



COUNCIL MINUTES

June 27, 2011

The City Council of the City of Mesa met in a Special Council Meeting in the lower level meeting room of the Council Chambers, 57 East 1st Street, on June 27, 2011 at 6:06 p.m.

COUNCIL PRESENT

Scott Smith
Alex Finter
Christopher Glover
Dina Higgins
Dennis Kavanaugh
Dave Richins
Scott Somers

COUNCIL ABSENT

None

OFFICERS PRESENT

Christopher Brady
Debbie Spinner
Linda Crocker

1-a. Approving a budget (See Attachment 1) for Fiscal Year ending June 30, 2012. (2/3 vote required)

It was moved by Vice Mayor Somers, seconded by Councilmember Glover, that Resolution No. 9886 be adopted.

Carried unanimously.

1-b. Approving a Five-Year Capital Improvement Program for Fiscal Years ending 2012-2016.

It was moved by Vice Mayor Somers, seconded by Councilmember Richins, that Resolution No. 9887 be adopted.

Carried unanimously.

2. Items from citizens present.

There were no items from citizens present.

City Manager Christopher Brady expressed appreciation to the Council for adopting these two significant documents. He stated that preparing the City's budget was a long and arduous process, which started earlier this year at the Council's Strategic Planning retreat when the Council discussed its goals and objectives for the next fiscal year and beyond. Mr. Brady explained that over a period of months, City departments made numerous budget presentations

to the Council, and he thanked staff “for understanding the economic reality that the City continues to face, as well as recognizing the importance of the Council’s Strategic Initiatives.”

Mr. Brady commented that while the proposed budget reductions might not be as significant as those in the past few years, staff continues to be challenged by not being able to fill vacant positions and not receiving any increases in compensation which, he acknowledged, has been difficult for the employees and their families. He also recognized staff’s efforts to maintain levels of service in a more efficient and innovative manner.

Mr. Brady further remarked that City management’s commitment to the Council, staff and the entire community is to work diligently within this budget and understand that the issues related to compensation are critical.

Mr. Brady also recognized, in particular, Acting Budget Director Candace Cannistraro, as well as her entire staff for their hard work and professionalism in developing the budget proposal for the Council’s consideration.

Mayor Smith echoed his appreciation for the Council and staff’s leadership and hard work throughout this challenging budget process. He indicated that with respect to the General Fund portion of the budget, which is the money allocated for services such as Police, Fire, Courts, libraries, and Parks and Recreation, it was important to note that Mesa was spending approximately \$69 million less in the current year than it has in the last three or four years. Mayor Smith said that this was due, in part, to staff’s efforts to find more creative ways in which to provide services to Mesa residents.

Mayor Smith further commented that the City of Mesa was one of a few communities that recognized the severity of the financial crisis before it occurred and was able to adjust, adapt, restructure and change the way in which it conducted business so that it could continue to serve the citizens of Mesa in an efficient manner.

3. Adjournment.

Without objection, the Special Council Meeting adjourned at 6:16 p.m.

SCOTT SMITH, MAYOR

ATTEST:

LINDA CROCKER, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Council Meeting of the City Council of Mesa, Arizona held on the 27th day of June, 2011. I further certify that the meeting was duly called and held and that a quorum was present.

LINDA CROCKER, CITY CLERK

pag
(attachments – 2)

