

Governmental Funds - Revenues

February 2, 2017

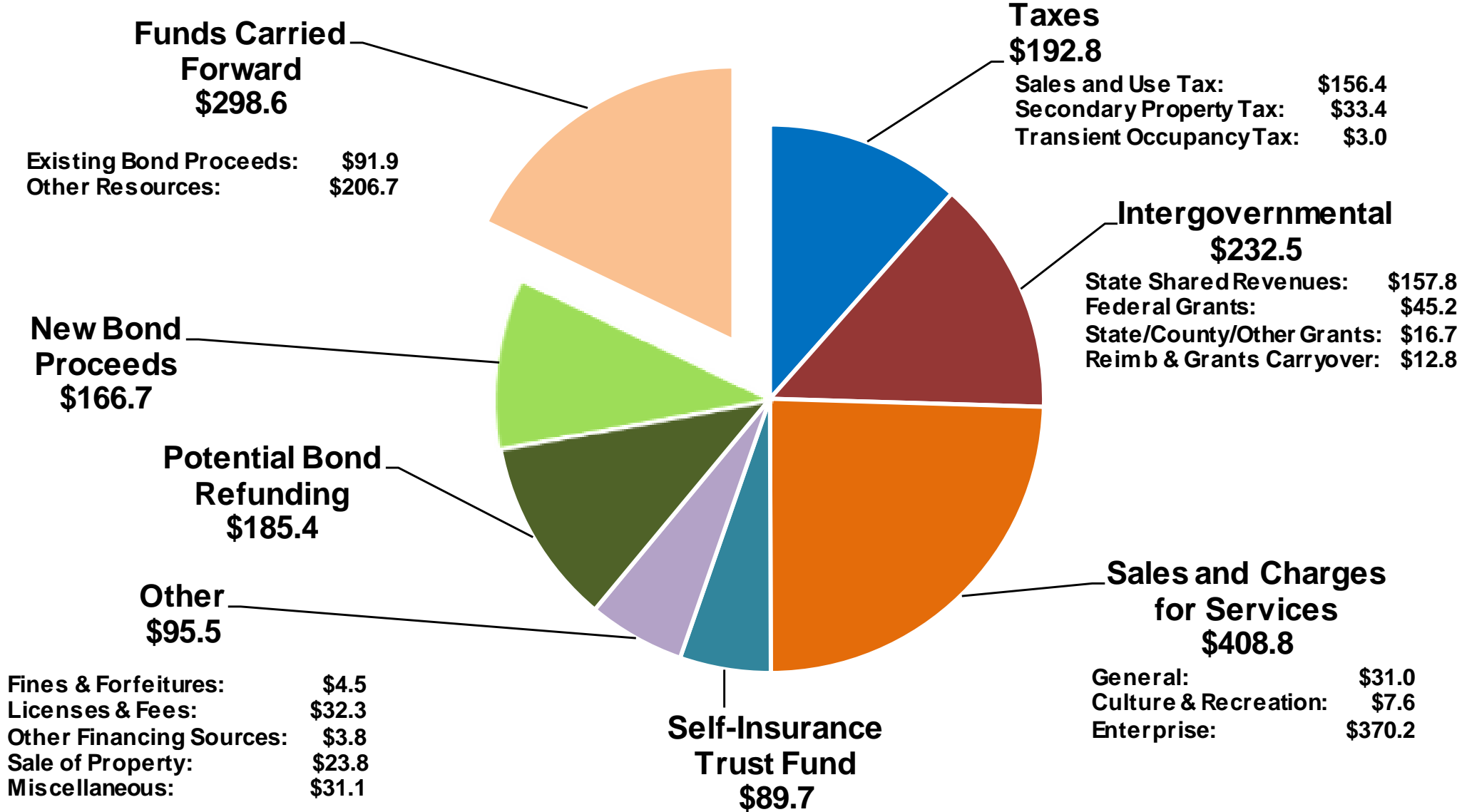
City of Mesa

Presented by the Office of Management and Budget



Fiscal Year 2016/17

Total City Available Resources \$1.67B



Resources/Revenues

Taxes

Intergovernmental

Reimbursements and Grants

Sales and Charges for Service

Self-Insurance Trust Funds

Other Revenues

Potential Bond Refunding

New Bond Proceeds

Funds

General Fund/ General Capital Fund

Enterprise Fund/ Enterprise Capital Fund

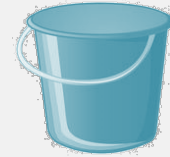
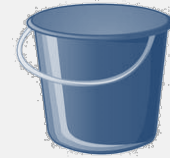
Restricted Funds

Grant Funds

Self-Insurance Trust Funds

Debt Service Funds

Bond



What is a FUND?

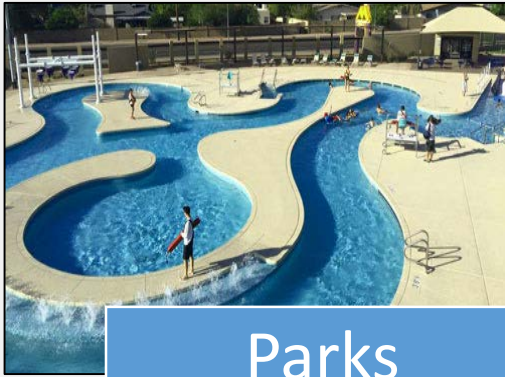
A self-balancing set of accounts recording cash and/or other resources, together with all related liabilities and expenses, for the purpose of carrying on specific activities or attaining certain objectives.





General Funds

These are resources and expenses that are discretionary in nature and can be allocated based on the needs of the City.



