

CITY COUNCIL RESOLUTION

WHEREAS, in 2012 the City of Memphis faced a budget deficit and a significant reduction in government services; a compromise on the budget was reached but two major components authorized by the Council have not been implemented by the Administration, and that is:

- 1) \$0.18 tax for school funding; and
- 2) \$13,000,000 voluntary retirement plan for the sanitation department that would range from \$40,000 to \$60,000 for all eligible employees to provide retirement for long time workers and allow the city to create efficiencies to repay the General Fund the \$102,000,000 subsidy provided to the Solid Waste Fund over the past 10 years and to eliminate the \$1,500,000 annual subsidy in future years.

WHEREAS, the Administration has now finally proposed issuing the \$0.18 tax bill and a plan to reduce spending by \$5,900,000 which includes delaying payments into the OPEB trust fund that is already underfunded by hundreds of millions of dollars, and delaying the hiring of a police recruiting class when crime remains our most urgent community challenge.

NOW, THEREFORE BE IT RESOLVED, that the Memphis City Council refuses to raise taxes in this difficult economy, refuses to delay the hiring of a police recruit class, and refuses to defer payments into the OPEB trust fund.

BE IT FURTHER RESOLVED, that the City's Unassigned General Fund Balance (commonly known as reserves) stand at \$81,100,000 – \$12,100,000 over the 10% of planned expenditures for FY 2012 threshold established by the ratings agencies. Therefore the \$13,400,000 FY 2012 budget gap shall be resolved by amending the FY 2012 operating budget as follows:

- 1) Abolishing the voluntary retirement program; and
- 2) Appropriating \$10,200,000 from the General Fund Reserve for general operations; and
- 3) Reducing the FY 2012 budget by \$3,200,000 implementing the following reductions presented on 3-20-2012 by the Administration:

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| Q4 Hiring Freeze (Except MPD): | \$1,900,000 |
| Operating Capital Freeze: | \$500,000 |
| Grants Executive: | \$300,000 |
| Grants HCD: | <u>\$500,000</u> |
| Total: | \$3,200,000 |

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MEMPHIS CITY COUNCIL