PROPOSED BUDGET OVERVIEW
FISCAL YEAR 2018/19

APRIL 2, 2018
CITY OF MESA

Presented by:
Candace Cannistraro, Management and Budget Director
Brian Ritschel, Deputy Management and Budget Director
The FY 18/19 Proposed Budget continues the City’s effort to create and maintain a great place to live, work and play.

The key to financial sustainability is the balance between meeting the needs of today and preparing for the growth and opportunities of tomorrow.
Emphasis on Public Safety

Public Safety continues to be a high priority in the budget

- 2nd Critical Response Team (4 sworn)
- Civilian patrol support positions (4)
- Evidence technicians (3)
- Detention officers (5) and detention support (1)*
- Forensic Scientist (1)*

- $1.5M personnel placeholder for implementation of emergency medical response staffing model
- Fire Inspectors/Investigators (2)*

*Implemented mid-year FY 17/18
Emphasis on Service

Mesa is a service organization that strives to provide high quality interactions with residents, businesses and visitors.

Quality services require skilled professional employees.

In order to recruit and retain the best employees, the city periodically conducts a salary study comparing city pay to comparable positions in other municipalities.

*During the last review, some positions were found to be below the local market and have been adjusted accordingly.*
Employees at the maximum of their pay range last July were not eligible for step pay at that time.

Step pay was approved retroactively to January 1, 2018 for positions affected by the salary range adjustments.
Civilian Salary Range Adjustments

Employees in the impacted positions who were at the maximum of the pay range in *July 2017* will now be eligible for step pay in *July 2018*
Emphasis on Growth Response/Management

• Development Services Department
  • Transition of temporary personnel to 5 permanent positions and addition of a customer support position (6)

• Parks, Recreation and Community Services
  • Park Ranger (1)
  • Additional personnel to supervise Eagles Community Center and Field (2, multiple part-time)
  • Increased cost of park operations and maintenance

• Water Resources
  • Meter Reader (1)
  • Wastewater maintenance crew (3)
  • Increased cost of water and chemicals
Proactive Code Compliance

Based on City Council interest, a proactive code compliance program is included in the proposed budget

Addition of four code compliance officers
Budget By Category

- 72.7% Personal Services
- 15.1% Other Services
- 8.7% Transfers to Other Funds
- 3.5% Commodities

General Governmental Expenses

Fiscal Year 2017/18
General Governmental Funds Budget by Department $417.5M*

- General Governmental Expenses

- Police $176.4
- Municipal Court $7.8
- Fire and Medical Services $73.9
- Parks & Library $24.3
- Community Services $12.8
- Infrastructure Support $34.1
- Other Departments $51.9
- Transfers Out $36.3
  - Arts & Culture fund transfer: $9.3
  - Capital fund transfer: $11.3
  - Transit fund transfer: $12.4
  - Transfers to other funds: $3.3

*Excludes $7.5M General Governmental Funds Carryover

Dollars in Millions
## City of Mesa
### General Governmental Funds
(Updated 05/15/2017)

### 2017/18 Tentative Budget Projected Forecast

<table>
<thead>
<tr>
<th></th>
<th>FY 16/17</th>
<th>FY 17/18</th>
<th>FY 18/19</th>
<th>FY 19/20</th>
<th>FY 20/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Reserve Balance</td>
<td>$ 92.1</td>
<td>$ 92.7</td>
<td>$ 83.5</td>
<td>$ 66.3</td>
<td>$ 55.4</td>
</tr>
<tr>
<td>Total Sources</td>
<td>$ 402.5</td>
<td>$ 415.9</td>
<td>$ 421.4</td>
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<td>$ 450.7</td>
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<tr>
<td>Total Uses</td>
<td>$ 401.9</td>
<td>$ 425.1</td>
<td>$ 438.6</td>
<td>$ 447.0</td>
<td>$ 460.6</td>
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<tr>
<td>Net Sources and Uses</td>
<td>$ 0.6</td>
<td>$(9.2)</td>
<td>$(17.2)</td>
<td>$(10.9)</td>
<td>$(9.9)</td>
</tr>
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<td>Ending Reserve Balance</td>
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<td>$ 83.5</td>
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<td>$ 55.4</td>
<td>$ 45.5</td>
</tr>
<tr>
<td>Ending Reserve Balance Percent*</td>
<td>21.8%</td>
<td>19.0%</td>
<td>14.8%</td>
<td>12.0%</td>
<td>9.6%</td>
</tr>
</tbody>
</table>

*As a % of uses of funding of the following year

Dollars in Millions

FY 17/18 Includes $7.5M of carryover in both Total Sources and Total Uses
Does not include an economic correction

FY 17/18 Tentative Budget (last May)
## FY 18/19 Forecast Budget

### City of Mesa
**General Governmental Funds**
(Updated 03/02/2018)

<table>
<thead>
<tr>
<th>2018/19 Forecast Budget</th>
<th>Actual FY 16/17</th>
<th>Budget FY 17/18</th>
<th>Projected FY 17/18</th>
<th>Forecast FY 18/19</th>
<th>Forecast FY 19/20</th>
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<th>Forecast FY 22/23</th>
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<tbody>
<tr>
<td>Beginning Reserve Balance</td>
<td>$93.6</td>
<td>$92.7</td>
<td>$100.9</td>
<td>$91.1</td>
<td>$79.4</td>
<td>$71.7</td>
<td>$59.7</td>
<td>$49.9</td>
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<tr>
<td>Total Sources</td>
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<td>$415.9</td>
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<td>$436.7</td>
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<tr>
<td>Total Uses</td>
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<td>$456.8</td>
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<td>($8.7)</td>
<td>($4.7)</td>
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<tr>
<td>Future Economic Correction</td>
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*Dollars in Millions

Note: Includes an economic correction beginning FY 20/21

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(Updated 03/29/2018)

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Dollars in Millions

*Note: Includes an economic correction beginning FY 20/21 (Urban Revenue Sharing impact is in FY 22/23)

*As a % of uses of funding of the following year
Scheduled Budget Presentations

- **April 2** FY 18/19 Proposed Budget Overview
- **April 5** Utility related CIP
  - Environmental Management & Sustainability
  - Energy Resources
  - Water Resources
- **April 12** Police
- **April 16** Fire and Medical
- **April 19** Transportation
  - Transit
  - Parks, Recreation & Community Facilities
- **April 26** Non-Utility related CIP
  - Development Services
  - Arts and Culture
  - Library
  - Community Services
- **May 3** Budget Wrap Up
Budget Process Calendar

May 7
Introduction of Utility Rate Ordinances

May 21
Public Hearing on Utility Rate Adjustments
Adoption of Utility Rate Ordinances
Adoption of Five-Year Capital Improvement Program
Tentative Adoption of Annual Budget

June 4
Public Hearing on Annual Budget and Secondary Property Tax Levy
Public Hearing on Home Rule Election
Final Adoption of Annual Budget

June 18
Adoption of Secondary Property Tax Levy