Parks



Library

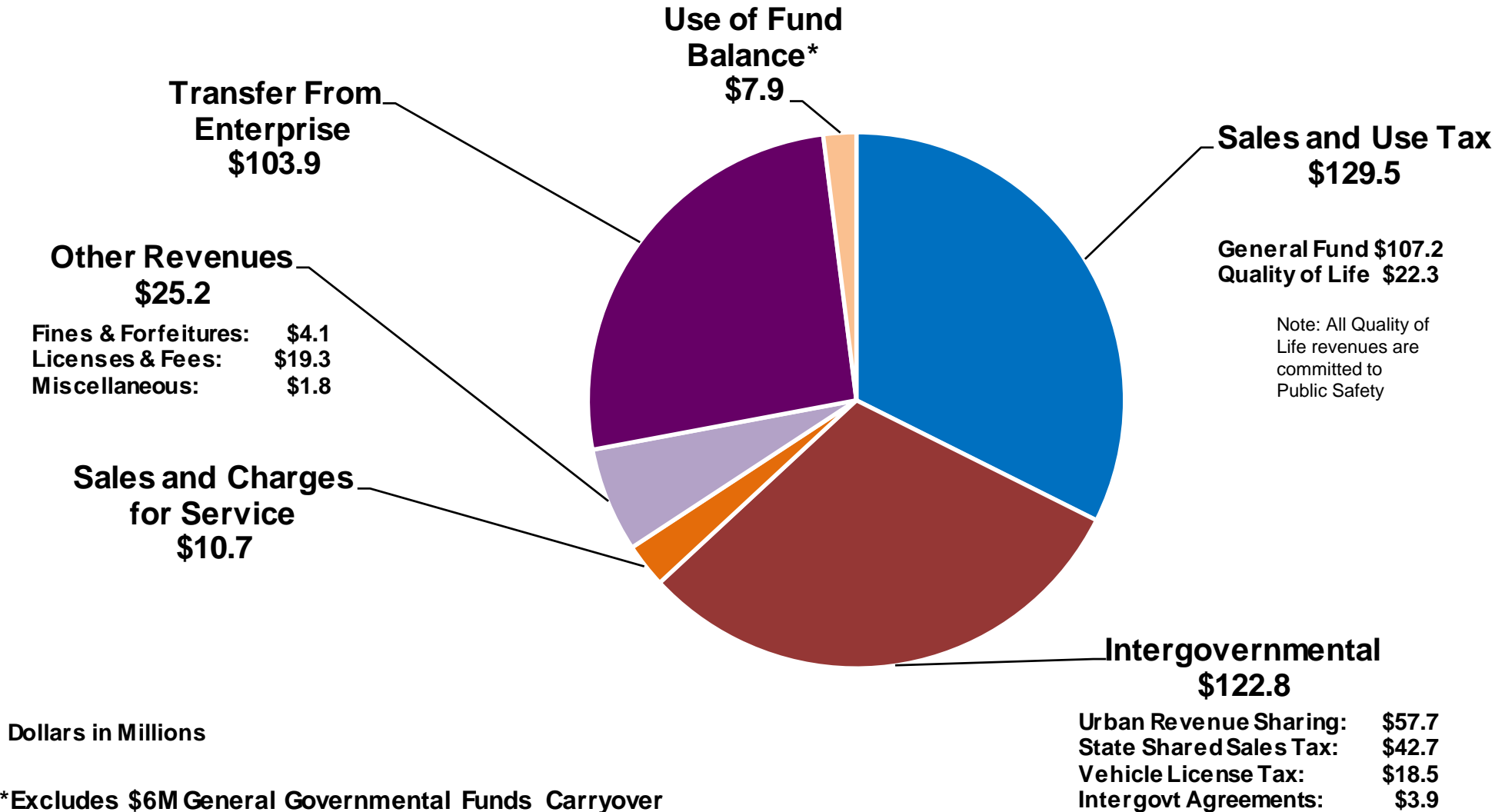


Police



Fire


Fiscal Year 2016/17
General Governmental Funds Available Resources \$400.0M




For presentation purposes: includes all General Fund revenues and Quality of Life sales tax

Revenue Forecasting Process


The city subscribes to a forecast group out of the University of Arizona which allows for access to raw data regarding econometrics



Statistical software is applied in house to analyze the correlation between economic trends and the City's revenue sources



Relevant economic indicators are considered such as: population growth, wages, unemployment, building permits, gas prices, etc.



Mesa specific factors are applied such as economic development activities, retail trends, etc.

Governmental Funds Operating Revenues

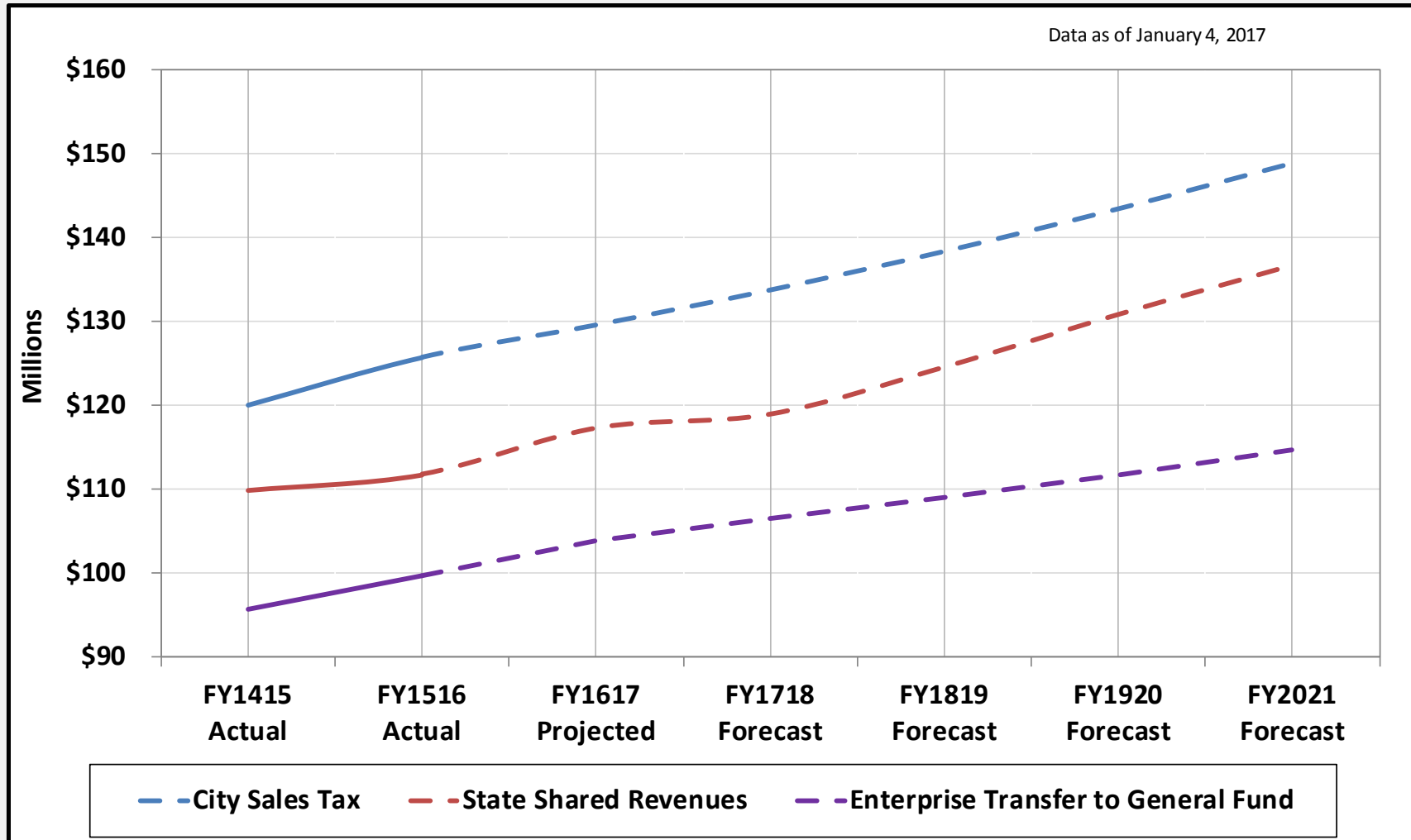
General Governmental revenues in the City of Mesa come from three primary sources:

**City sales and
use tax**

**State shared
revenues**

**Transfer from
the enterprise
fund**

Government Funds Operating Revenues



A standard economic cycle correction is anticipated during the forecast period and has not been included in the revenue amounts at this time. This issue will be addressed as part of the proposed budget.

