

# City of Mesa

## FY 2009/10 Budget Update & Forecast

December 17, 2009

Presented by the Budget & Research Office



# FY 2008/09 Ending Fund Balance General Fund

Estimated Ending Fund Balance	\$	56,856,000
Preliminary Ending Fund Balance	\$	78,987,000
Increase in Fund Balance	<u>\$</u>	<u>22,131,000</u>
Rebudgeted Non-grant Expenditures	\$	(9,040,000)
Net Fund Balance Increase	<u>\$</u>	<u>13,091,000</u>
<i>Projected FY 09/10 Revenue Decrease</i>	<u>\$</u>	<u>(11,300,000)</u>
Net Fund Balance Increase (10/29/09)		1,791,000
<i>Revised Court Revenue Decrease</i>	\$	(972,000)
<b>Remaining Fund Balance Increase</b>	<u><u>\$</u></u>	<u><u>819,000</u></u>
 <i>Revised FY 09/10 Revenue Decrease</i>	 \$	 (12,272,000)

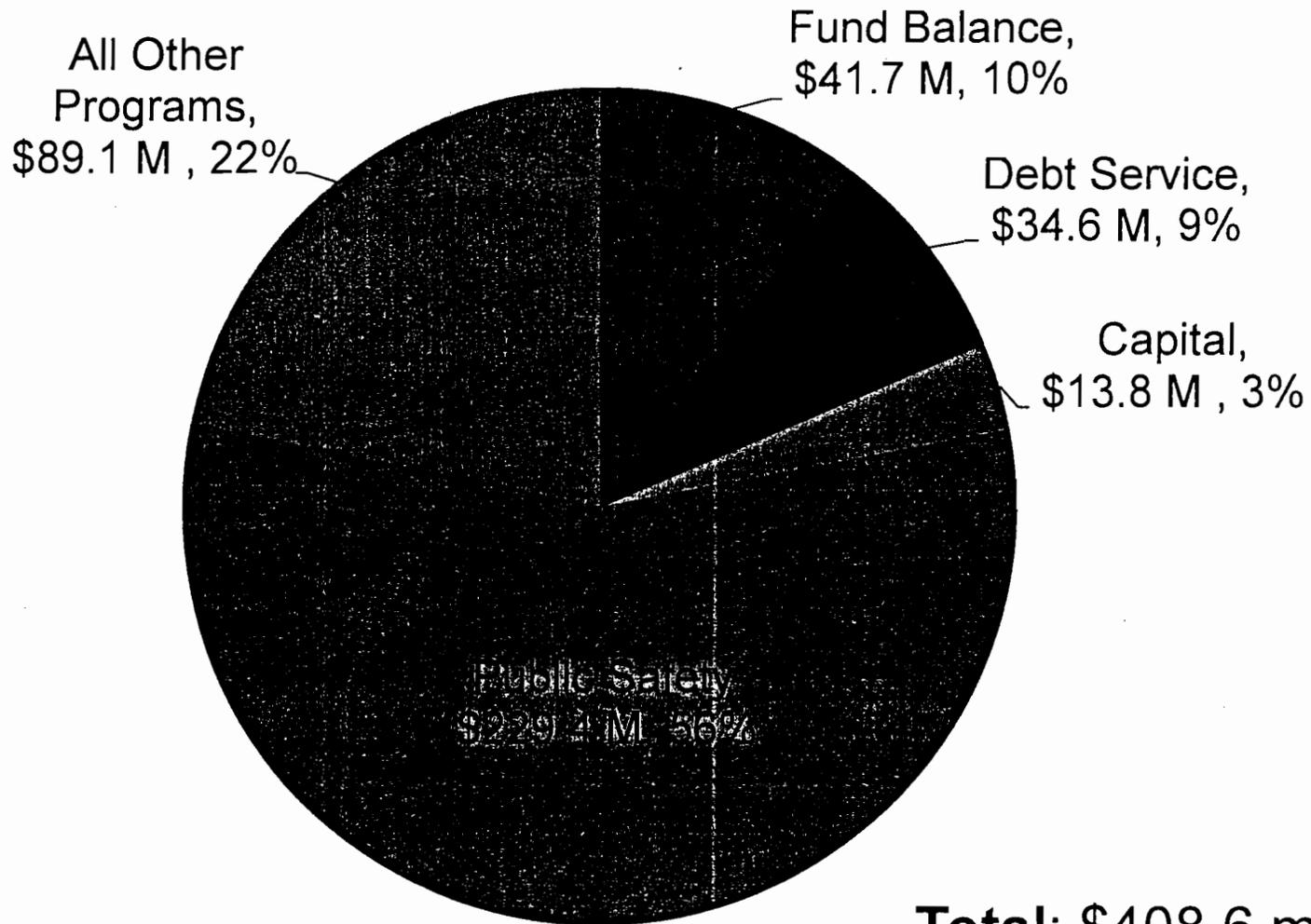
# General Fund\* Revenue FY 2009/10

	FY 08/09 Actual	FY 09/10 Budget	FY 09/10 Revised	FY 09/10 Budget vs. Revised	
City Sales Tax	\$ 108,690,264	\$ 109,366,000	\$ 100,042,000	\$ (9,324,000)	-8.5%
State Sales Tax	36,144,978	34,450,000	30,877,000	(3,573,000)	-10.4%
Vehicle License Tax	15,622,813	12,772,000	15,574,000	2,802,000	21.9%
Licenses & Permits	10,207,883	8,915,000	7,232,000	(1,683,000)	-18.9%
Charges for Services	15,978,605	19,760,000	19,727,000	(33,000)	-0.2%
Fines & Forfeitures	12,431,371	12,629,000	11,461,000	(1,168,000)	-9.2%
Urban Revenue Sharing	66,268,144	57,852,000	57,852,000	-	0.0%
Miscellaneous Revenues	7,084,962	8,876,000	9,583,000	707,000	8.0%
<b>Total</b>	<b>\$ 272,429,020</b>	<b>\$ 264,620,000</b>	<b>\$ 252,348,000</b>	<b>\$ (12,272,000)</b>	<b>-4.6%</b>

