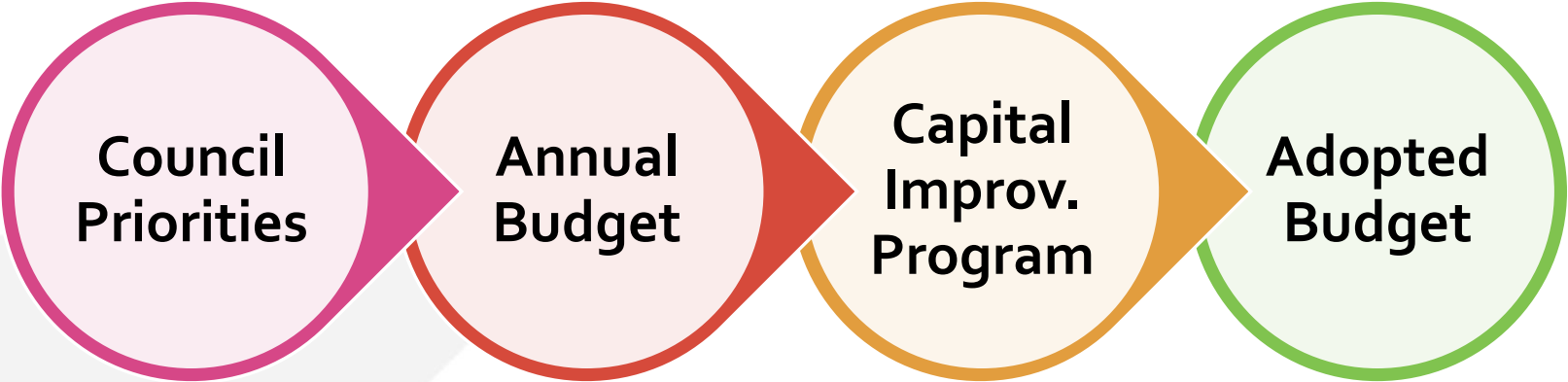


City Manager's Proposed Budget Wrap Up

May 2, 2024

Brian A. Ritschel, Management & Budget Director
Kristi Griffin, Management & Budget Operations Coordinator

Fiscal Year 2024/25



Public Safety

- Overtime analysis, strategies to mitigate
- Police Department Staffing
 - Three academies for 110 recruits
 - Five additional sworn officers
 - Civilianization of vacant detective position into two positions to oversee NIBIN program
- Mesa Fire and Medical Department Staffing
 - Two academies for 50 recruits, includes 12 fire fighters for Station 224
 - 8 fire fighters for new 12-hour Medical Response (MR) unit
 - Emergency Transportation Services Growth

Infill/Redevelopment

- Two positions to target areas for infill and redevelopment, support projects and initiatives, bolster incentives and policy adjustments needed to attract infill development city-wide.

Workforce Development

- Cultivate a skilled and competent workforce to meet current and future needs of high-wage job markets
 - Support partnership between Education Workforce Development and Economic Development staff
 - Foster collaboration between public and private organizations to create pathways to employment, including hiring events and job search assistance
 - Job Connect Mesa platform, connecting businesses and workers

Mesa Climate Action Plan (MCAP) - \$5.4M

- New and continued work on projects
 - Electric vehicle charging; Watershed protection
 - Tree planting programs for neighborhoods
 - Xeriscape city facilities; LED lighting conversions at city sports fields

Community Services

- Contract increase with AZ Humane Society
- Alston House Preservation
- Continue to discuss Heat Relief Program
 - \$235K County grant, \$75K City match
- Ongoing discussion on Feral Cats response

Parks, Recreation and Community Facilities

- Adaptive Program Staffing
- Special Events Staffing
- IGA with Mesa Public Schools for City Aquatics facilities
- Pickleball programming and maintenance

Transportation Department

- Four positions for Temporary Traffic Control permit reviews

Step Pay

- Up to a 3% step pay increase for all eligible employees effective the first full pay period in July 2024

Deferred Compensation

- Double the City's contribution to 1% for all eligible employee participants in the City's deferred compensation plan that are not covered by a memorandum of understanding (MOU)

General Governmental Funds – 5 Year History



Financial Principles

- **Balanced Net S&U**
- **10-15% Fund Balance**
- **Sustainable Services**
- **Recruitment & Retention**
- **Capital/Lifecycle Investments**