CITY OF MESA, ARIZONA
 FINAL BUDGET
 FOR FISCAL YEAR ENDING JUNE 30, 2012

SUMMARY OF REVENUES BY SOURCE

Source	2010-11 Adopted Budget Past Year	2010-11 Revised Estimates Past Year	2011-12 Estimated Ensuing Year
Sales & Use Tax	\$105,518,000	\$100,014,000	\$102,896,000
Local Streets Sales Tax	21,347,000	20,623,853	21,205,000
Other Taxes	1,444,000	1,444,000	1,493,000
Secondary Property Taxes	14,141,000	14,141,000	14,141,000
Licenses and Permits	10,970,000	10,268,000	10,500,000
Intergovernmental Revenues			
Federal Grants	72,078,169	52,945,411	58,426,000
State Grants	1,609,000	1,653,000	1,207,000
County Grants and IGA's	2,552,000	6,096,000	4,393,000
Auto In Lieu Tax	17,153,000	14,399,000	14,806,000
Highway User Gas Tax	26,370,000	24,841,000	24,214,000
Regional Transportation Funding	4,413,000	3,351,000	12,416,000
3% HURF Funds	6,183,000	5,963,000	6,269,000
State Sales Tax	33,617,000	33,118,000	33,216,000
State Revenue Sharing	43,608,000	43,608,000	37,057,000
Transportation Assistance	0	370,000	0
Charges for Services	20,183,000	19,343,000	19,939,000
Fines and Forfeitures	12,011,000	14,414,000	14,414,000
Miscellaneous Revenue	6,680,000	4,997,000	6,207,000
Other Receipts	401,000	1,197,000	841,000
Enterprise Revenues	318,882,000	304,750,500	323,177,000
Trust Fund	62,896,000	65,826,000	72,310,000
Gross Revenues	782,056,169	743,362,764	779,127,000
Restricted Funds	(44,060,752)	(80,497,736)	(52,184,746)
Funds Released	91,483,110	8,675,094	80,497,736
Less Bad Debt	(7,300,000)	(7,300,000)	(7,300,000)
Funds Carried Forward			
Adjusted July 1	121,530,473	246,988,042	127,303,010
Less: Estimated June 30	0	(127,303,010)	0
Net Operating Budget Resources	\$943,709,000	\$783,925,155	\$927,443,000
Bond Proceeds & Revenues	117,626,007	70,103,000	173,674,000
Funds Carried Forward			
Adjusted July 1	58,600,573	64,163,000	78,243,707
Less: Estimated June 30	(6,977,580)	(78,243,707)	(31,583,707)
Net Bond Resources	\$169,249,000	\$56,022,293	\$220,334,000
CITY TOTAL	\$1,112,958,000	\$839,947,448	\$1,147,777,000

City of Mesa, Arizona

Final Budget for Fiscal Year Ending June 30, 2012

SUMMARY OF APPROPRIATIONS BY FINANCIAL PROGRAM

Program	2010-11 Adopted Budget Past Year	2010-11 Prior & Current Year Contingency Allocations	2010-11 Revised Estimates Past Year	2011-12 Estimated Ensuuing Year
AQUATICS	\$8,551,000	\$0	\$8,540,000	\$2,726,000
ARIZONA MUSEUM FOR YOUTH	1,531,000	(11,638)	1,489,000	1,674,000
ARIZONA MUSEUM OF NATURAL HISTORY	2,106,000	(7,645)	1,765,000	2,188,000
ARTS AND CULTURE	11,402,000	43,000	11,445,000	11,153,000
CEMETERY	1,725,000	0	915,000	2,058,000
CITY CLERK	1,450,000	(4,373)	1,433,000	1,110,000
CODE COMPLIANCE	951,000	(2,907)	946,000	921,000
COMMUNITY AID	2,757,000	0	2,674,000	2,840,000
COMMUNITY DEVELOPMENT	13,966,000	0	13,309,000	13,140,000
DEVELOPMENT SERVICES	3,872,000	(15,644)	3,834,000	4,392,000
DISTRICT COOLING	757,000	0	86,000	1,516,000
ECONOMIC DEVELOPMENT	1,904,000	(4,006)	882,000	3,952,000
ELECTRIC	26,190,000	(21,670)	24,837,960	26,146,000
ENGINEERING	2,809,000	(36,224)	2,766,000	2,783,000
ENVIRONMENTAL & SUSTAINABILITY	12,911,000	(35,999)	10,595,000	8,705,000
E-STREETS & CABLE TV LIC.	934,000	0	933,000	783,000
EXECUTIVE	959,000	(14,925)	932,500	946,000
FACILITIES MAINTENANCE	1,414,000	(8,365)	1,307,000	1,880,000
FALCON FIELD AIRPORT	10,512,000	(4,726)	3,163,000	11,160,000
FINANCIAL SERVICES	8,353,000	(78,041)	8,135,000	8,370,000
FIRE	78,514,000	(2,338,807)	71,921,000	82,847,000
FLEET SERVICES	71,000	(18,564)	48,000	205,000
GAS	36,015,000	(38,233)	32,672,995	35,390,000
GENERAL GOV CAPITAL PROJECTS	8,022,000	0	2,839,000	3,937,000
GENERAL SERVICES	5,765,000	(114,996)	5,559,000	4,238,000
GOLF COURSE	2,787,000	0	2,668,000	3,007,000
HOHOKAM STADIUM/FITCH COMPLEX	7,874,000	0	7,821,000	6,857,000
HOUSING SERVICES	14,260,000	0	12,369,000	12,847,000
JUDICIAL	15,938,000	(35,662)	14,412,000	15,072,000
LAW ENFORCEMENT	170,855,000	(2,057,901)	167,744,000	175,933,000
LEGAL	1,085,000	(24,743)	1,037,000	847,000
LEGISLATIVE	1,621,000	(2,907)	1,584,000	1,664,000
LIBRARY SERVICES	10,201,000	(44,393)	10,006,000	10,021,000
MASS TRANSIT	22,575,000	(1,820)	16,744,000	16,184,000
MESA CONVENTION CENTER	5,559,000	0	5,192,000	3,431,000
MESA GATEWAY AREA	4,239,000	0	4,235,700	4,444,000
MISCELLANEOUS SERVICES	735,000	1,000	736,000	625,000
NEIGHBORHOOD & HUMAN SERVICES	2,953,000	(14,558)	2,910,000	3,137,000
PARKS & RECREATION	21,125,000	(55,678)	20,474,000	21,118,000
PLANNING	2,287,000	(5,459)	2,235,000	2,172,000
SOLID WASTE MANAGEMENT	28,540,000	(44,301)	28,209,000	28,824,000
STORM SEWER	6,037,000	0	6,035,000	7,293,000
STREETS	77,903,000	(558,452)	75,833,000	86,128,000
TOWN CENTER DEVELOPMENT	1,156,000	0	1,011,000	1,161,000
WAREHOUSE	20,000	(5,093)	14,000	12,000
WASTEWATER	54,211,000	(55,862)	54,023,000	60,203,000
WATER	65,626,000	(67,708)	65,149,000	74,510,000
TRUST FUNDS	70,469,000	0	70,456,000	73,879,000
CONTINGENCIES-GENERAL	112,212,000	5,687,300	0	83,014,000
CONTINGENCIES RESV., PRIOR YR. ENC	0	0	0	0
INTERNAL SERVICES	0	0	0	0
Total Budget Appropriations	\$943,709,000	\$0	\$783,925,155	\$927,443,000
Bond Capital Improvements Scheduled	\$169,249,000		\$56,022,293	\$220,334,000
CITY TOTAL APPROPRIATIONS	\$1,112,958,000		\$839,947,448	\$1,147,777,000