\*Excludes grants

# General Fund\*

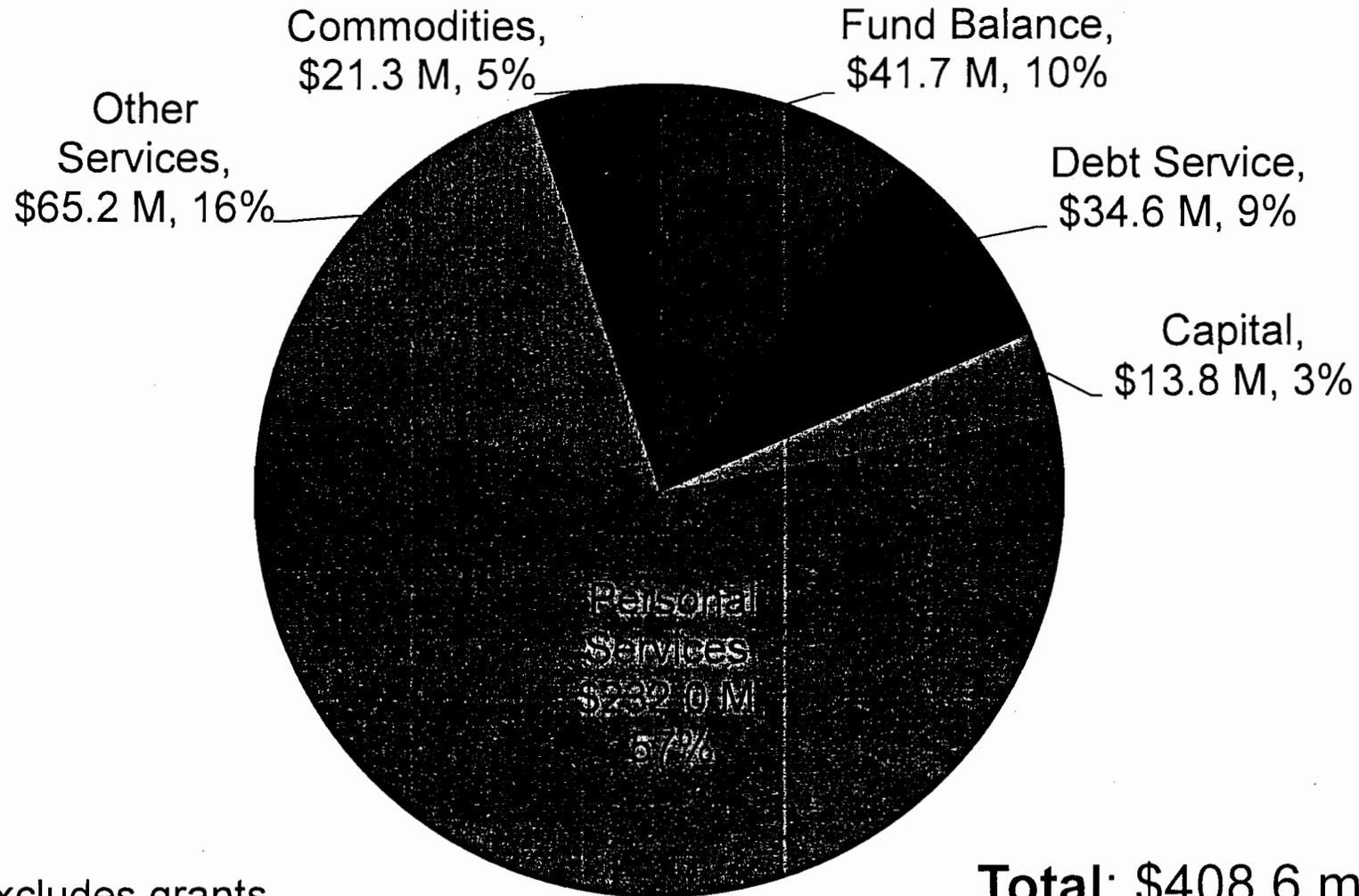
## FY 2009/10 Budget



