	$ 21,403,947

NOGALES, ARIZONA
Summary by Department of Expenditures/Expenses Within Each Fund Type
Fiscal Year 2013

FUND/DEPARTMENT	ADOPTED BUDGETED EXPENDITURES/ EXPENSES 2012	EXPENDITURE/ EXPENSE ADJUSTMENTS APPROVED 2012	ACTUAL EXPENDITURES/ EXPENSES* 2012	BUDGETED EXPENDITURES/ EXPENSES 2013
DEBT SERVICE FUNDS				
	$	$	$	$
Total Debt Service Funds	$	$	$	$
CAPITAL PROJECTS FUNDS				
BOR Recharging Water	$ 1,000,000	$	$	$ 50,000
EPA Line Item	2,054,215		1,186,910	252,053
Morley Ave. Paving	2,107,145		1,423,415	361,819
Walnut Street Paving	430,381			430,381
Crawford Street Paving	288,777		24,854	262,697
Manila Dr & Corinthian Dr Paving	274,825		21,228	231,609
Coronado Subdivision Paving	1,007,085		530,347	381,574
Frank Reed Traffic flow Enhance	217,000			314,050
Neighborhood Center	28,000			
Old City Hall Improvements	57,000			85,000
City Hall Fountain	35,000			35,000
Camp Little Park Restrooms	20,984			20,984
Meadow Hills Park	42,105		2,347	14,640
Soccer Field	150,390		3,154	146,964
Vista del Cielo Water Storage Tnk	588,956			588,956
Neighborhood Entry Monuments	18,316			
Pedestrian Bridge	997,050			
Community Streets Improvements				850,000
Bank of America FKA Koch	486,538		1,558	28,278
Total Capital Projects Funds	$ 9,803,767	$	$ 3,193,813	$ 4,054,005
PERMANENT FUNDS				
Sewer Development Fees	$ 1,359,061	$	$	$ 1,436,784
Water Development Fees	792,973		212,948	587,410
Total Permanent Funds	$ 2,152,034	$	$ 212,948	$ 2,024,194
ENTERPRISE FUNDS				
Waste Water Fund	$ 1,919,576	$	$ 1,739,758	$ 2,624,704
Water Fund	2,922,351		1,753,503	3,204,921
Sanitation Fund	2,536,500		1,714,843	2,500,806
Nogales Housing Authority	2,439,304		608,488	2,295,409
Total Enterprise Funds	$ 9,817,731	$	$ 5,816,592	$ 10,625,840
INTERNAL SERVICE FUNDS				
	$	$	$	$
Total Internal Service Funds	$	$	$	$
TOTAL ALL FUNDS	$ 62,555,342	$	$ 25,297,316	$ 63,244,463

* Includes actual expenditures/expenses recognized on the modified accrual or accrual basis as of the date the proposed budget was prepared, plus estimated expenditures/expenses for the remainder of the fiscal year.