



PROPOSED BUDGET OVERVIEW FISCAL YEAR 2021/22

**APRIL 1, 2021
CITY OF MESA**

Presented by:

Brian A. Ritschel, Management and Budget
Assistant Director

Samuel Schultz, 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



The FY 2021/22 Proposed Budget meets the annual balance budget requirements and continues the City's effort to maintain current service levels with an anticipation of reopening public facilities and programs throughout the fiscal year.

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

FY 2021/22 Proposed Budget Reflects Current City Operations

Resiliency In a Time of Uncertainty

FY 2020/21 Budget modifications
with on-going costs continue

- *New positions related to:*
 - Service and/or workload requirements
 - Conversion of temporary positions
 - Restricted funding

Position costs have been revised
with updated costs

- *Medical, Dental, Workers Compensation, Pension*
- *Step increases for all eligible employees*

Increasing Costs to Maintain Current Service Levels

- **City Personnel Costs**
 - January range adjustment & step increase (\$10.3M)
- **Code Compliance**
 - Process Server contract increase (\$35K)
- **Animal Control**
 - Az Humane Society contract increase (\$10K)
- **Parks Recreation & Commercial Facilities**
 - Electric cost increase (\$52K)
- **Environmental Management & Sustainability**
 - CNG pump maintenance cost increase (\$160K)

Community Safety - Police

Additional Positions

Sworn positions (11 FTE)
Civilian positions (9 FTE)
Traffic Analyst (1 FTE)^
Records Unit (9 FTE)*



Continuous Recruitment and Training

3 Academies (\$3.8M, Jul/Jan/Apr)
110 recruits ~ 77 graduates

Ensure coverage of 11 new positions and future vacancies

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

Forensics training and software licenses (\$85K)

**Implemented mid-year FY 2020/21*

^Shared with Transportation Dept.

Resiliency In a Time of Uncertainty

Community Safety - Fire and Medical

Medical Response

Medic Units/Transport – Civilian (20 FTE)*



Support Services

Fire Fleet Service Worker Assistant (1 FTE)*

Civilian paramedic for pharmaceutical program oversight (1 FTE)

Health Exams (\$30K)

Academies and Training

2 Fire Recruit Academies (\$1.9M)

24 Recruits to fill future vacancies

Annual training budget increase (\$300K)
toward quarterly training



**Implemented mid-year FY 2020/21*

Resiliency In a Time of Uncertainty

Meeting Community Needs and Growth

Non-Utility Funds

- **Support Homeless Services Coordination Plan**

- Human Services Coordinator (1 FTE)
- Community Engagement Coordinator (1 FTE)*
- Community Court Program Navigators (3 FTE)*
- Park Rangers (4 FTE)
- Off-the-streets Program (\$600K)
 - Motel availability through December 2021

- **Support Growth in Development**

- Plans Examiner (1 FTE)
- Building Inspector (1 FTE)

Investing in Community Growth

Non-Utility Funds

- **Support Education/Workforce Development**
 - Mesa K-Ready (\$68K)
 - Mesa Promise (\$100K)
- **Support Small Business Assistance Programs**
 - Mesa Business Builder (\$300K)
- **Support Community Re-engagement in the Arts**
 - Equipment and commodities in preparation for reopening facilities (\$250K)