**Total: \$408.6 million**

\*Excludes grants

# General Fund\* by Expenditure Category FY 2009/10 Budget

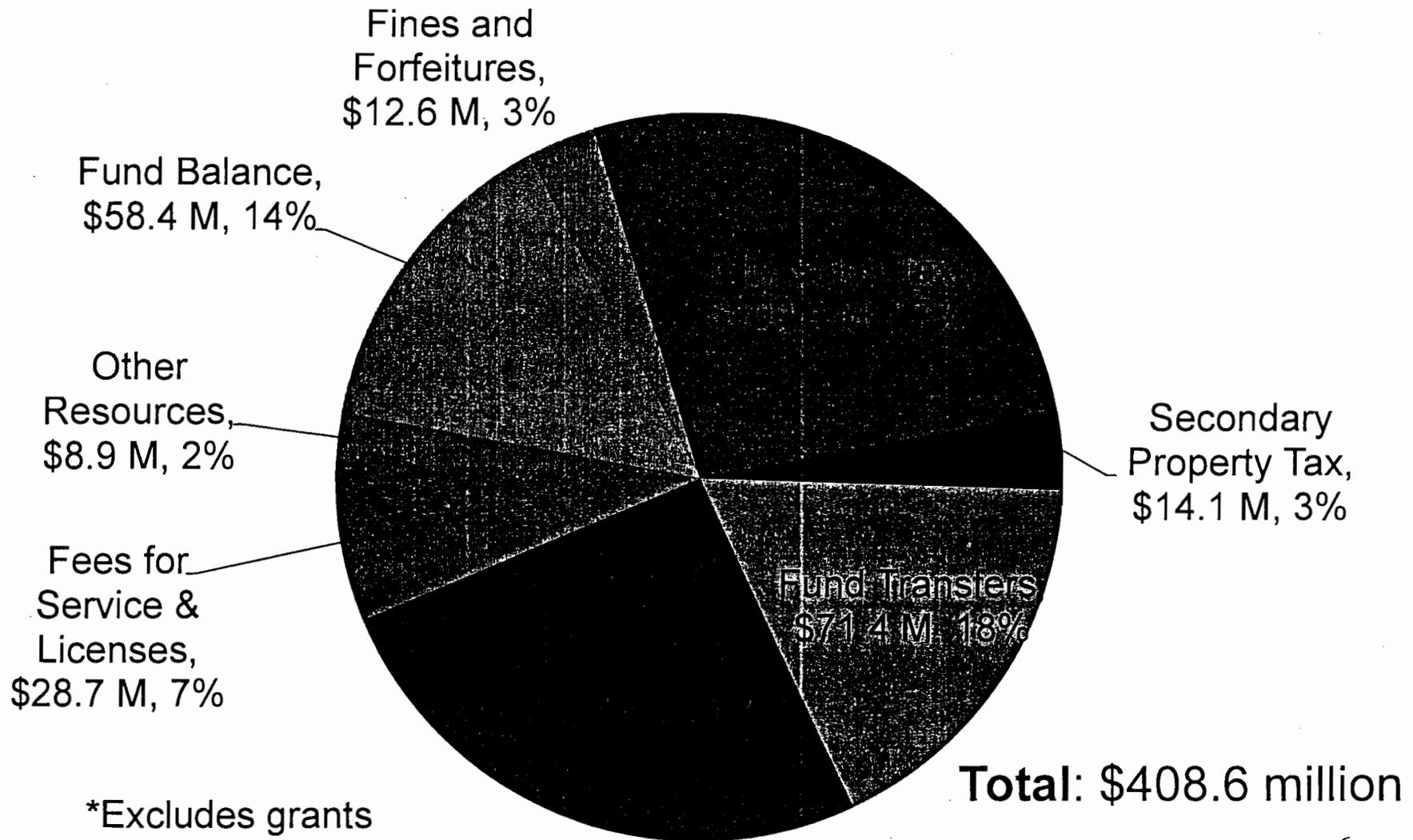


\*Excludes grants

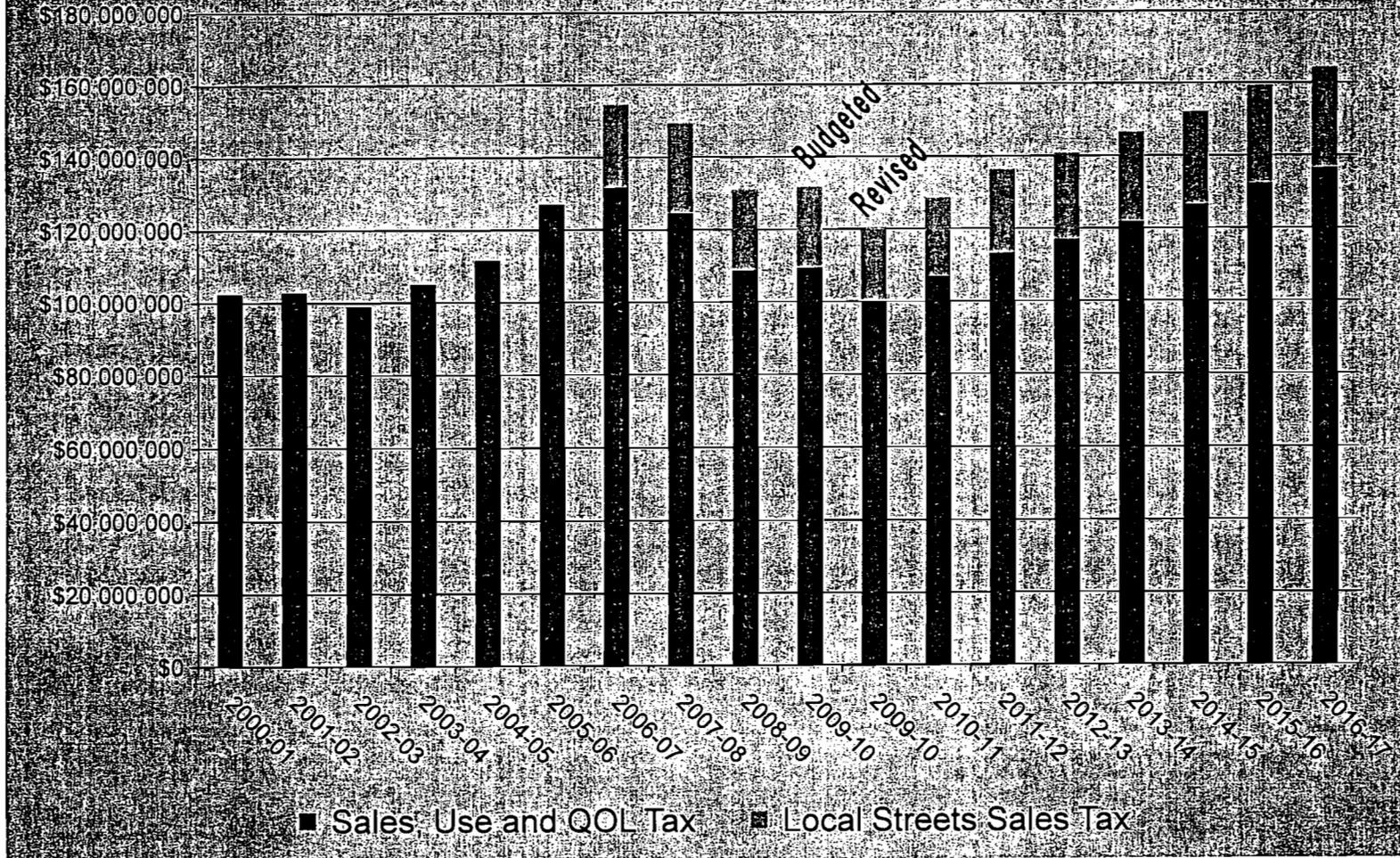
