City of Mesa

Candace Cannistraro: Management & Budget Director

Brian Ritschel: Management & Budget Deputy Director
Tiered Response Strategy

■ Initial Response –
  - Identify available reserves, set-aside funds
  - Pause on adding on-going expenditures or obligations
  - Freeze Vacant positions and salary adjustments
  - Pause unobligated capital projects/improvements

■ Short-Term Response (45-60 days)
  - Departments with Closed Facilities
    - Parks, Recreation, and Community Facilities
    - Libraries
    - Arts and Culture
  - Monthly reviews to assess health and economic conditions to possibly open the facilities earlier

■ Mid-term Response (60-90 days)
  - Citywide review of all funds and operational expenses
Short-term Closure of Facilities

- Estimated Lost Revenues $3.2M

- Expense Avoidance due to Closed Facilities
  - Custodial, utilities, pool chemicals, field maintenance $1.3M
  - Commodities, temp workers, etc. $1.4M

- Personnel Reductions
  - Full-time, None
  - Part-time, 399 employees $1.8M
    - With benefits, 5.0 FTEs, 7 employees
    - Without benefits, 99.2 FTEs,
      - 386 active employees, 156 inactive employees
  - Vacant positions, 21 FTEs $842K
    - All department positions, not just associated with closed facilities

All amounts are from Apr–Sep 2020 unless otherwise noted
Parks, Recreation, and Community Facilities

Programs Impacted by Short-term Closure of Facilities

- **Adaptive**
  - Camp Fiesta, TGIF Program, Special Olympics, MPS Joint Programming, City of Chandler Joint Programming

- **Aquatics**
  - Swim lessons, Summer Swim Teams, Open Swim, Lap Swim, Private Aquatic Club practices and meets, High School Teams practices and meets, and PE Classes

- **Athletics**
  - City offered Youth and Adult Sports Programs, Community Youth Groups (little league, youth soccer, etc.), Mesa Tennis Center, Gateway Community College baseball, Mesa Public Schools usage, Heritage Academy usage

- **Recreation Centers**
  - Summer Camps, After School Programs, Red Mountain Center, Eagles Community Center, Jefferson Recreation Center, Webster Recreation Center

- **Special Events**
Short-term Closure of Facilities

■ Expense Avoidance due to Closed Facilities $590K
  - Custodial, utilities, security, community navigator
  - M.E.L. lease and operating costs

■ One-time and Capital Reductions/Deferrals
  - M.E.L. relocation and start-up costs $267K
  - New Operational costs associated with Main and Dobson improvements
    ■ $249K annual costs (3.6 FTEs)
    ■ $364k One-time costs

■ Personnel Reductions
  - Full-time, None
  - Part-time, 17 employees $191K
    ■ With benefits, 3.6 FTEs, 6 employees
    ■ Without benefits, 5.5 FTEs, 11 employees
  - Vacant positions, 6.7 FTEs (3 FT, 7 PT) $203K

All amounts are from Apr–Sep 2020 unless otherwise noted
Collection
- Hard Copy material check-out is suspended. Library Services Dept. is reviewing safe ways to provide curb-side pick-up while buildings are closed.
- Increased number of online resources are available for use and check-out.

Programs
- On-site programming is suspended.
- Virtual programs are being developed by Librarians.

Summer Reading Program (SRP)
- On-site programming is suspended.
- Online program for tracking reading minutes continues.

Wifi Access/Computer Use
- No wifi access or public computer use available.

Library Cards
- Library Card registration is now available online.

Customer Service by Phone and Email
- Library employees are staffing the Mesa CARES Community Resource and Call Center. As demand decreases, staff will return to Library customer service support.
Estimated Lost Revenues
- All venues $4.7M

Expense Avoidance due to Closed Facilities $4.8M
- Performing Live/Rentals cancelled events, Studios cancelled classes
- Decreased custodial, utilities, supplies
- Commodities, temp workers, etc.

