

City of Mesa

FY 2015/16 Budget Discussion

April 20, 2015

Presented by the Office of Management and Budget



City of Mesa Budget Goals

Ensure the effective and efficient use of resources in order to sustain the delivery of quality services for the residents of Mesa

Facilitate an ongoing, decision-making process for allocating resources and setting priorities

Through:

- Focusing on community needs and priorities

- Improving program efficiency and effectiveness

- Concentrating on results and outcomes

- Promoting effective communication with stakeholders

- Ensuring future financial stabilization through multi-year forecasting

FY 15/16 Budget: Areas of Emphasis

Financial Sustainability

Competitive Compensation for Quality Workforce

Public Safety: Increasing service levels and decreasing costs through programmatically reducing vacancy duration

Economic Development

Marketing the “Next Mesa” and Downtown Mesa

Falcon Field Development Area

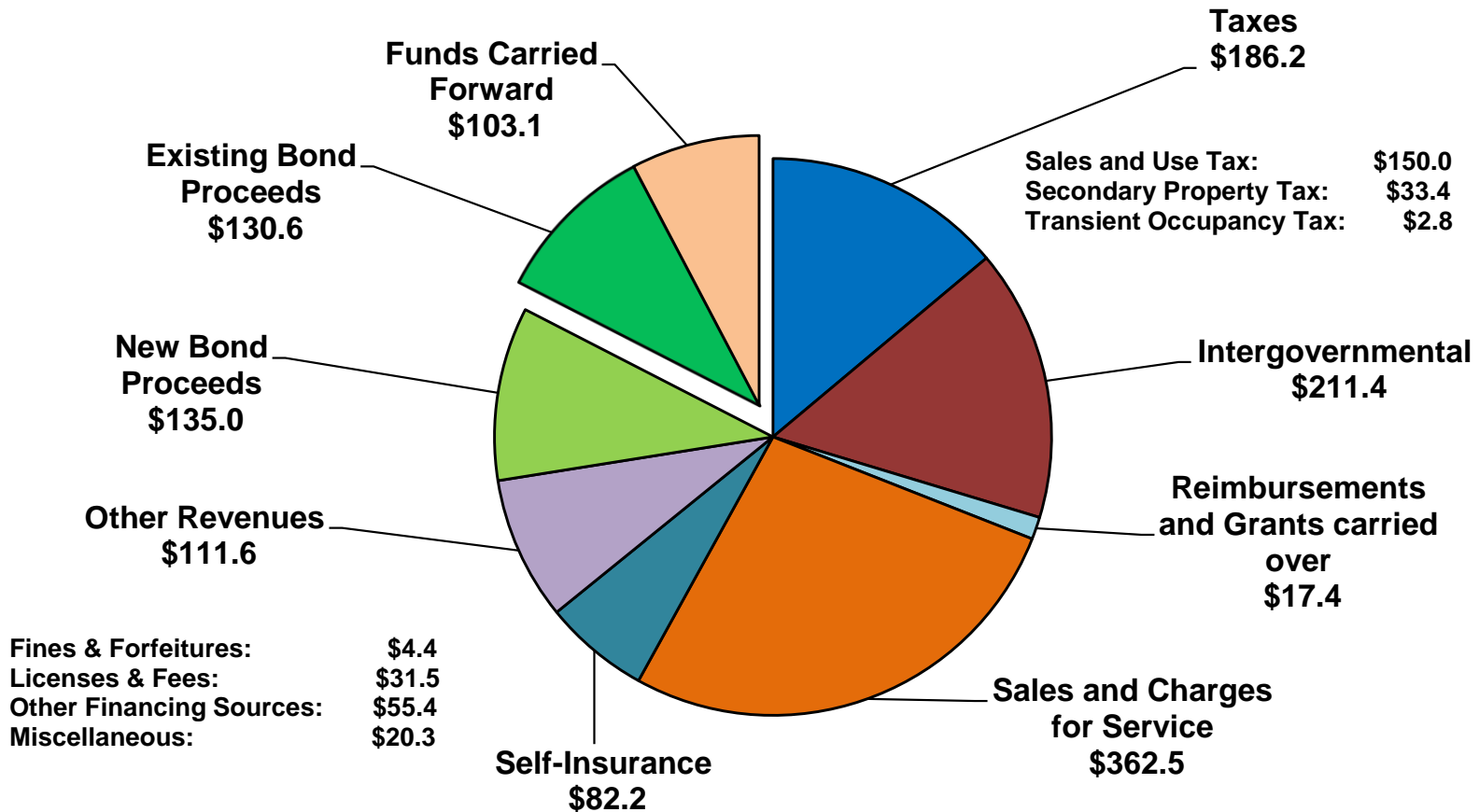
Storm Water Infrastructure Improvements

Transit Infrastructure and Operations

Utilities: Aligning rates with service demand on the system

FY 14/15 Total City Available Resources

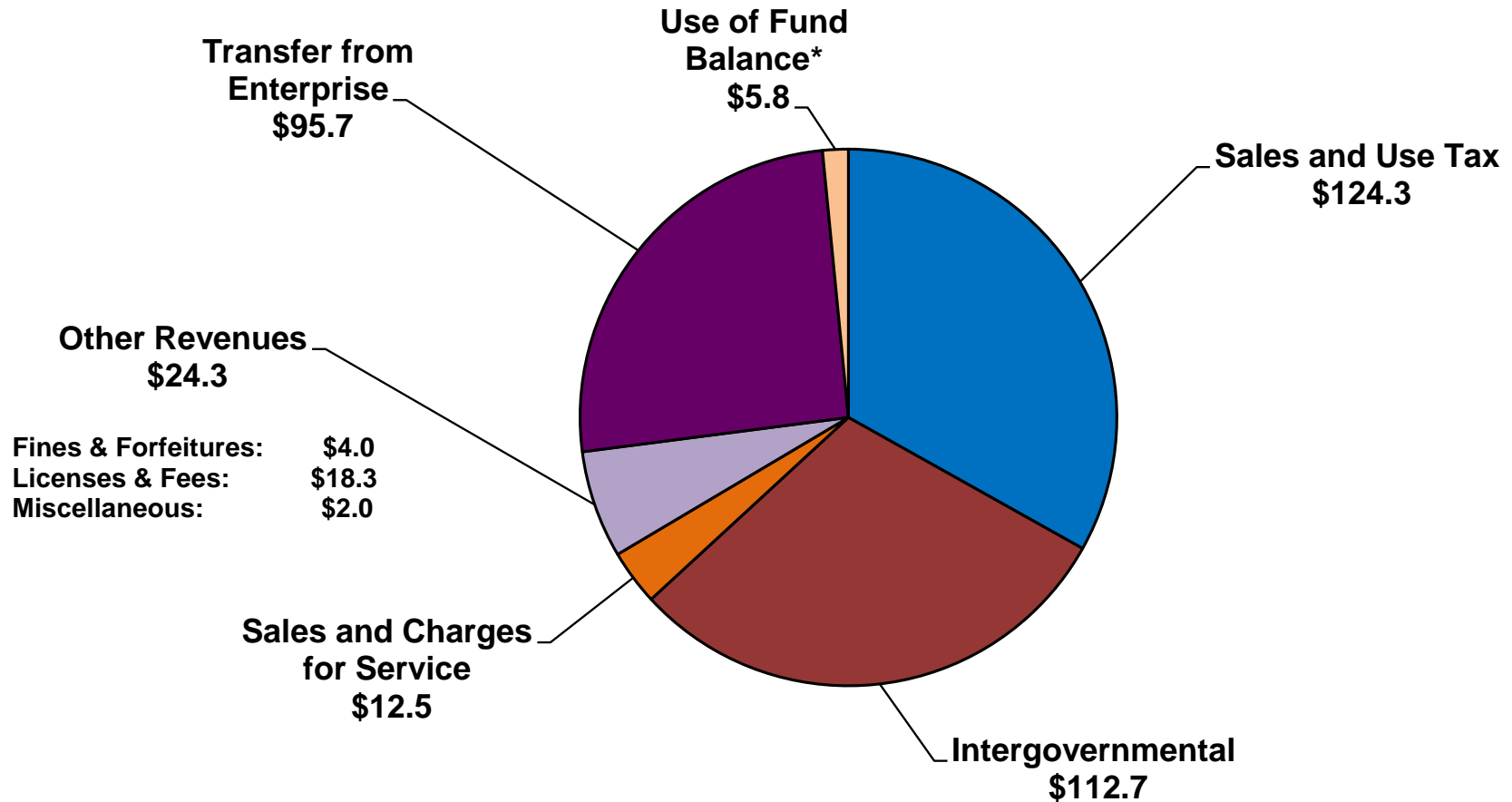
Fiscal Year 2014/15 Final Total City Available Resources \$1.34B