**Total: \$408.6 million**

# General Fund\*

## FY 2009/10 Budgeted Resources

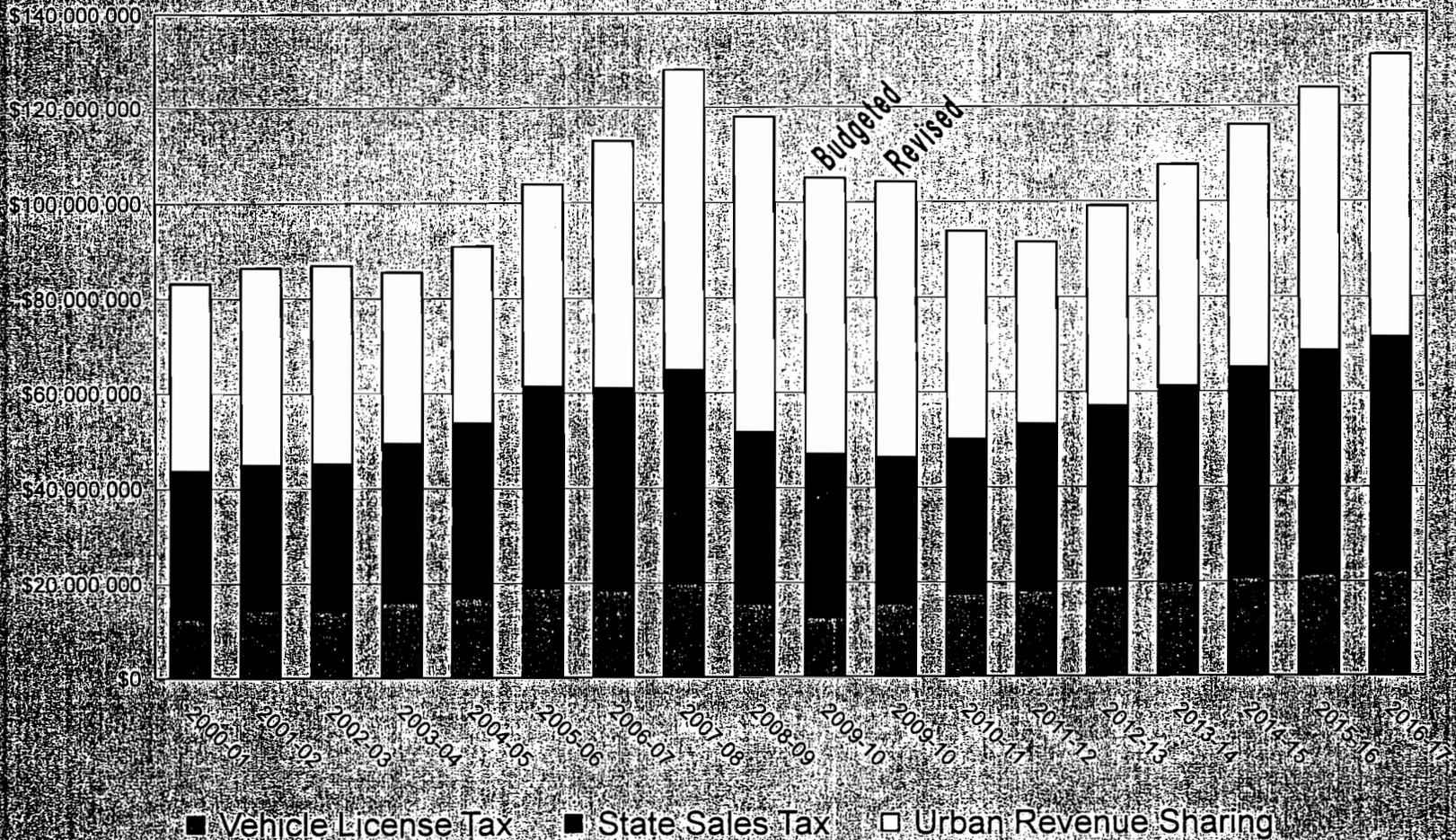


