Overview of Final Budget

The proposed budget continues the City’s commitment to providing quality services to residents in a fiscally responsible manner. The City continues to prioritize public safety, quality service, investment in the community, and investment in City employees.

Adoption of the final budget sets the maximum expenditure amount for the City of Mesa for the 2014/15 fiscal year. A reserve allocation is included in the amount which allows the City to react to unforeseen events or expenses during the year.

The total proposed final budget for fiscal year 2014/15 is $1,340,000,000. This includes an annual operating budget of $997.3 million and the annual portion of the capital improvement program budget of $342.7 million.

State Expenditure Limitation/Home Rule

The state sets the maximum expenditure budget amount for municipalities based on the 1979/80 adopted budget adjusted for population and inflation. The Mesa voters approved a Home Rule option in the fall of 2010 that allows the City to opt out of the State limitation. The home rule option allows a municipality to set the expenditure budget equal to the projected available resources. Home rule approval is effective for four fiscal years. Mesa’s current home rule authority is valid through fiscal year 2014/15.
Modifications since Tentative Budget and Other Items of Note

Housing and Human Services
Per Council direction, $100,000 has been added for a total of $720,000 to be allocated to non-profit organizations that provide service to Mesa residents. A $50,000 utility payment assistance program will also be created and made available for use by the Mesa United Way to provide direct assistance to residents in need.

Highway User Revenue Fund (HURF)
The State legislature approved a partial restoration of the funds that were diverted from municipalities in previous years. HURF is funded by the gasoline tax. The estimate of the increased revenue for Mesa is $1.1 million. The additional revenues have been included in the proposed Final Budget. Specific use of the funds will be identified during the year. HURF revenues are restricted for use only on street related expenses.

Carry-over
Year-end projections for FY13/14 have been refined resulting in an increase in the operational carry-over amount and a decrease in the Capital Improvement Program carry-over amount.

Contingency
The contingency amount has been reduced. Contingency is budget authorization that allows the City to meet unforeseen expenditures. Some examples are: increased receipt of revenues or the need to use reserve balances for an emergency situation.