Dollars in Millions

FY 14/15 General Governmental Resources

Fiscal Year 2014/15 Final General Governmental Funds Available Resources \$375.3M*



*Excludes \$11.9M General Governmental Funds Carryover

Dollars in Millions

General Governmental New Resources

	<u>FY 13/14 Actuals</u>	<u>FY 14/15 Budgeted</u>	<u>FY 14/15 Projected</u>	<u>Change from FY 13/14</u>	<u>FY 15/16 Forecast</u>	<u>Change from FY 14/15 Projected</u>
Local Sales Tax	\$116.0	\$124.3	\$118.9	2.5%	\$123.0	3.4%
State Shared Revenues						
State Sales Tax	\$38.2	\$39.4	\$39.1	2.2%	\$41.0	4.9%
Urban Revenue Sharing	\$48.9	\$53.2	\$53.2	8.6%	\$52.9	-0.5%
Vehicle License Tax	\$15.7	\$15.9	\$15.8	0.7%	\$17.0	7.6%
Enterprise Transfer	\$90.0	\$95.7	\$95.7	6.3%	\$99.7	4.1%
Other	\$43.9	\$41.1	\$43.2	-1.5%	\$44.0	1.9%
Total	\$352.7	\$369.5	\$365.8	3.7%	\$377.5	3.2%

(as of Apr 2015)