# City Sales Tax

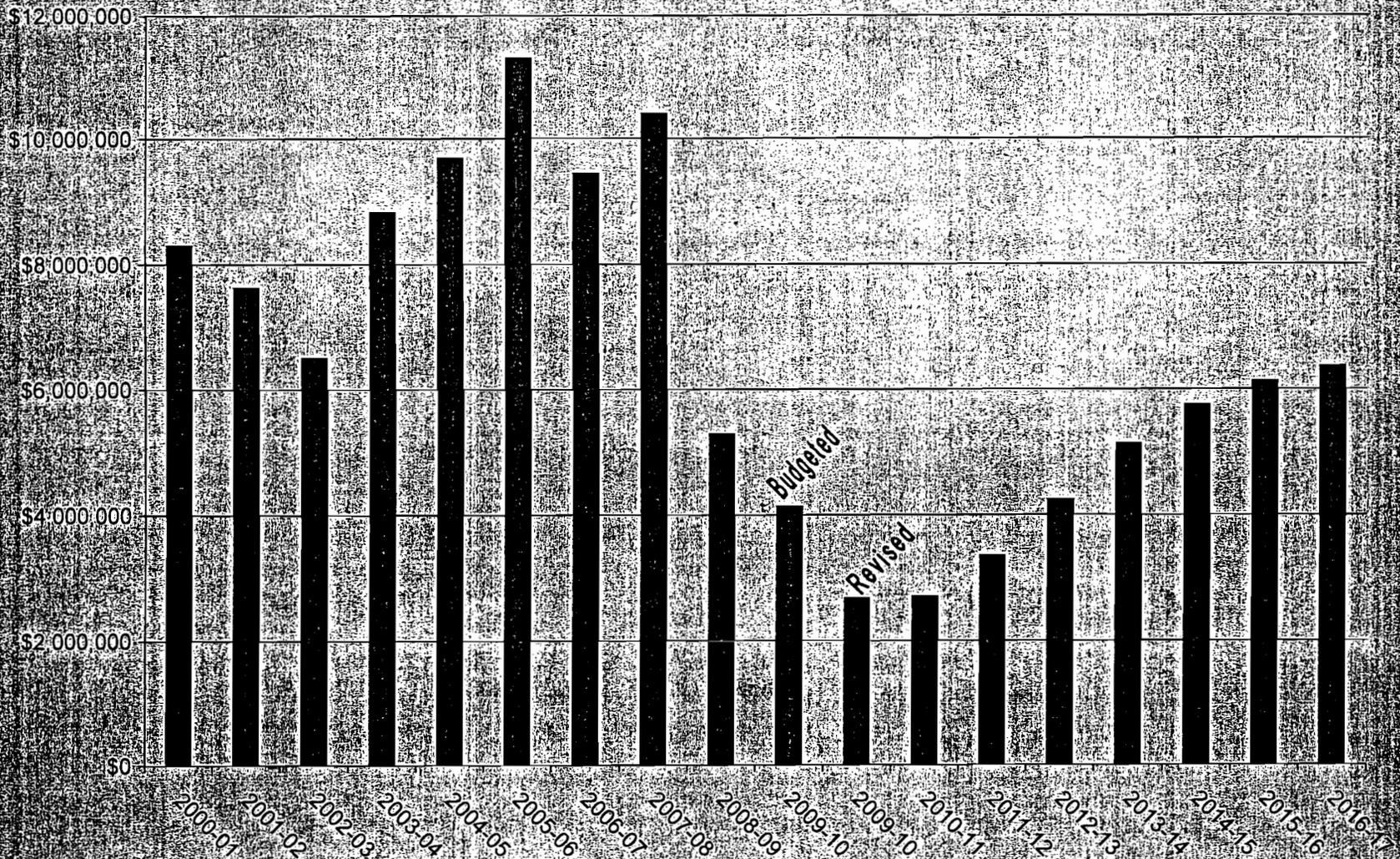


# State Shared Revenue