Investing in Transportation and Transit

Non-Utility Funds

- **Transportation**

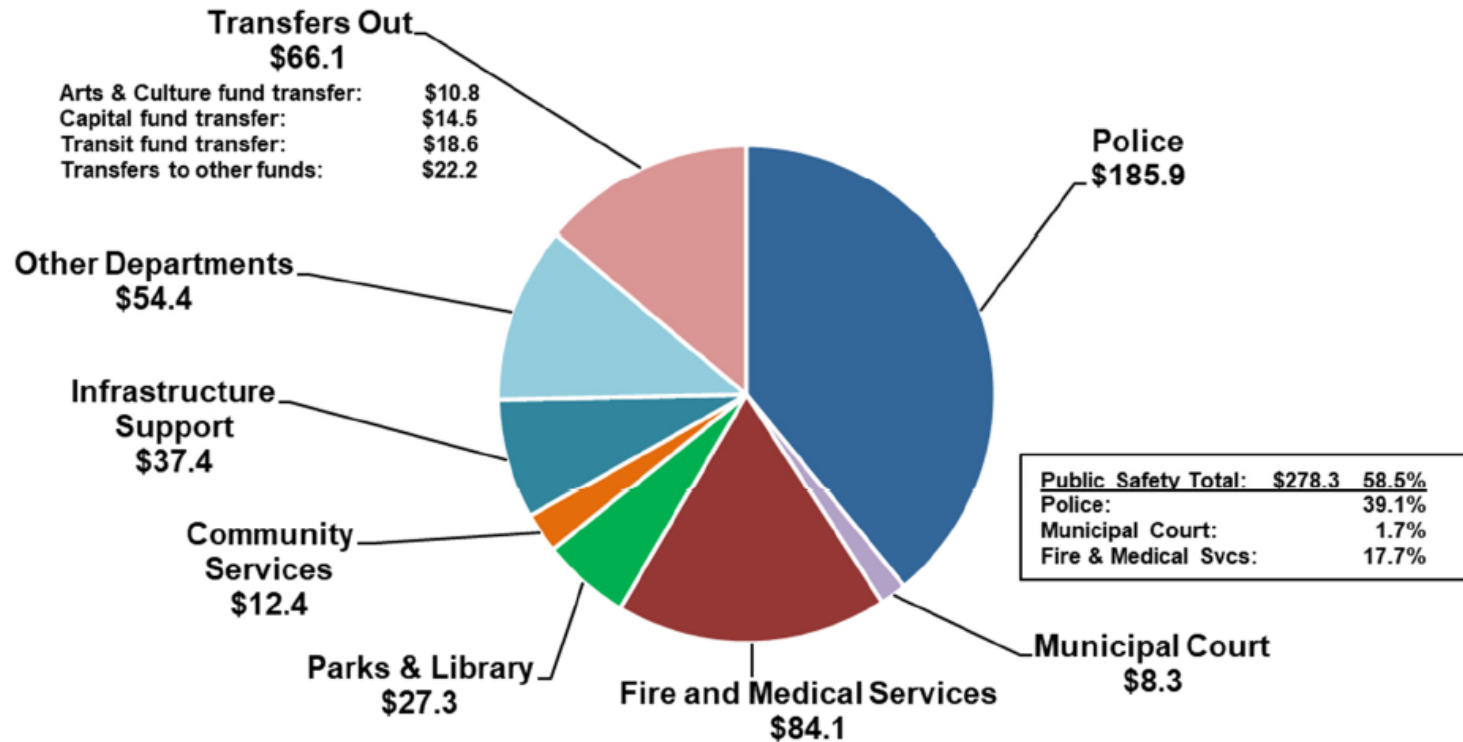
- Master Plan
- Continuation of LED light conversion
- Traffic Analyst (1 FTE)^

- **Transit**

- Expanded services along Mesa Drive, Stapley Drive, and Broadway Road
- Bus Stop Shade Study
- 10 Bus Stop Shelters (Design & Construction)



Fiscal Year 2020/21
General Governmental Funds Budget by Department \$475.9M*



FY 2020/21 General Governmental Expenses

Budget By Category

69.5% Personal Services
13.9% Transfers to Other Funds
13.5% Other Services
3.1% Commodities