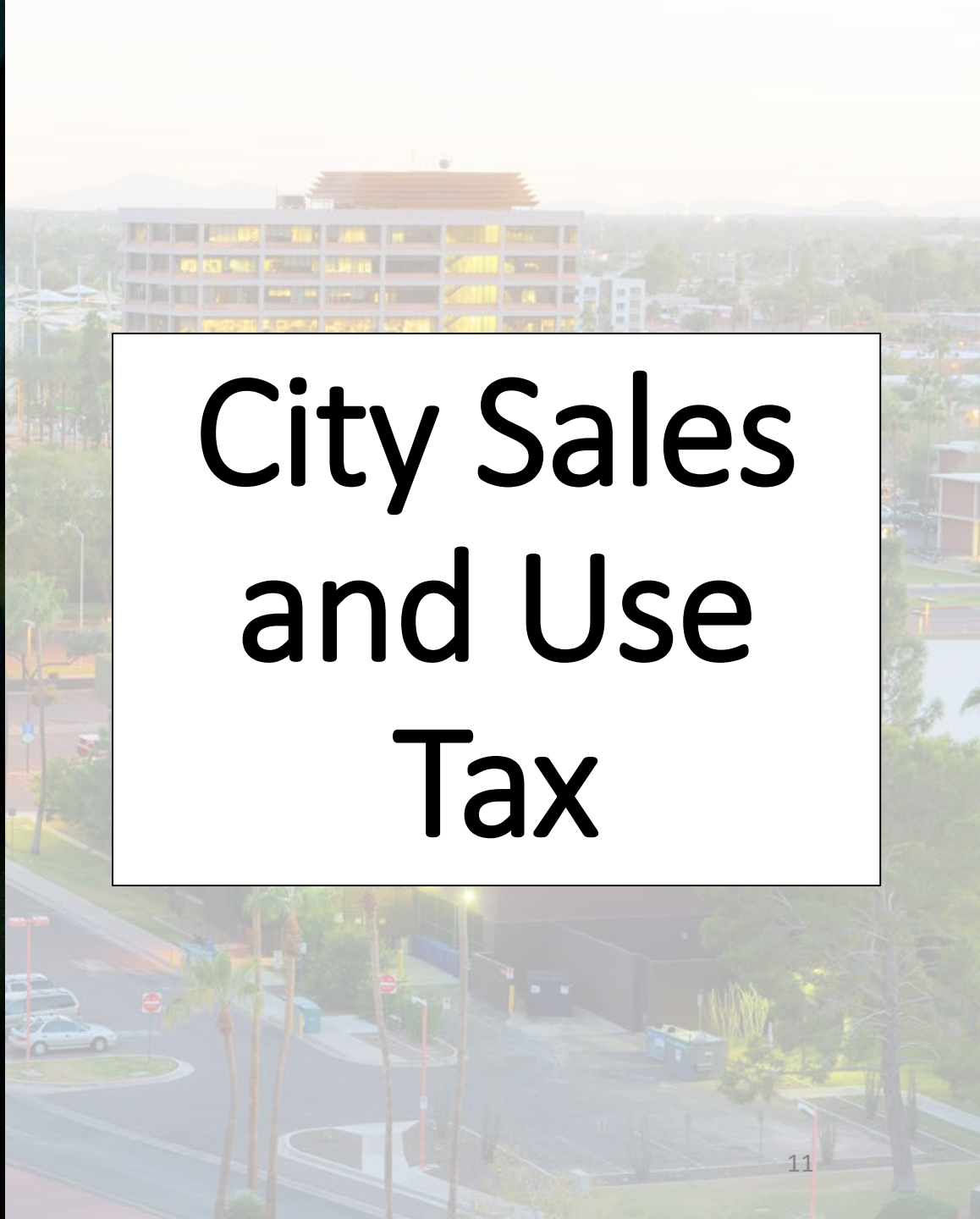
Government Funds Operating Revenues

| | FY 15/16 Actuals | Change from FY 14/15 | FY 16/17 Budgeted | FY 16/17 Projected | Change from FY 15/16 | FY 17/18 Forecast | Change from FY 16/17 Projected |
|------------------------------|-----------------------------|-------------------------|------------------------------|-------------------------------|-------------------------|------------------------------|-----------------------------------|
| Local Sales Tax | \$125.8 | 3.5% | \$129.5 | \$132.5 | 5.3% | \$134.8 | 1.8% |
| State Shared Revenues | | | | | | | |
| State Sales Tax | \$41.6 | 3.9% | \$42.6 | \$43.3 | 4.1% | \$45.6 | 5.1% |
| Urban Revenue Sharing | \$52.9 | -0.5% | \$57.7 | \$57.8 | 9.3% | \$59.3 | 2.6% |
| Vehicle License Tax | \$18.2 | 8.5% | \$18.6 | \$19.0 | 4.2% | \$19.7 | 3.9% |
| Enterprise Transfer | \$99.7 | 4.1% | \$103.9 | \$103.9 | 4.2% | \$106.5 | 2.5% |
| Other* | \$41.2 | 3.8% | \$39.7 | \$38.5 | -6.7% | \$40.5 | 5.3% |
| Total | \$379.5 | 3.4% | \$392.1 | \$395.0 | 4.1% | \$406.4 | 2.9% |

(as of Dec 2016)

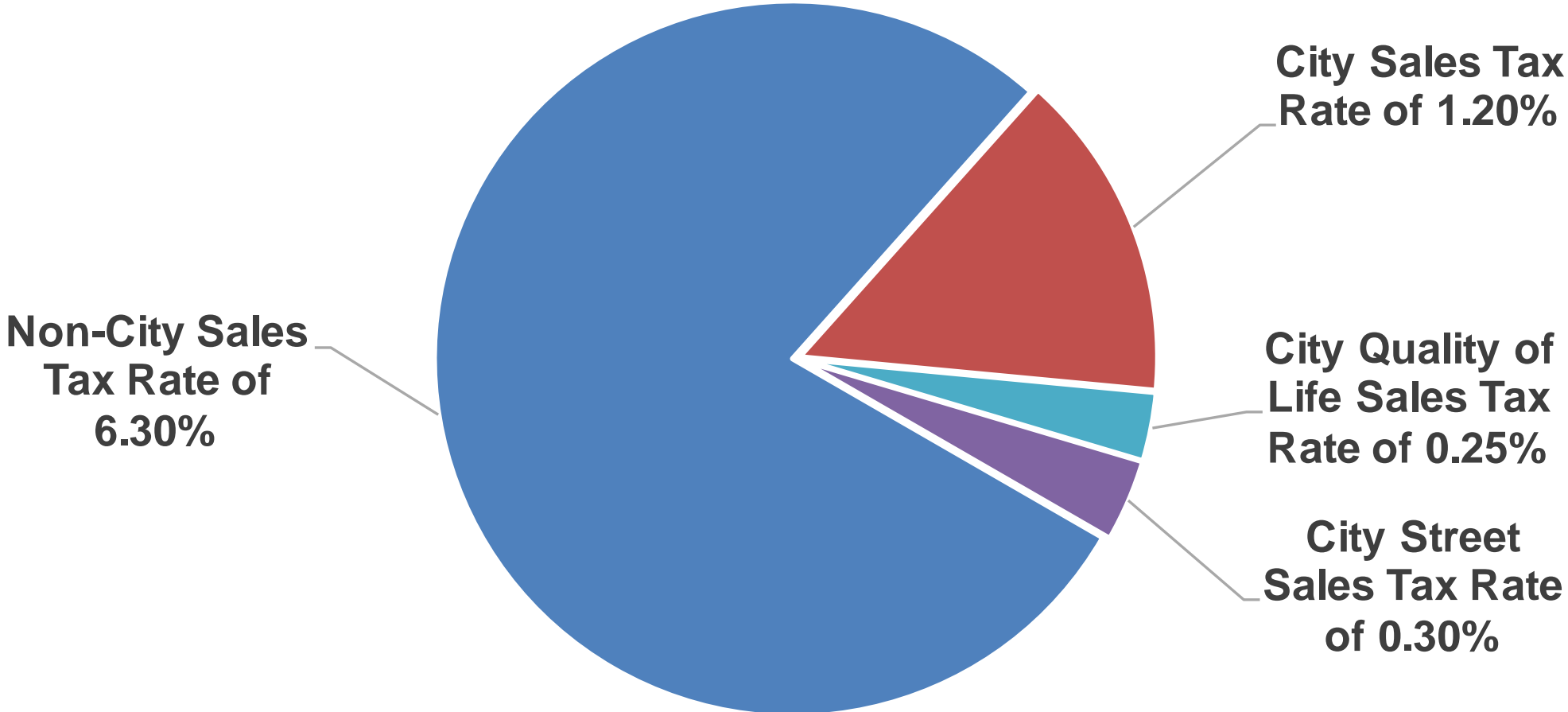
Dollars in millions

FY 16/17 Budget excludes \$6.0M in carryover.