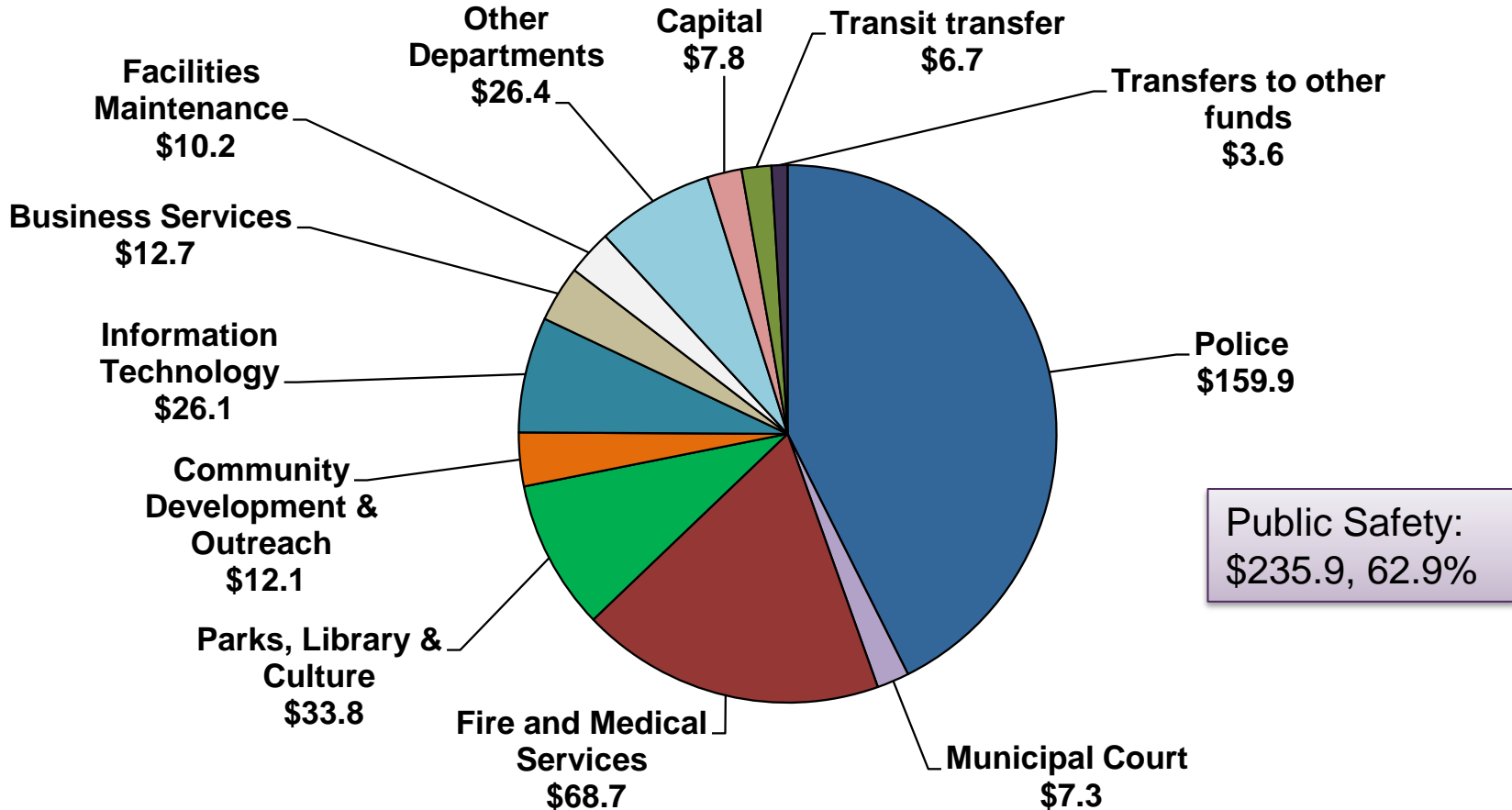
Dollars in millions

FY 14/15 Projected: Includes an increase of \$2.3M in Mesa Arts Center revenue matched by an increase in expenses for the addition of more events. Without this adjustment, the revenues for FY 14/15 would be projected at \$363.5. A decrease of \$6.0M from the adopted budget.

Excludes reserve balance

FY 14/15 General Governmental Expenses by Department

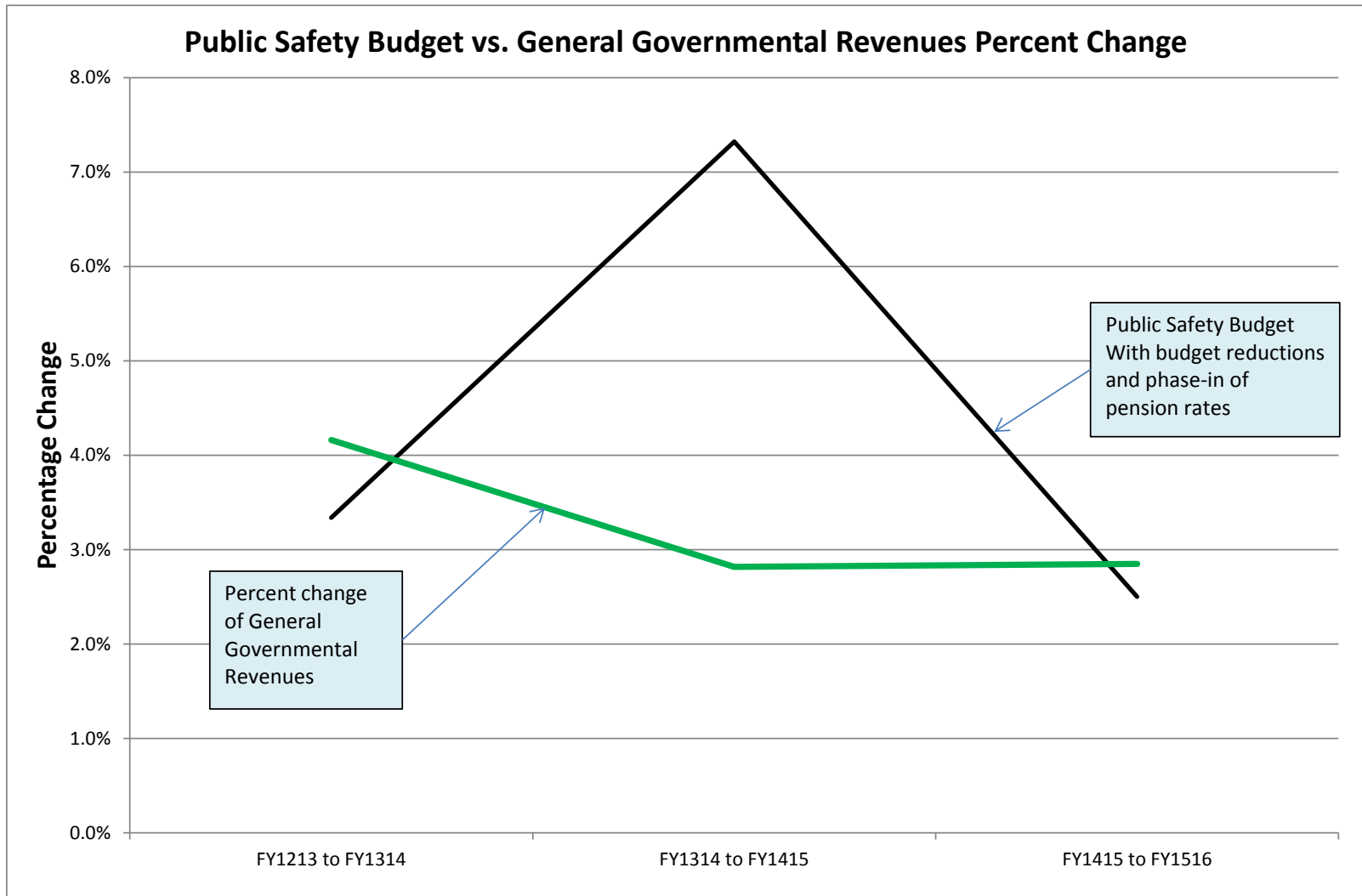
Fiscal Year 2014/15 Final General Governmental Funds Budget by Department \$375.3*