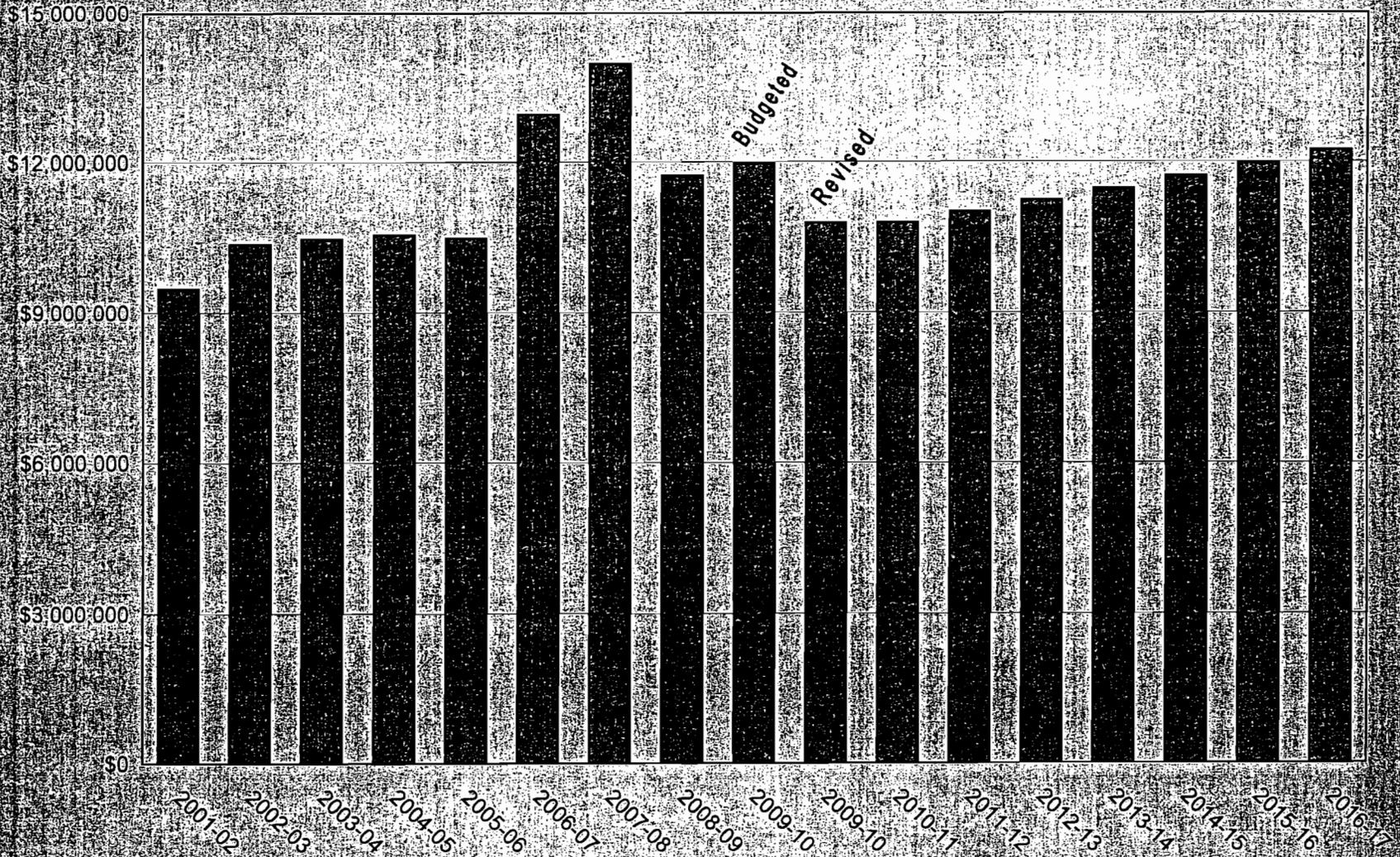
Vehicle License Tax   State Sales Tax   Urban Revenue Sharing