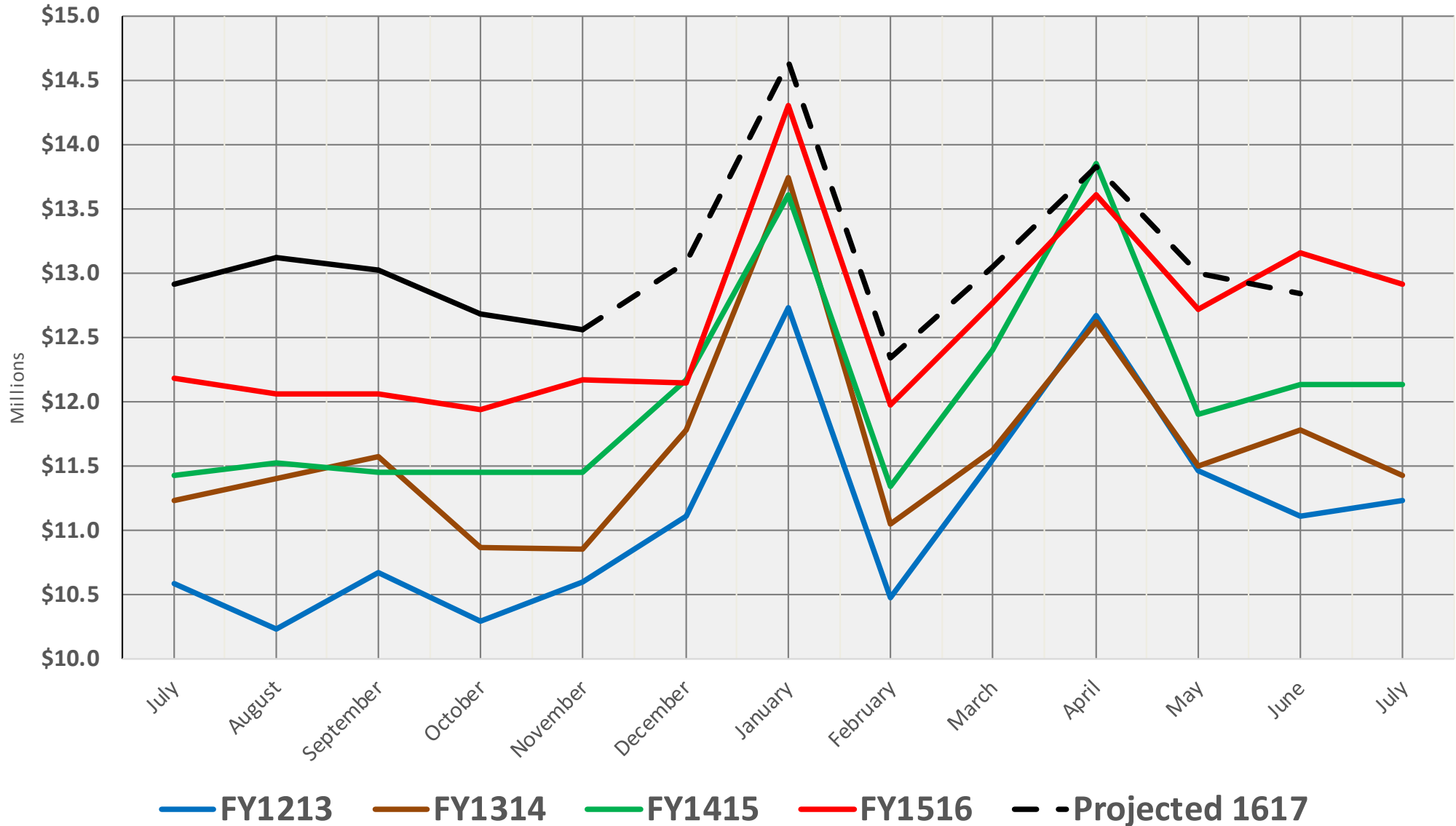


City Sales and Use Tax

Mesa Total City Sales Tax Rate of 1.75%



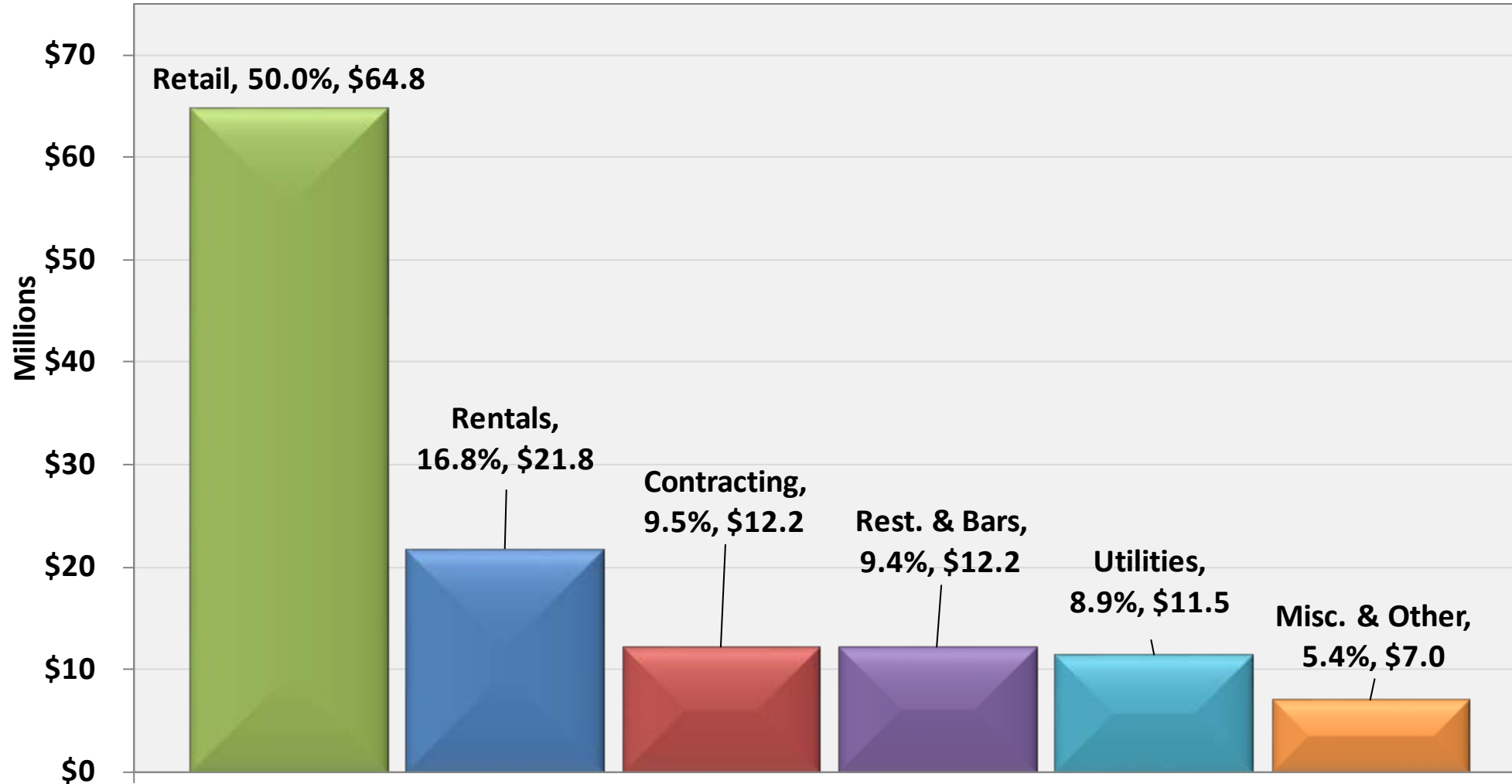
City Sales Tax Seasonal Trend



Data represents consumer activity from the previous month.