*Excludes \$11.9M General Governmental Funds Carryover

Dollars in Millions

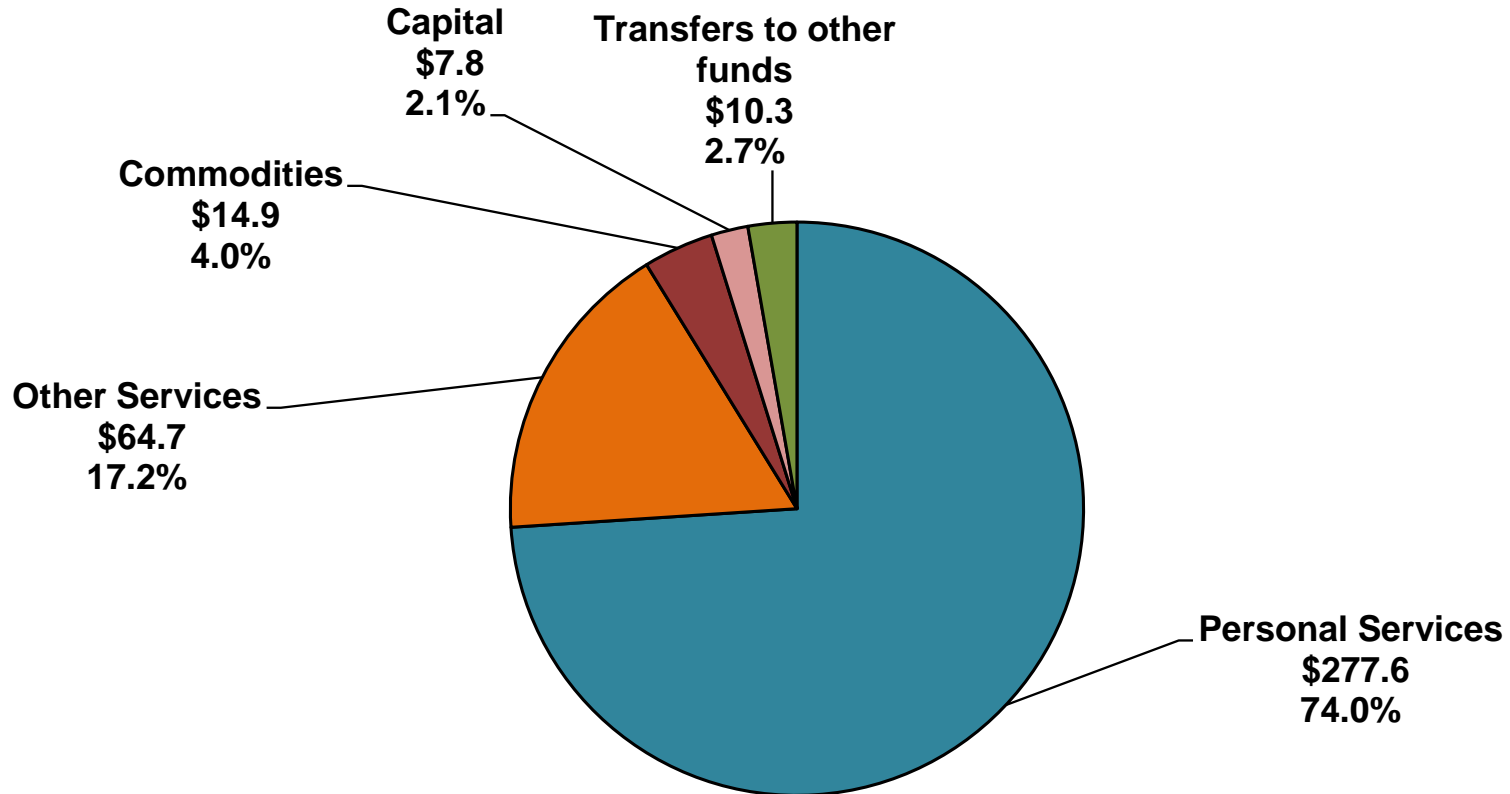
Public Safety Departments – Change in Budgeted Expenses