	Actuals FY 19/20	Actuals FY 20/21	Actuals FY 21/22	Actuals FY 22/23	Projected FY 23/24
Beginning Reserve Balance	\$90.5	\$126.5	\$203.1	\$184.9	\$219.7
Total Sources	\$468.6	\$532.3	\$583.4	\$639.9	\$698.9
Total Uses	\$432.6	\$455.6	\$601.6	\$605.1	\$675.6
Net Sources and Uses	\$36.0	\$76.6	(\$18.2)	\$34.7	\$23.4
Ending Reserve Balance	\$126.5	\$203.1	\$184.9	\$219.7	\$243.0
Ending Reserve Balance Percent*	27.8%	33.8%	30.6%	32.5%	35.7%
data as of April 2024					
*As a % of all Next Year's uses of funding					dollars in millions

FY 24/25 through FY 28/29 Significant Revenue Loss

- \$75M Residential Rental Sales Tax Elimination
- \$40M State Flat Tax Implementation

Projected \$115M revenue loss through the forecast period

General Governmental Funds – 5 Year Forecast

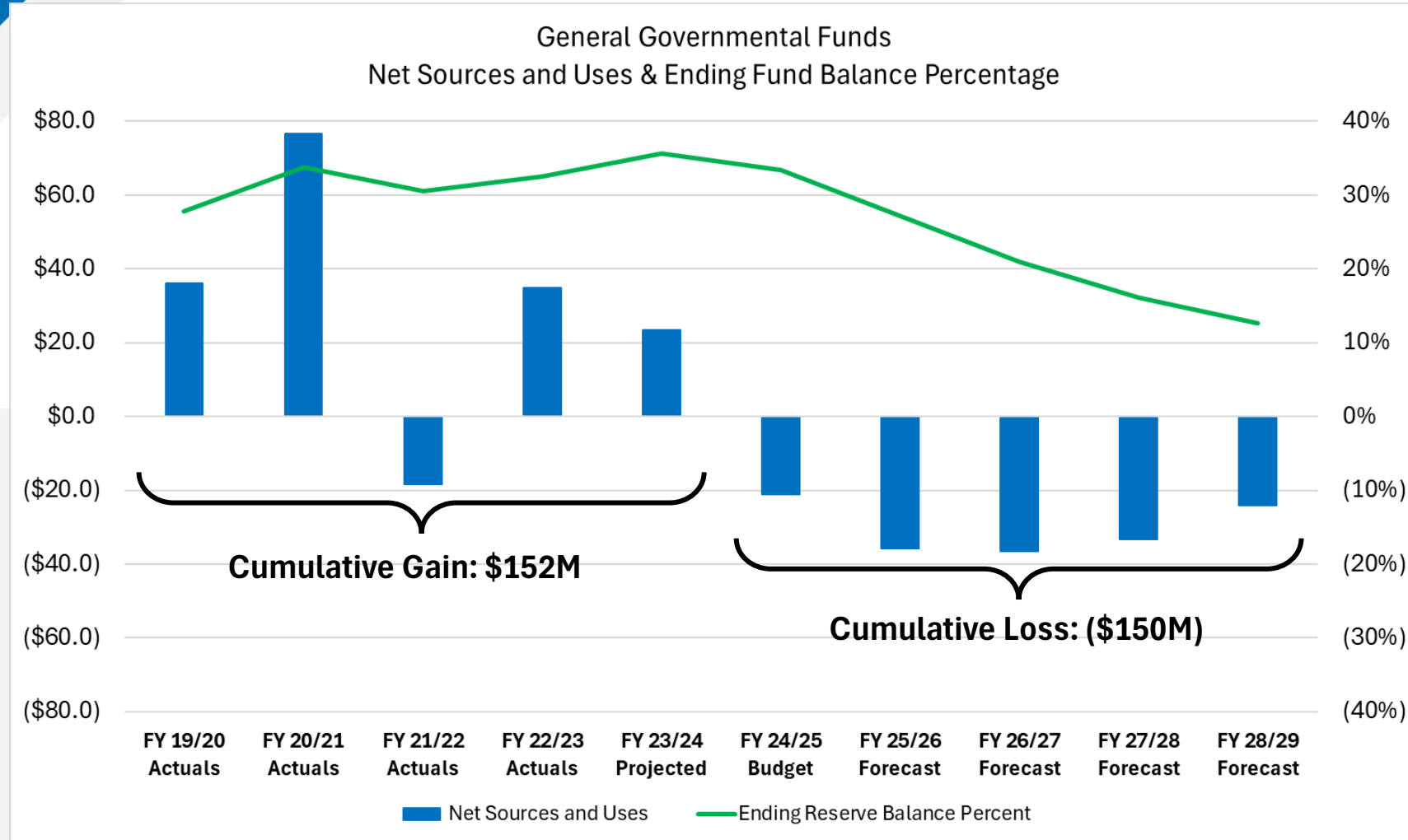


Financial Principles

- **Balanced Net S&U**
- **10-15% Fund Balance**
- **Sustainable Services**
- **Recruitment & Retention**
- **Capital/Lifecycle Investments**

	Actuals FY 22/23	Projected FY 23/24	Budget FY 24/25	Forecast FY 25/26	Forecast FY 26/27	Forecast FY 27/28	Forecast FY 28/29	
Beginning Reserve Balance	\$184.9	\$219.7	\$243.0	\$221.9	\$186.2	\$149.7	\$116.4	
Total Sources	\$639.9	\$698.9	\$660.1	\$628.0	\$648.2	\$678.4	\$700.4	
Total Uses	\$605.1	\$675.6	\$681.2	\$663.7	\$684.8	\$711.6	\$724.5	
Net Sources and Uses	\$34.7	\$23.4	(\$21.1)	(\$35.7)	(\$36.5)	(\$33.2)	(\$24.1)	
Ending Reserve Balance	\$219.7	\$243.0	\$221.9	\$186.2	\$149.7	\$116.4	\$92.3	
Ending Reserve Balance Percent*	32.5%	35.7%	33.4%	27.2%	21.0%	16.1%	12.6%	
							data as of April 2024	
*As a % of all Next Year's uses of funding							dollars in millions	

General Governmental Funds – Forecast Overview



Utility Fund – 5 Year Forecast



Financial Principles