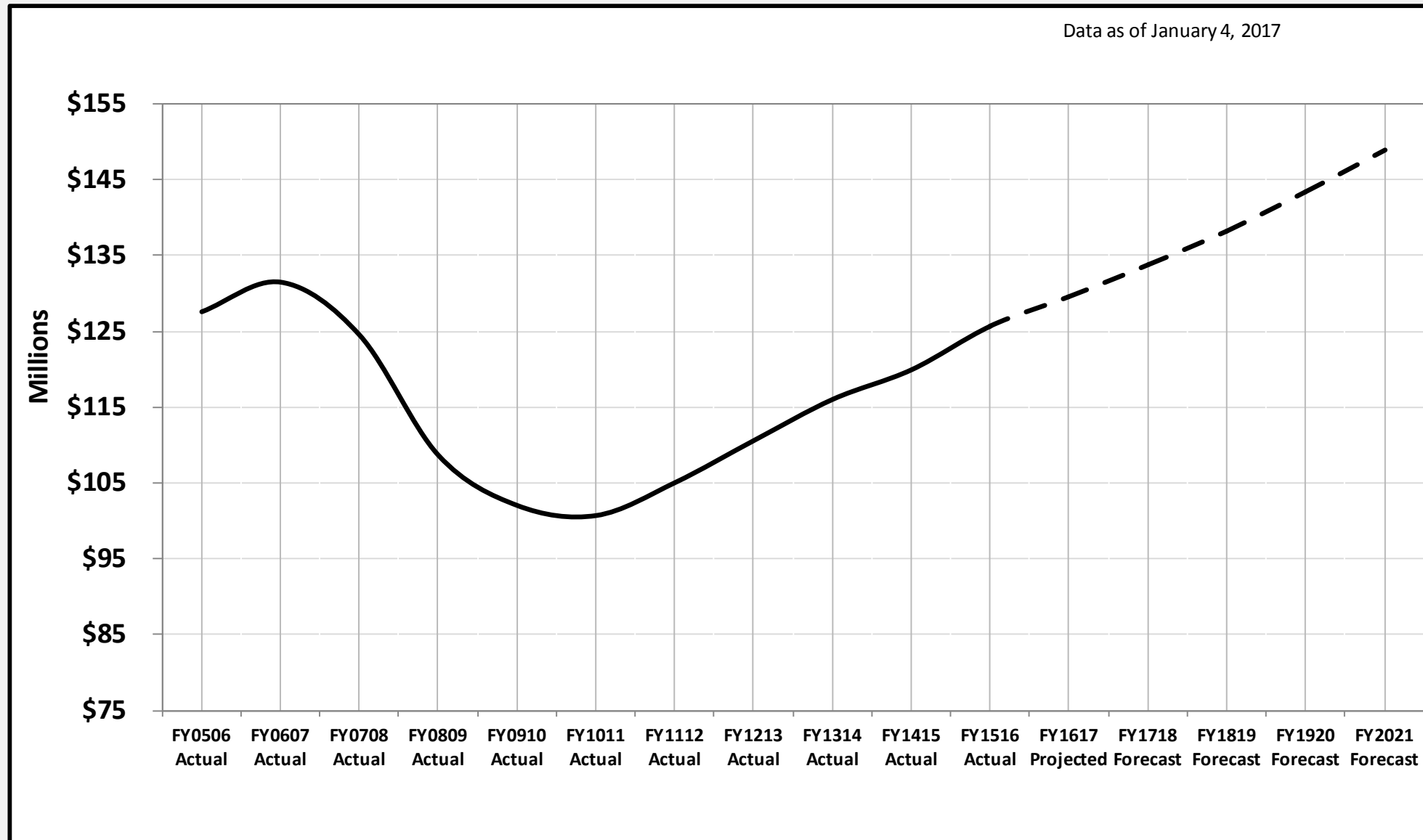
City Sales Tax by Category

Data as of January 4, 2017



FY1617 Projected General Governmental Sales Tax: \$129.5M Total

City Sales Tax – Historical View



State Shared Revenues

Three sources that impact the General Fund

Urban Revenue Sharing (state-shared income tax)

Two year lag between what is reported to when it is received

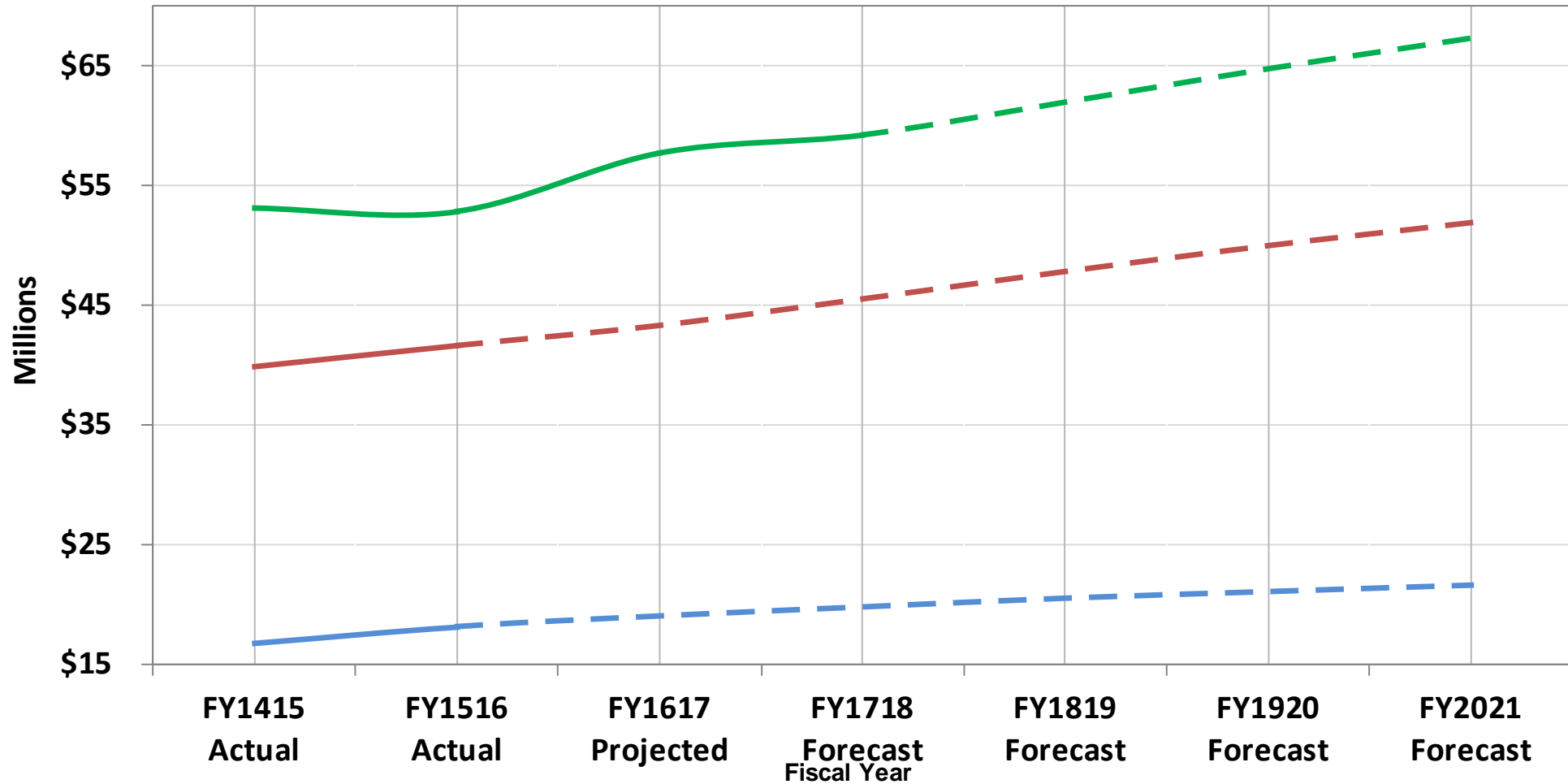
State Sales Tax

Vehicle License Tax

All state shared revenue is based on population formulas.