Excludes carryover

FY 14/15 General Governmental Expenses by Category

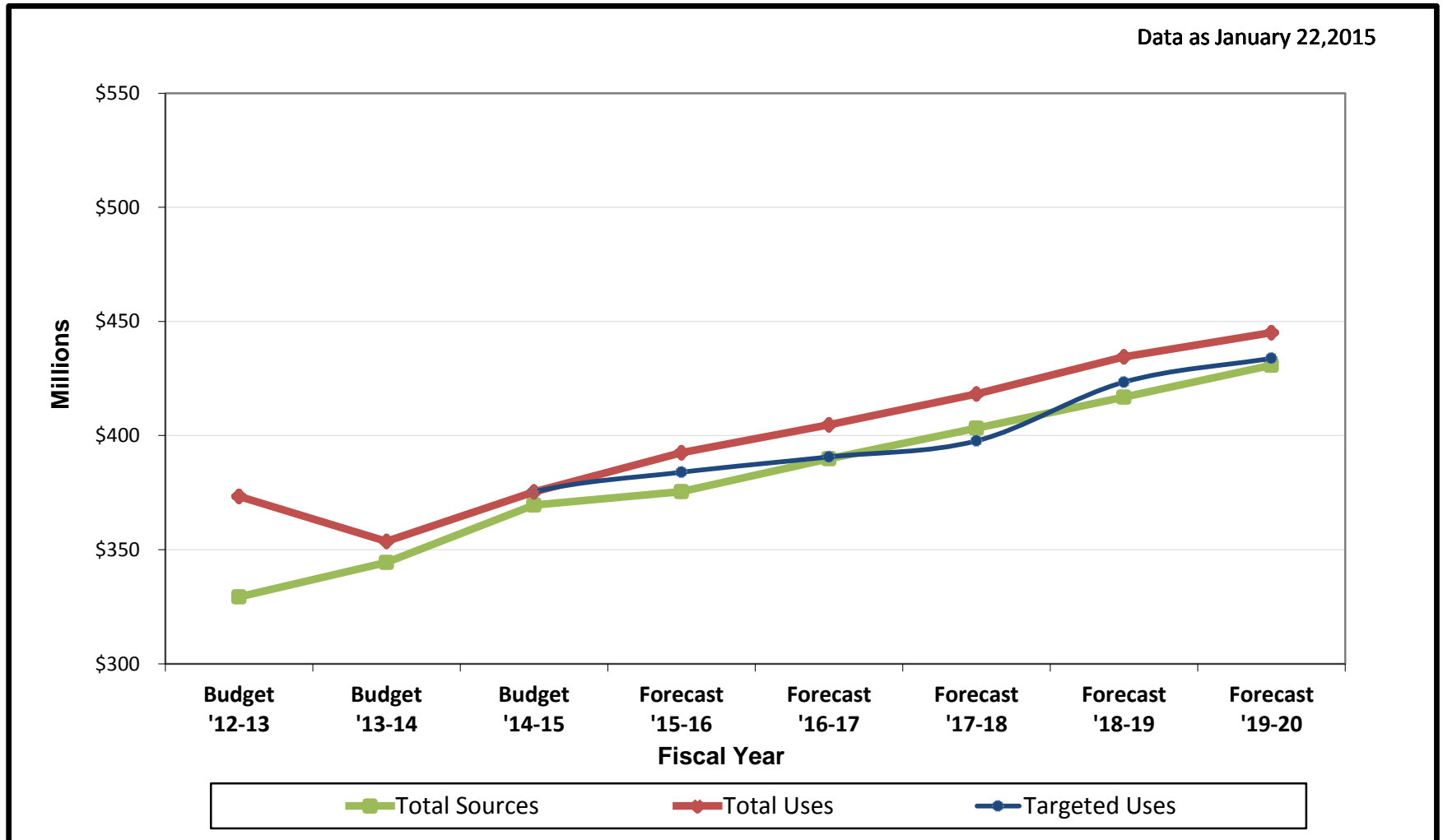
Fiscal Year 2014/15 Final General Governmental Funds Budget by Expenditure Categories \$375.3M*



