# BUDGET FACT SHEET

Fiscal Year 2015 budget as proposed to the Memphis City Council by Mayor A C Wharton, Jr.

City of Memphis

## THE PROPOSED FISCAL YEAR 2015 CITY OF MEMPHIS OPERATING BUDGET:

### 1 MAINTAINS EFFICIENT PUBLIC SERVICES

The proposed FY 2015 City of Memphis budget maintains the current level of core services with a specific focus on pension reform.

### 2 SAVES FOR PENSION AND PUBLIC SAFETY

The proposed FY2015 budget includes a pension and public safety reserve of $15 million for issues arising from planned medical and/or public safety reforms.

### 3 IMPLEMENTS PENSION AND HEALTHCARE REFORM

This budget proposes that the City shifts from a Defined Benefit Plan to the more commonly used Defined Contribution plan. To further strengthen the city's pension plan, this budget proposes that some funds now going to healthcare premiums for retirees be redirected to the pension plan. This will make the plan stronger.

### 4 INCREASES CAPITAL SPENDING IN NEIGHBORHOODS

This proposed budget prioritizes and cuts operating spending while strategically increasing capital spending to support growth and development of core neighborhoods.

### 5 NO TAX INCREASE

As proposed to the Memphis City Council by the Mayor, the FY 2015 does not include a tax increase.

## WHERE DOES THE MONEY COME FROM?

- LOCAL TAXES (66.84%)
- TRANSFERS IN (11.88%)
- STATE TAXES (9.34%)
- CHARGES FOR SERVICES (5.02%)
- FINES AND FORFEITURES (3.16%)
- OTHER (3.76%)

### GENERAL FUND REVENUE:

**$613,082,802**

Local taxes which are predominately composed of property taxes are the single largest source of revenue to the General Fund. Tennessee remains near the bottom in terms of the tax burden placed on citizens because of the lack of a state income tax.

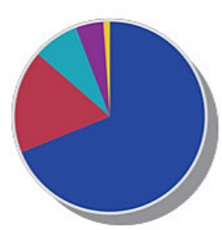
## WHERE DOES THE MONEY GO?

### GENERAL FUND EXPENDITURES:

**$596,776,928**

EXPENDITURES BY DIVISION:

- POLICE (39.96%)
- FIRE (26.95%)
- PARKS AND NEIGHBORHOODS (8.32%)
- PUBLIC WORKS (2.97%)
- GENERAL SERVICES (3.57%)
- 7 REMAINING CITY DIVISIONS; CITY COUNCIL, CLERK, & JUDGES (18.23%)

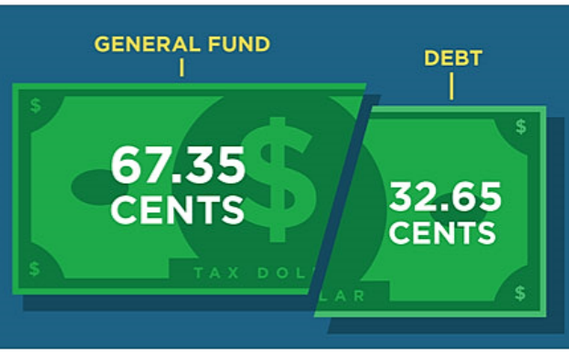


EXPENDITURES BY CATEGORY:

- PERSONNEL (72.48%)
- MATERIAL AND SUPPLIES (18.35%)
- GRANTS AND SUBSIDIES (7.70%)
- TRANSFERS OUT (1.32%)
- OTHER (0.15%)

## HOW YOUR TAX DOLLARS BREAKDOWN:

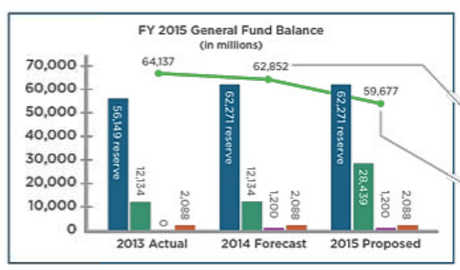
The proposed 2014 budget maintains the property tax rate at its current level of $3.40. The following graphic represents how every dollar raised in taxes breaks down.




## HOW IS THE CITY POSITIONED FOR THE FUTURE?

HOW IS THE CITY POSITIONED FOR THE FUTURE? (MEETING THE 10% RESERVES GOAL)

- UNASSIGNED
- ASSIGNED
- COMMITED
- RESTRICTED
- 10% RAINY DAY REQUIREMENTS




### General Fund Total Reserves versus Contingency Policy*

The City of Memphis has a policy that requires 10% of the annual General Fund expenditures be kept on hand in an unassigned reserve or rainy day fund.

10% goal based on General Fund Expenditures

The measures in the 2015 proposed budget will help us to meet the 10% goal

*Contingency policy - funds on hand for unforeseen events (i.e., rainy day fund)

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