State Shared Revenues

Data as of January 4, 2017



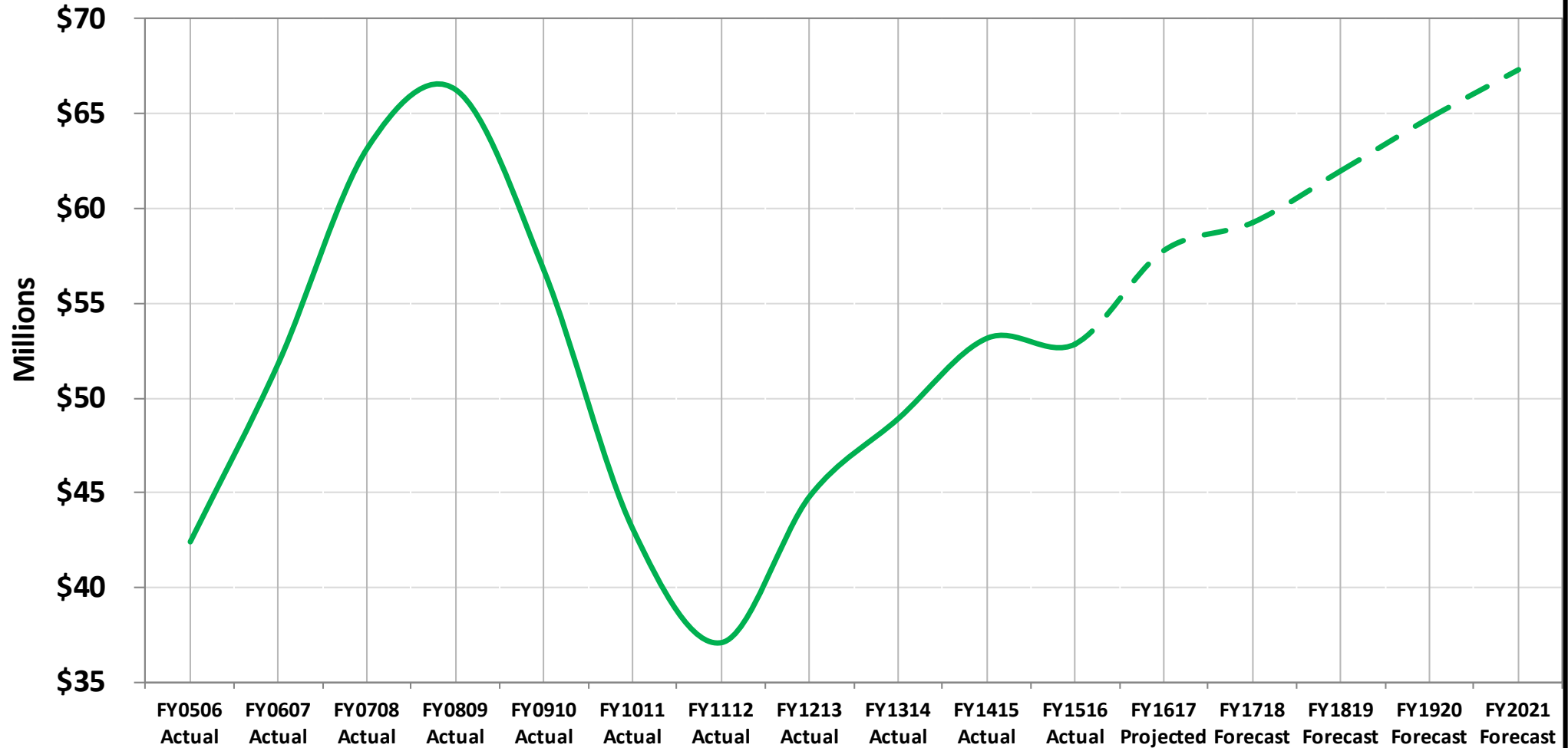
— Urban Revenue Sharing

— State Sales Tax

— Vehicle License Tax

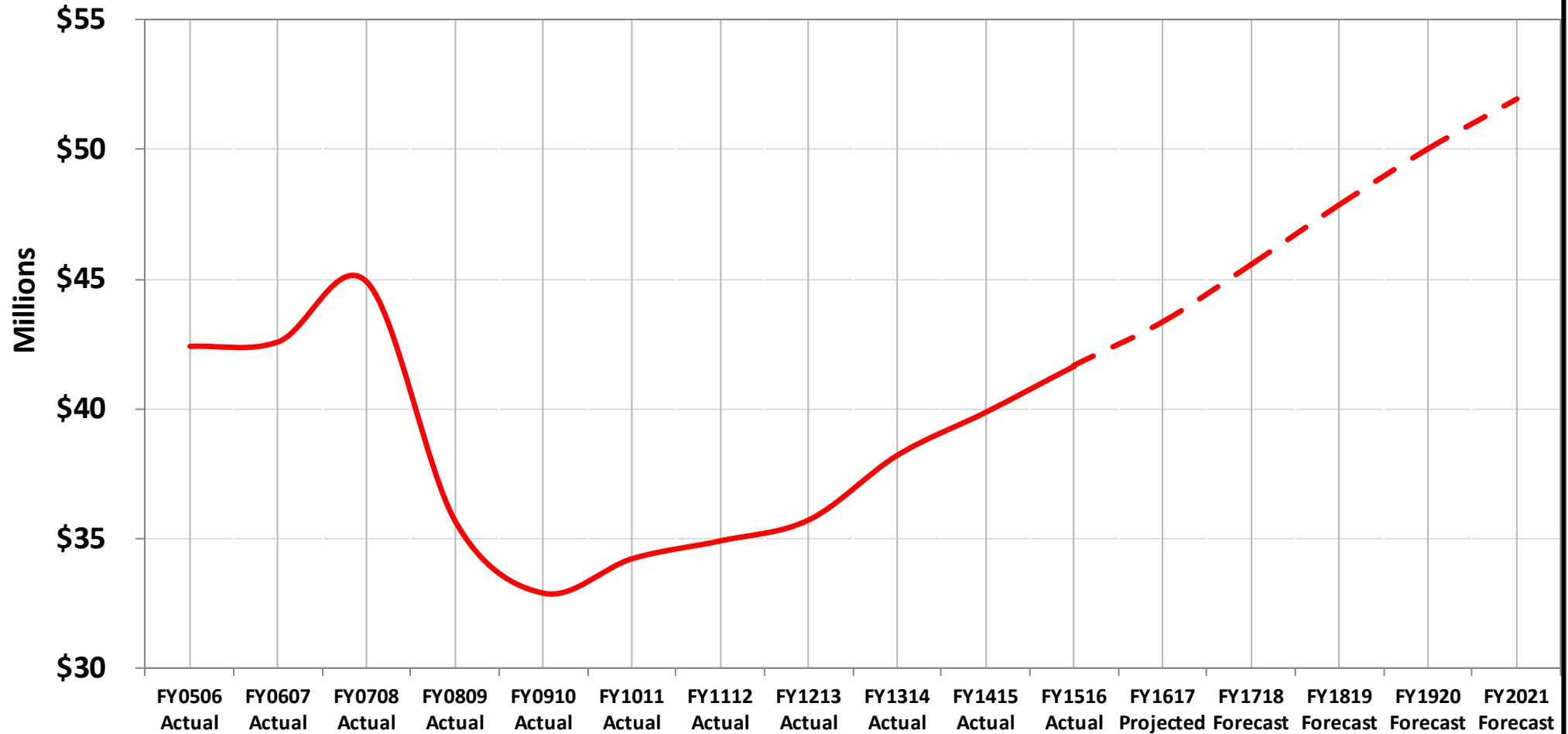
Urban Revenue Sharing (Income Tax)