- **Balanced Net S&U**
- **20% Fund Balance**
- **Smoothed Rate Adjustments**
- **Residential/Non-Res Equity**
- **Affordability**

Note: Utility rate assumptions are unchanged. Rates will be reviewed again in the Fall.

UTILITY FUND NET SOURCES AND USES	FY 22/23 Actuals	FY 23/24 Projected	FY 24/25 Budget	FY 25/26 Forecast	FY 26/27 Forecast	FY 27/28 Forecast	FY 28/29 Forecast
WATER	\$664	(\$2,337)	(\$641)	(\$4,216)	(\$5,316)	(\$4,556)	(\$3,978)
WASTEWATER	(\$4,836)	(\$14,841)	(\$10,211)	(\$6,420)	(\$2,784)	\$2,419	\$1,367
SOLID WASTE	(\$629)	(\$5,905)	(\$8,277)	(\$4,630)	(\$3,336)	(\$5,323)	(\$2,515)
ELECTRIC	\$1,272	(\$817)	(\$1,060)	(\$364)	(\$117)	(\$276)	(\$977)
NATURAL GAS	\$3,351	(\$6,739)	(\$5,324)	(\$3,993)	(\$3,125)	(\$2,900)	\$540
DISTRICT COOLING	\$19	(\$255)	(\$151)	(\$77)	(\$50)	(\$58)	(\$51)
TOTAL NET SOURCES AND USES	(\$158)	(\$30,895)	(\$25,664)	(\$19,700)	(\$14,727)	(\$10,694)	(\$5,614)
Beginning Reserve Balance	\$144,572	\$144,414	\$113,519	\$87,855	\$68,155	\$53,427	\$42,733
Ending Reserve Balance	\$144,414	\$113,519	\$87,855	\$68,155	\$53,427	\$42,733	\$37,119
Ending Reserve Balance Percent*	29.1%	21.5%	16.1%	12.0%	9.1%	7.1%	6.0%

*As a % of Next Fiscal Year's Expenditures

data as of April 2024
Dollars in Thousands

The adopted budget sets the maximum expenditures the City can incur during the year

Contingency is included in the budget to allow capacity for unanticipated expenses or to allow for the spending of unanticipated revenues



May 20 – Annual Budget, Tentative Adoption

June 3 – Capital Improvement Program, Public Hearing and Adoption

– Annual Budget and Secondary Property Tax Levy, Public Hearing

– Annual Budget, Final Adoption

June 17 – Secondary Property Tax Levy Adoption



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