

PROPOSED BUDGET OVERVIEW FISCAL YEAR 2022/23

MARCH 31, 2022
CITY OF MESA



- Presented by:
- Brian A. Ritschel, Management and Budget Assistant Director
- Linda Jones, Management and Budget Operations Coordinator

An Annual Balance Budget

- Each year the City of Mesa is required to appropriate an annual expenditure budget and set a secondary property tax levy and associated rate
- The annual budget sets the maximum expenditure limit for the fiscal year
- A balanced budget means that the total resources available to the city must be sufficient to cover the budgeted expenses

General Governmental Funds Financial Principles



Balance net sources and uses



10% – 15% reserve fund balance over the 5-year forecasted period



Sustainability of programs and services



Keep wages and benefits competitive compared to other valley cities in order to retain and recruit quality staff



Investment in capital and lifecycle replacement projects

Fiscal Year 2022/23 Proposed Budget

“Sustain Quality Services”



The FY 2022/23 Proposed Budget focuses on the City's effort to *sustain quality services* while addressing the following impacts:

- Increase cost of labor
- Higher than normal inflation on commodities, services, and contracts
- Growth pressures
- Mesa Climate Action Plan



In the current workforce environment, the City continues to strive to recruit and retain quality employees with the following:

- July 2021 – Up to 3% step pay increase for all eligible employees
- January 2022
 - ✓ \$2000 one-time gross pay for full-time employees
 - ✓ 5% market adjustment & salary increase for all City employees
- July 2022 – Up to 4% step pay increase for all eligible employees
- Create a centralized Commercial Motor Vehicle (CMV) safety unit responsible for citywide administration, education, and training of Department of Transportation CMV programs (3 FTE)
- Continue to evaluate a January 2023 one-time gross pay for full-time employees

Recruitment and Retention of Quality Employees

Sustain Quality Services

Positions added during FY 2021/22

Sustain Quality Services

Public Safety

- Queen Creek 911 call taker and dispatch services (16 FTE)
- Tempe/Queen Creek Forensics Lab services (6 FTE)
- Real Time Crime Center (4 FTE)
- Technical Services Division Manager – Police Department (1 FTE)
- Police Officer – Homeless Liaison (1 FTE)
- Administrative Support Assistant – Transport Program (1 FTE)
- Medical Billers – Transport Program (3 FTE)

Other Services

- Assistant City Attorney (1 FTE)
- Park Ranger (1 FTE)
- Parks Service Worker – Convention Center/Amphitheatre (1 FTE)
- Planning Division Project Manager (1 FTE)



➤ The following new positions are included the Police Department's FY 2022/23 budget:

- Sworn officers were added to increase staffing in the patrol unit – Public Safety Sales Tax (14 FTE)
- Civilian staff were added to increase staffing in the support areas of the Police Department – Public Safety Sales Tax (5 FTE)
- Records Division positions were added to improve the turnaround time in processing Police Department public records requests – General Fund (7 FTE)
- A psychologist position was added to provide mental health expertise to the mental wellness program for Police Department employees – General Fund (1 FTE)

Mesa Police Department Personnel

Sustain Quality Services

Domestic Violence Court

Sustain Quality Services

- Create a specialized court focused on domestic violence
 - Reduce recidivism
 - Provide for greater accountability
 - Evaluate and refer for other services as needed
- The follow positions are included in the proposed budget
 - Probation Monitoring Officer (1 FTE)
 - Program Assistant (1 FTE)



Public Safety – Academies & Training



Police Recruit Academies 110 ≈ 77 graduates (\$3.8M)

Ensure coverage of 11 new positions and future vacancies

Recruit training is scheduled to maintain all budgeted positions in a filled capacity

Fire Recruit Academy (\$2.3M)

40 Recruits to fill future vacancies

- 12 recruits for Station 222
- 28 recruits to fill vacancies



Sustain Quality Services

Meeting Community Needs and Growth



Sustain Quality Services

- The number of building permits and development activity has significantly increased over the past year. To support these increases, the following positions are included in the FY 2022/23 proposed budget:
 - General Plan Update
 - Permit Tech II (1 FTE)
 - Plans Examiner Supervisor (1 FTE)

- The number of specials events has increased over the past several years. To support this increase, the following positions are included in the FY 2022/23 proposed budget:
 - Special events coordination staff (3.5 FTEs)

Investing in Transportation



Sustain Quality Services

- **Increase street maintenance and preservation program**
 - \$10M increase to street overlay budget
 - Equipment Operator (2 FTE)
 - Field Worker (2 FTE)
- **Increase alleyway and graffiti cleanup program**
 - Field Worker (2 FTE)
- **Increase various transportation operations programs**
 - Traffic Barricade Coordinator (2 FTE)
 - ITS Technician (1 FTE)
 - Contract Specialist – Landscaping (1 FTE)



Investing in Transit



- **Increase transit options and enhance experience**
 - Fiesta Buzz Neighborhood Circulator Pilot Program
 - Master Plan Development
 - 14 Bus Stop Shelters (Design & Construction)
 - Streetcar Extension Feasibility Study