Data as of January 4, 2017



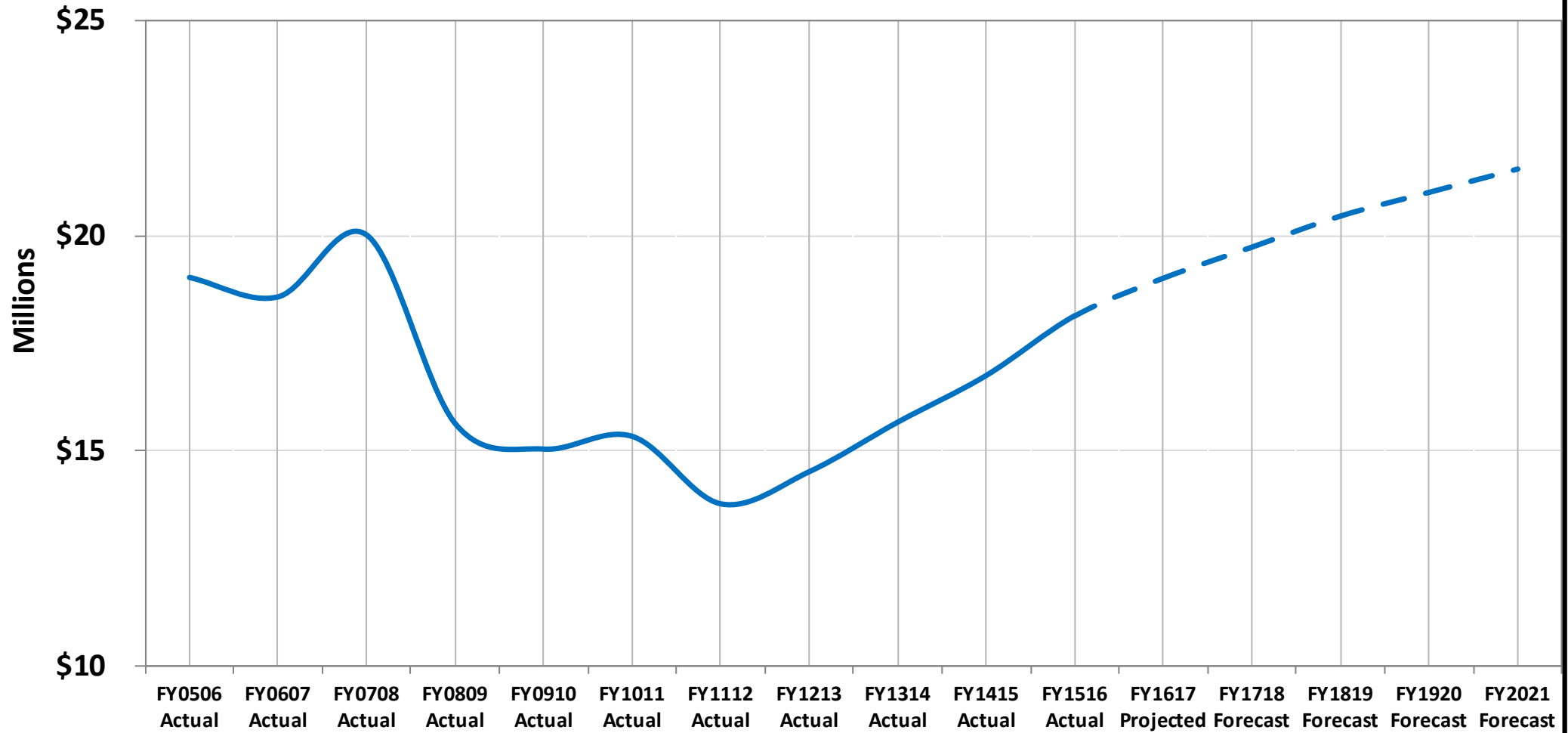
State Sales Tax

Data as of January 4, 2017



Vehicle License Tax

Data as of January 4, 2017



Transfer from the Enterprise Fund

City's method of providing funding for general governmental services such as police and fire.

The City invests the net revenues from the utilities back into the city.

The FY17/18 forecast includes an increase to the transfer amount equal to the consumer price index (CPI) of 2.5%.



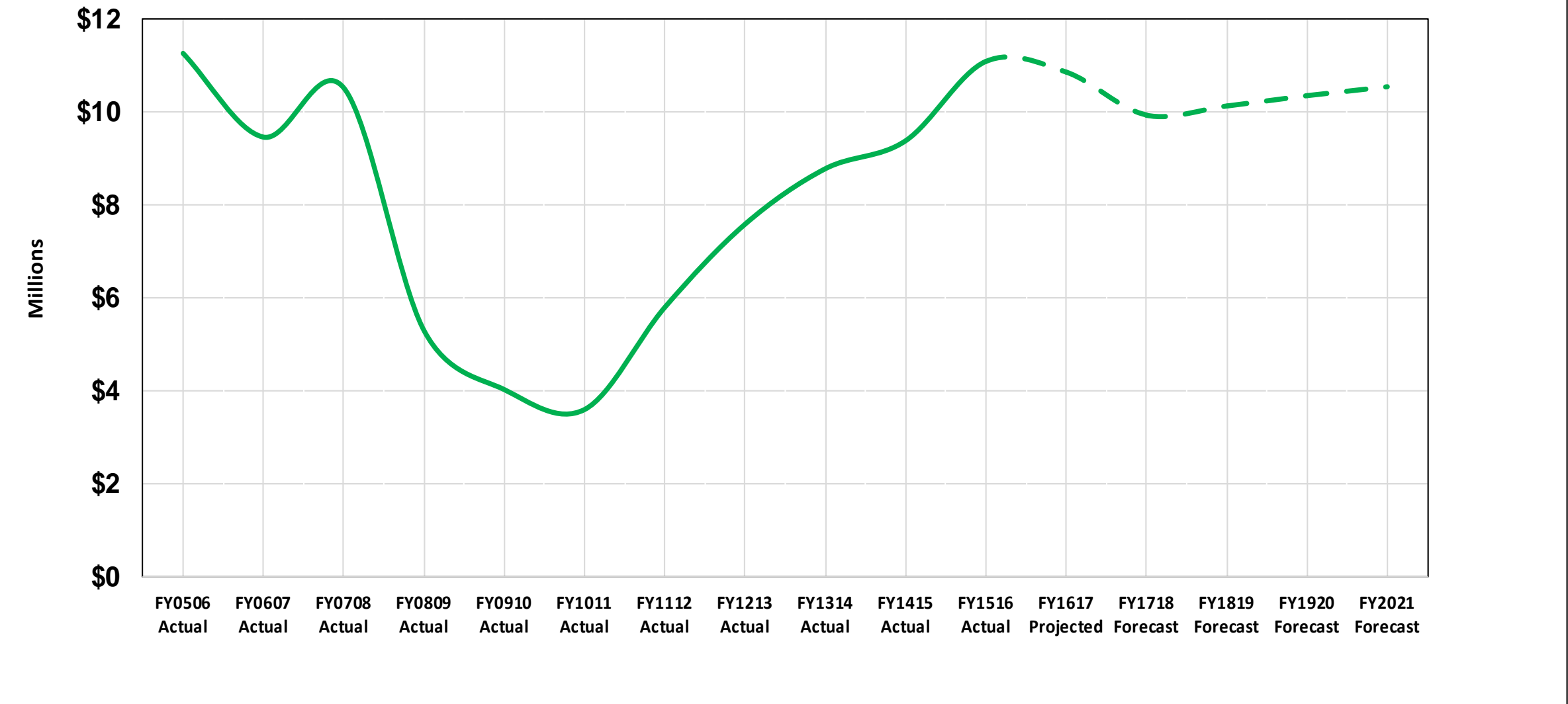
Building Permit Activity

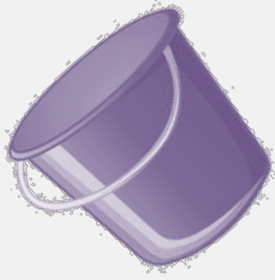
- Monitoring Permit Activity is helpful as an economic indicator
- When permit activity increases, other revenues also tend to increase
- Commercial permit activity has slowed therefore permit revenues have decreased

Building Permit Activity



Building Permit Revenues





Grant Funds

The City pursues grants to fund projects, implement or enhance programs, and fund the acquisition of new equipment. Grant awards provide the City with the means to fund services that would not otherwise be funded in the City's budget.



Police Grants



Fire Grants

Grant Funds

Police

- Homeland Security Grant provides resources for the acquisition of equipment to support homeland security activities
- Governor's Office of Highway Safety (GOHS) Grant provides resources for DUI and traffic enforcement activities, traffic safety equipment, traffic enforcement vehicles, and overtime for officers supporting the City's traffic safety program
- Mesa Family Advocacy Center (MFAC) Grants providing for the salaries and benefits for Victim Support Services personnel and equipment
- Multiple forensics grants for forensic personnel overtime and software, acquisition of new computer equipment, travel and training for forensic personnel
- Governor's Office of Highway Safety (GOHS) Grant for the acquisition of a Gas Chromatograph Mass Spectrometer.
- Justice Assistance Grant for equipment acquisitions
- Tribal Gaming Grants provides funding for the police Video downlink, pilot flight training request, license plate readers.
- High Intensity Drug Trafficking Areas (HITDA) Grant provides funding for officer overtime to coordinate activities that address drug trafficking in specially designated areas of the United States.