*Excludes \$7.9M General Governmental Funds Carryover

Dollars in Millions

Resiliency In a Time of Uncertainty

FY 2021/22 Proposed Budget

City of Mesa General Governmental Funds

	Actuals FY 19/20	Budget FY 20/21	Projected FY 20/21	Budget FY 21/22	Forecast FY 22/23	Forecast FY 23/24	Forecast FY 24/25	Forecast FY 25/26
Beginning Reserve Balance	\$90.5	\$79.0	\$126.5	\$166.8	\$165.8	\$150.1	\$124.0	\$96.6
Total Sources	\$468.6	\$472.7	\$504.5	\$492.0	\$500.1	\$499.0	\$518.6	\$535.6
Total Uses	\$431.6	\$483.8	\$454.1	\$493.1	\$515.8	\$525.2	\$546.1	\$556.9
Net Sources and Uses	\$37.0	(\$11.1)	\$50.3	(\$1.0)	(\$15.7)	(\$26.1)	(\$27.4)	(\$21.2)
Stabilization of Services Transfer	(\$1.0)	\$0.0	(\$10.0)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Ending Reserve Balance	\$126.5	\$67.9	\$166.8	\$165.8	\$150.1	\$124.0	\$96.6	\$75.3
Ending Reserve Balance Percent*	27.3%	14.1%	33.8%	32.1%	28.6%	22.7%	17.3%	13.5%
<div> <div>*As a % of all Next Year's uses of funding</div> <div>Note: Includes economic recession beginning FY 19/20</div> </div> <div>data as of March 29, 2021</div> <div>dollars in millions</div>								

Utility Fund Financial Principles

Resiliency In a Time of Uncertainty



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

Resiliency In a Time of Uncertainty

- **Environmental Management & Sustainability**
 - Equipment Operator (3 FTE)*
 - Automated Side Loader (1)
- **Water Resources**
 - Greenfield Water Reclamation Plant Operator (2 FTE)
 - Greenfield Water Reclamation Equipment Replacement (\$1.0M)
 - Mesa's cost share is \$453K
 - Fire Hydrant Replacement contract (\$250K)
- **Energy Resources**
 - 2 Gas Crews (6 FTE)
- **Business Services**
 - Smart Meter Operations (3 FTE)

**Implemented mid-year FY 2020/21*

FY 2021/22 Proposed Budget

UTILITY FUND NET SOURCES AND USES	FY 20/21 Projected	FY 21/22 Budget	FY 22/23 Forecast	FY 23/24 Forecast	FY 24/25 Forecast	FY 25/26 Forecast
WATER	\$383	(\$1,748)	(\$4,133)	(\$956)	(\$5,193)	(\$5,440)
WASTEWATER	(\$12,998)	(\$12,017)	(\$8,951)	(\$9,421)	(\$7,620)	(\$5,520)
SOLID WASTE	\$2,122	(\$5,390)	(\$682)	\$2,481	(\$508)	\$3,166
ELECTRIC	\$3,269	\$704	\$192	(\$446)	\$22	(\$24)
NATURAL GAS	\$2,267	(\$926)	(\$472)	(\$754)	\$65	\$761
DISTRICT COOLING	(\$114)	(\$367)	(\$53)	(\$60)	(\$103)	(\$234)
TOTAL NET SOURCES AND USES	(\$5,072)	(\$19,744)	(\$14,098)	(\$9,156)	(\$13,337)	(\$7,290)
Beginning Reserve Balance	\$136,773	\$131,702	\$111,958	\$97,860	\$88,704	\$75,367
Ending Reserve Balance	\$131,702	\$111,958	\$97,860	\$88,704	\$75,367	\$68,077
Ending Reserve Balance Percent*	30.8%	25.6%	21.9%	19.0%	15.8%	13.8%

with Economic Recession starting in FY 19/20

*As a % of Next Fiscal Year's Expenditures

data as of March 29, 2021

Dollars in Thousands

Budget Process Calendar



April 1

FY 2021/22 Proposed Budget Overview
Non-Utility Project Plan



April 5 – May 3

Departmental Presentations



May 6

Budget Wrap-up



May 17

Adoption of Five-Year Capital
Improvement Program
Tentative Adoption of Annual Budget



June 7

Public Hearing on Annual Budget and
Secondary Property Tax Levy
Final Adoption of Annual Budget



June 21

Adoption of Secondary Property Tax Levy



mesa·az