

City of Mesa

FY 2015/16 Budget Wrap-up

May 7, 2015

Presented by the Office of Management and Budget



FY 15/16 Proposed Budget

The proposed budget for fiscal year 2015/16 is the first year in a two-year timeframe the city is targeting to align on-going expenses with on-going resources.

Adjustments to the FY 15/16 budget include:

- Identification of new or increased local revenues
- On-going reductions in department operating budgets
- One-time reductions in contributions to public safety retirement pensions

Resulting in about \$7.5M remaining to be covered by available reserves

Change to Aquatics Program

Per City Council direction, the cost of extending pool hours at some locations was computed. Extending the 2015 season to August 9th is a total cost of \$70,000 for the following locations:

Skyline, Mesa, Rhodes, Stapley

One-time general fund savings have been identified in FY 15/16 due to the cancellation of the Buckhorn Bath project

\$70,000 has been added to the proposed budget as a one-time adjustment for the 2015 season

The schedule for the aquatics program will be reviewed again during the FY 16/17 budget process

Capital Improvement Program Impacts

\$1.1M of new parks operations and maintenance has been identified as part of the on-going budget reduction. Following are examples of park projects and the required on-going funding:

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

Greenfield Park \$275,000/year

Klienman Park \$125,000/year

Pioneer Park \$155,000/year

Monterey Park \$126,000/year

Signal Butte & Elliot \$171,000/year

The capital improvement program is continuously under review and revision. Projects may be approved to proceed based available funding.

Lifecycle/Infrastructure Programs Not Included in Budget

- Vehicle Replacement Program: About \$4.5M in unfunded needs
- Fire and Medical Equipment: Averages \$1.0M in annual needs
- Police Equipment: \$3.0 in unfunded needs
- Information Technology: \$1.6M in needs related to software upgrades
- Facilities Maintenance: Current program is \$3.0M in annual facility repairs and maintenance. Experienced \$460,000 in unplanned repairs in FY 15/16.

Other Items Reviewed/Not Included in Budget

Human Services: On-going funding from the General Fund to non-profit organizations was increased in FY 14/15 by \$100,000 to a total of \$720,000 per year. No additional funding is included in FY 15/16

BUZZ Transit Line: An option for re-routing the current BUZZ transit line was reviewed and determined to be \$105,000 per year. It is not included in the FY 15/16 budget

Other Items of Note Regarding the FY 15/16 Budget

The total city budget will increase in FY 15/16 due to various changes in restricted revenue areas.

Placeholder for possible bond debt refunding: \$166.0M

Early repayment of Highway Project Advancement Notes (HPAN): \$78.0M

Gilbert Road Light Rail Expansion: \$17.3M

The city's portion of joint venture projects is included in the budget twice when we are the lead agency.

TOPAZ design/construction: \$2.0M

Greenfield Water Reclamation Plant design: \$6.0M

Going Forward

For FY 16/17: additional revenues, reduced expenditures or a combination of the two will be needed to bring the city's on-going expenditures into alignment with the anticipated on-going revenues

Staff will continue to review and analyze the city's financial status and formulate possible options

Staff will continue to review processes and services to ensure efficient and effective use of resources