Grant Funds

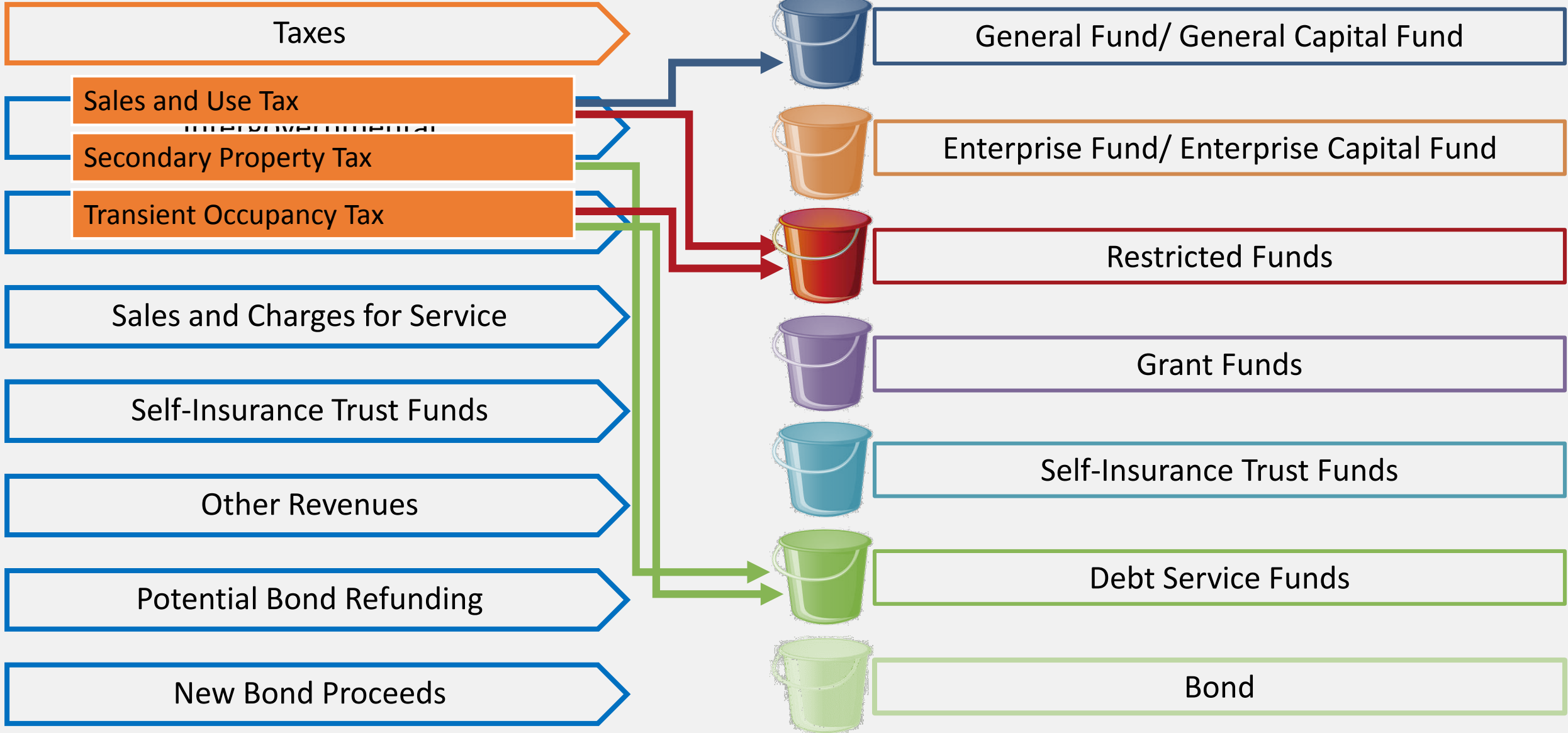
Fire and Medical

- \$4.3 million in FY 16/17 from the Centers for Medicare and Medicaid Services (CMS) Healthcare Initiative Grant. FY 16/17 was the third and final year of funding for the department's Community Care Response Initiative which provides high-quality immediate patient care at the point of calling for low-level emergencies. This program is expected to save millions of dollars in healthcare costs, while improving patient healthcare outcomes and enhancing efficiencies at local hospitals. The grant supports the salaries and benefits for key personnel, supplies, and equipment. A grant match is not required from the City. The grant expires in September, 2017.
- Urban Area Security Initiative (UASI) Rapid Response Team (RRT) for salary & benefits, including travel, conferences and training for key fire personnel.
- Various other grant awards which include immunizations and provide support for Community Emergency Response Teams.



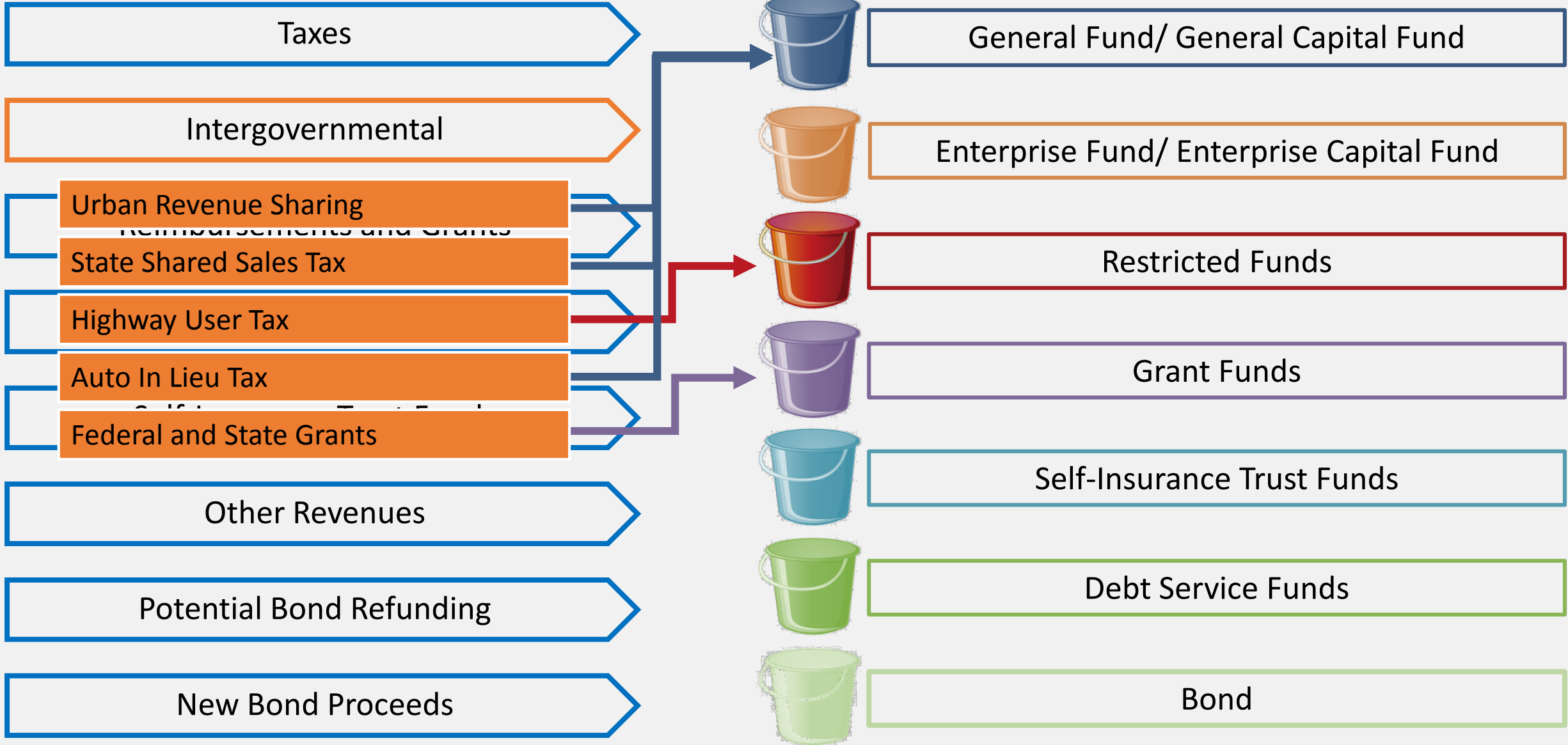
Resources

Funds



Resources

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Resources

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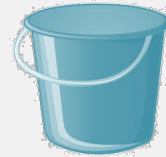
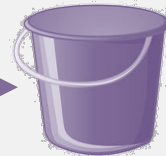
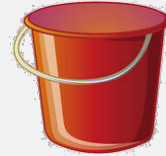
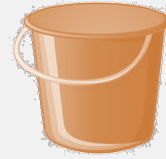
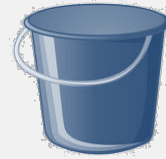
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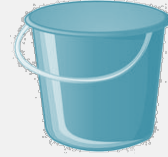
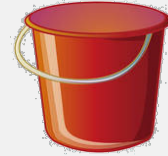
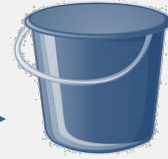
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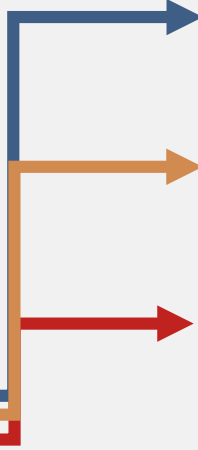
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