Sustain Quality Services



➤ To promote City's climate action plan initiative

- Set aside \$10M for MCAP projects
- Created scoring criteria to prioritize projects
- Example projects:
 - ✓ Electrical vehicle charging stations and master plan
 - ✓ Solar energy
 - ✓ Streetlight conversions to LED



Sustain Quality Services

FY 2022/23 Proposed Budget

City of Mesa
General Governmental Funds

	Actuals FY 20/21	Budget FY 21/22	Projected FY 21/22	Budget FY 22/23	Forecast FY 23/24	Forecast FY 24/25	Forecast FY 25/26	Forecast FY 26/27
Beginning Reserve Balance	\$126.5	\$177.9	\$203.1	\$162.4	\$170.3	\$176.7	\$144.5	\$123.7
Total Sources	\$532.3	\$503.4	\$560.6	\$575.5	\$562.0	\$553.9	\$564.2	\$581.9
Total Uses	\$445.6	\$504.0	\$601.4	\$567.5	\$555.6	\$586.1	\$584.9	\$609.5
Net Sources and Uses	\$86.6	(\$0.6)	(\$40.8)	\$7.9	\$6.4	(\$32.2)	(\$20.7)	(\$27.6)
Future Economic Correction	(\$10.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Ending Reserve Balance	\$203.1	\$177.2	\$162.4	\$170.3	\$176.7	\$144.5	\$123.7	\$96.2
Ending Reserve Balance Percent*	33.8%	31.2%	28.6%	30.7%	30.2%	24.7%	20.3%	15.9%
*As a % of all Next Year's uses of funding							data as of March 2022	
Note: Includes economic recession beginning FY 23/24							dollars in millions	

Sustain Quality Services

Utility Fund Financial Principles



BALANCE NET
SOURCES AND USES



20% OR HIGHER
RESERVE FUND
BALANCE



RATE ADJUSTMENTS
THAT ARE
PREDICTABLE AND
SMOOTHED
THROUGHOUT THE
FORECAST



EQUITY BETWEEN
RESIDENTIAL AND
NON-RESIDENTIAL
RATES



AFFORDABLE
UTILITY SERVICES

Meeting Community Needs and Growth

Utility Fund

Sustain Quality Services

- **To support several significant water and wastewater projects and maintain current service levels**
 - Signal Butte Water Treatment Plant Expansion
 - ✓ Treatment Process Specialist
 - Central Mesa Reuse Pipeline
 - ✓ Water/Wastewater Field Coordinators (2 FTE)
 - ✓ Water/Wastewater Utility Systems Crew Leader
 - ✓ Equipment Operator
 - ✓ Fieldworker
 - ✓ Backhoe
 - ✓ 10-yard dump truck
 - Northwest Water Reclamation Plant
 - ✓ Water Resources Operator
 - ✓ Water Resources Maintenance Specialist
- **To support the growth in solid waste accounts**
 - Beginning to relocate solid waste trucks from the West Mesa Service Center to the East Mesa Service Center

FY 2022/23 Proposed Budget






UTILITY FUND NET SOURCES AND USES	FY 20/21 Actuals	FY 21/22 Projected	FY 22/23 Budget	FY 23/24 Forecast	FY 24/25 Forecast	FY 25/26 Forecast	FY 26/27 Forecast
WATER	\$19,416	(\$5,151)	(\$4,718)	(\$2,774)	(\$8,471)	(\$11,987)	(\$15,689)
WASTEWATER	(\$8,878)	(\$11,758)	(\$10,256)	(\$9,906)	(\$6,812)	(\$5,149)	(\$2,507)
SOLID WASTE	\$5,612	(\$7,339)	(\$358)	\$1,452	\$138	(\$1,153)	\$2,138
ELECTRIC	\$791	\$2,995	(\$1,743)	(\$2,246)	(\$1,513)	(\$1,936)	(\$1,762)
NATURAL GAS	(\$2,385)	(\$131)	(\$1,773)	(\$1,335)	\$53	\$514	\$977
DISTRICT COOLING	(\$68)	(\$715)	(\$130)	(\$1,515)	(\$293)	(\$169)	(\$138)
TOTAL NET SOURCES AND USES	\$14,488	(\$22,098)	(\$18,977)	(\$16,323)	(\$16,898)	(\$19,879)	(\$16,980)
Beginning Reserve Balance	\$136,773	\$151,261	\$129,163	\$110,186	\$93,863	\$76,964	\$57,086
Ending Reserve Balance	\$151,261	\$129,163	\$110,186	\$93,863	\$76,964	\$57,086	\$40,106
Ending Reserve Balance Percent*	33.4%	28.0%	23.3%	19.4%	15.2%	11.0%	7.4%

data as of March 2022
Dollars in Thousands

*As a % of Next Fiscal Year's Expenditures

Sustain Quality Services

Budget Process Calendar

-  **April 4 – May 2** Departmental Presentations
-  **May 5** Budget Wrap-up
-  **May 16** Adoption of Five-Year Capital Improvement Program
Tentative Adoption of Annual Budget
-  **June 6** Public Hearing on Annual Budget and Secondary Property Tax Levy
Final Adoption of Annual Budget
-  **June 20** Adoption of Secondary Property Tax Levy



mesa·az