*Excludes \$11.9M General Governmental Funds Carryover

Dollars in Millions

City of Mesa Forecasted Budget – General Governmental



Note: Effective 07/01/2012, grants and restricted funding are no longer included in the general governmental summary.

General Governmental Budget Strategies

Some parks projects included in 2012 bond election have been placed on hold until on-going operational funding is available. The savings do not occur in first year of the forecast but do occur over the forecast period:

Eagles Park (Mesa Jr.) \$375,000/year

Greenfield Park \$275,000/year

Monterey Park \$126,000/year

Klienman Park \$125,000/year

Signal Butte & Elliot \$171,000/year

Public Safety Related Budget Strategies

Phase-in of Public Safety Personnel Retirement System (PSPRS) rate increases resulting in savings to FY 15/16 budget

Savings of \$2.4M for Police pension costs

Savings of \$1.3M for Fire and Medical pension costs

Police Dept: \$3.3M (cost savings and new revenue)

Inactivate 23 historically vacant sworn positions and 4 vacant civilian positions, reduce vehicles and equipment, etc.

\$86,000 in additional revenue

Fire and Medical Dept: \$1.7M (cost savings and new revenue)

Inactivate 4 vacant sworn positions (3 at Falcon Field), reduce special assignments, etc.

\$680,000 in additional revenue

Other General Governmental Position Reductions

Business Services: 3 vacant full-time positions, 2 vacant part-time positions, 3 filled full-time positions related to shift of sales tax collection to state (positions are scheduled to be retained through January 2016)

City Attorney: 1 vacant full-time grant position, 2 vacant part-time positions

Development & Sustainability: 1 vacant full-time position

Financial Services: 1 vacant part-time position

Information Technology: 6 vacant full-time positions, 2 vacant part-time positions

Library: 3 vacant full-time positions

Enterprise Resource Planning: 1 vacant full-time position

FY 15/16 General Governmental Budget Increases

The FY 15/16 proposed budget includes very limited increases

Police: Axon Body Camera purchase, year two of three year purchase contract, \$125,000 one-time, \$119,000 on-going

Business Services: Department of Revenue charges for administrative services provided to City, \$334,000 one-time and \$954,000 on-going (budgeted in Centralized Appropriations)

Fire: VHF radio upgrade project, \$675,000 (Mesa's share) for FY 15/16 with additional costs for two more years (budgeted in Projects Department)

Facilities Maintenance: Increase in cost of custodial contract, \$400,000 (allocated to all funds, not just general fund)

General Governmental Reserves

	Actuals FY 13/14	Forecast FY 14/15	Forecast FY 15/16
Beginning Reserve Balance	\$ 51,814,000	\$ 56,143,000	\$ 45,135,000
Total Sources	\$ 352,711,000	\$ 365,809,000	\$ 377,568,000
Total Uses	\$ 348,382,000	\$ 376,817,000	\$ 385,047,000
Net Sources and Uses	\$ 4,329,000	\$ (11,008,000)	\$ (7,479,000)
Ending Reserve Balance	\$ 56,143,000	\$ 45,135,000	\$ 37,656,000
Ending Reserve Balance Percent*	15.2%	12.1%	9.7%

*As a % of Next Fiscal Year's Operating, Capital and Debt Service Expenditures

FY 13/14 carry-over to FY 14/15 is \$11.9M
Does not include carry-over from 14/15 to 15/16

Current Budget Discussion Schedule

April 20	Police
	Transit
April 23	Communications
	Fire and Medical
	Library
April 30	Parks Recreation and Commercial Facilities
	Development and Sustainability
	Arts and Culture
May 4	Transaction Privilege Tax Update