Personnel Reductions $710K
- Filled Full-time, 23
- Filled Part-time, 39 employees
  - With benefits, 4.2 FTEs, 4 employees
  - Without benefits, 11.2 FTEs, 37 employees
- Vacant positions, 4.2 FTE

Personnel coverage by grants/foundations $348K

All amounts are from Apr–Sep 2020 unless otherwise noted
Programs Impacted by Short-term Closure of Facilities

- Arizona Museum of Natural History exhibitions and programs
- i.d.e.a. Museum exhibitions and programs
- Live Performances
  - Ikeda Theater, Piper Theater, Nesbitt/Elliot Playhouse, Farnsworth Studio Theater
- Adult & Youth Studio classes; Summer Youth camps/programs
- Mesa Contemporary Arts Museum exhibitions
- Festivals/Special Events
- Facility Rentals
- MAC Engagement programs (Project Lit, Arts in Service, Creative Aging, Creative Catalysts)
## Short-term Impact on Departments with Closed Facilities

<table>
<thead>
<tr>
<th>Department</th>
<th>Estimated Lost Revenue</th>
<th>Estimated Cost Savings/Reductions</th>
<th>Net Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Park, Recreation and Community Facilities</td>
<td>$3.2</td>
<td>($5.3)</td>
<td>($2.1)</td>
</tr>
<tr>
<td>Library Services</td>
<td>$0.0</td>
<td>($1.3)</td>
<td>($1.3)</td>
</tr>
<tr>
<td>Arts and Culture</td>
<td>$4.7</td>
<td>($5.9)</td>
<td>($1.2)</td>
</tr>
</tbody>
</table>

Dollars in Millions

Time period: March - September 2020
### Citywide Impact on General Governmental Revenues

<table>
<thead>
<tr>
<th>Revenue Impacts (Major Revenues)</th>
<th>FY 19/20</th>
<th>FY 20/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spring 2019 Forecast</td>
<td>$ 289,988,000</td>
<td>$ 292,532,000</td>
</tr>
<tr>
<td>April 2020 Forecast</td>
<td>$ 283,416,000</td>
<td>$ 287,180,000</td>
</tr>
<tr>
<td><strong>Difference</strong></td>
<td><strong>$(6,572,000)</strong>*</td>
<td><strong>$(5,352,000)</strong>*</td>
</tr>
<tr>
<td>Lost PRCF Revenues Due to Closures (Apr-Sep)</td>
<td>$ (1,800,000)</td>
<td>$ (2,900,000)</td>
</tr>
<tr>
<td><strong>Total Impact to General Governmental Forecast</strong></td>
<td><strong>$(8,372,000)</strong>*</td>
<td><strong>$(8,252,000)</strong>*</td>
</tr>
</tbody>
</table>
Next Steps

- Update and presentation of Expenditure Forecast

- Staff will return to City Council in the beginning of June to:
  - Discuss possible date extension of closed facilities
  - Recommend citywide operational budget modifications
## Impact on Mesa’s Economy: General Governmental Revenues

### Revenue Impacts (Major Revenues)

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<thead>
<tr>
<th>Revenue Impacts</th>
<th>FY 19/20</th>
<th>FY 20/21</th>
</tr>
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<tbody>
<tr>
<td>February 2020 Forecast (not presented to Council)</td>
<td>$300,570,000</td>
<td>$310,093,000</td>
</tr>
<tr>
<td>Spring 2019 Forecast</td>
<td>$289,988,000</td>
<td>$292,532,000</td>
</tr>
<tr>
<td>Estimated Gain in Revenues</td>
<td>$10,582,000</td>
<td>$17,561,000</td>
</tr>
<tr>
<td>Add Spring 2019 forecasted recession back</td>
<td></td>
<td>$5,500,000</td>
</tr>
<tr>
<td><strong>February 2020 Forecasted Revenues without Recession Correction</strong></td>
<td>$300,570,000</td>
<td>$315,593,000</td>
</tr>
<tr>
<td>April 2020 Forecast (current)</td>
<td>$283,416,000</td>
<td>$287,180,000</td>
</tr>
<tr>
<td><strong>Economic Loss of Revenues</strong></td>
<td>$(17,154,000)</td>
<td>$(28,413,000)</td>
</tr>
</tbody>
</table>
FY 20/21 excludes $7.5M in one-time revenues from Urban Revenue Sharing (State Income Tax)
*FY 20/21 excludes $7.5M in one-time revenues from Urban Revenue Sharing (State Income Tax)