# Building Permit Revenue



# Court Revenues



# FY 09/10 vs. FY 10/11 General Fund\* Revenue Comparison

	FY 09/10 Revised	FY 10/11 Projected	FY 09/10 Revised vs. FY 10/11 Projected	
City Sales Tax	\$ 100,042,000	\$ 106,845,000	\$ 6,803,000	6.8%
State Sales Tax	30,877,000	32,760,000	1,883,000	6.1%
Vehicle License Tax	15,574,000	17,504,000	1,930,000	12.4%
Licenses & Permits	7,232,000	7,497,000	265,000	3.7%
Charges for Services	19,727,000	19,692,000	(35,000)	-0.2%
Fines & Forfeitures	11,461,000	11,464,000	3,000	0.0%
Urban Revenue Sharing	57,852,000	43,620,000	(14,232,000)	-24.6%
Miscellaneous Revenues	5,983,000	5,862,000	(121,000)	-2.0%
<b>Total</b>	<b>\$ 248,748,000</b>	<b>\$ 245,244,000</b>	<b>\$ (3,504,000)</b>	<b>-1.4%</b>

\*Excludes grants

# Significant General Fund Pressures

<b>Revenues</b>	<b>FY 10/11</b>	<b>FY 11/12</b>
Urban Revenue Sharing	\$ (14,232,000) -24.6%	\$ (5,409,000) -12.4%
 <b>Expenditures</b>		
Arizona State Retirement	\$ 411,000 +5.3%	\$ 411,000 +5.1%
Public Safety Retirement	\$ 1,010,000 +5.3%	\$ 1,010,000 +5.1%
Employee Benefits Trust	\$ 1,269,000 +4.7% *	\$ 2,621,000 +6.4% *
Mass Transit:		
Fixed Route	\$ 75,000	\$ 1,600,000
Dial-a-Ride (Ongoing)	\$ 400,000	

\* Each calendar year, the City increases employer contributions to medical premiums by 10.6%. The increases shown here represent various rate changes resulting in a blended rate increase for the fiscal year.

# 2010/11 General Fund Forecast Summary

- Continued decline in forecasted revenues indicate that by FY 2010/11 a General Fund shortfall is likely
- Determining the extent of the shortfall at this time is premature:
  - Local economy continues to show weakness
  - State budgetary issues have not been resolved and cities remain at risk

# Issues under Consideration for Addressing the Anticipated Shortfall

- Continue critical analysis of all program operations
- Evaluate methods for resolving the increased costs of employee pensions, wages and medical programs

# Issues under Consideration for Addressing the Anticipated Shortfall

- Operational considerations:
  - Ensure that only critical costs are incurred for services provided
  - Continue to “right-size” the organization when opportunities arise
  - Monitor expenditures closely with a goal of maintaining fund balance targets

# Budget Cycle

## Important Dates for Council

- Late Feb. • Forecast update and valuation projection
- March/April • Budget discussions
- May 13 • Preliminary Budget submitted to Council
- May 17 • Notice of Intent to adopt utility rates
- June 7 • Adopt Tentative Budget
- June 21 • Public hearings
- Council adopts Budget
- Council adopts utility rates
- July 8 • Secondary property tax levy adopted