City of Mesa, Arizona

Final Budget for Fiscal Year Ending June 30, 2012

SUMMARY OF REVENUES BY FUND

Fund	2010-11 Adopted Budget Past Year	2010-11 Revised Estimates Past Year	2011-12 Estimated Budget Ensuing Year
General	\$294,052,000	\$280,791,000	\$280,970,000
Local Streets Sales Tax	29,865,000	27,845,095	31,567,000
Enterprise	314,887,000	302,394,500	320,784,000
Utilities Development Fund/Impact Fees	3,995,000	2,356,000	2,393,000
Local Transportation Assistance	14,252,169	8,298,169	6,997,000
Mesa Housing Authority	14,261,000	12,370,000	11,236,000
Cemetery Reserve Fund	1,143,000	1,086,000	1,086,000
Vehicle Replacement Fund	120,000	120,000	344,000
Arts Center Restoration	262,000	186,000	186,000
Impact Fees	2,788,000	1,348,000	1,368,000
Court Construction Fee Fund	746,000	746,000	746,000
Highway User Revenue Fund	32,591,000	30,860,000	30,539,000
Regional Transportation Fund	4,413,000	3,351,000	12,416,000
Environmental Compliance Fund	5,785,000	5,785,000	6,185,000
Trust Funds	62,896,000	65,826,000	72,310,000
Total Revenues	\$782,056,169	\$743,362,764	\$779,127,000
Funds (Restricted)	(44,060,752)	(80,497,736)	(52,184,746)
Funds Released	91,483,110	8,675,094	80,497,736
Less Bad Debts	(7,300,000)	(7,300,000)	(7,300,000)
Funds Carried Forward			
Adjusted July 1	\$121,530,473	246,988,042	127,303,010
Less: Estimated June 30	0	(127,303,010)	0
Net Operating Budget Resources	\$943,709,000	\$783,925,155	\$927,443,000
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Funds Carried Forward			
Adjusted July 1	58,600,573	64,163,000	78,243,707
Less: Estimated June 30	(6,977,580)	(78,243,707)	(31,583,707)
Net Bond Resources	\$169,249,000	\$56,022,293	\$220,334,000
CITY TOTAL	\$1,112,958,000	\$839,947,448	\$1,147,777,000

SUMMARY OF APPROPRIATIONS BY FUND

General	\$434,699,215	\$373,248,200	\$425,507,412
Local Streets Sales Tax	47,536,674	32,842,000	49,432,207
Enterprise	284,611,000	220,789,955	287,181,110
Utilities Development Fund/Impact Fees	3,924,000	3,032,000	1,632,890
Local Transportation Assistance	22,227,138	16,326,000	16,158,303
Mesa Housing Authority	14,260,000	12,369,000	12,847,000
Cemetery Reserve Fund	1,725,000	915,000	2,058,000
Vehicle Replacement Fund	3,033,631	2,263,000	3,582,811
Impact Fees	10,079,660	4,338,000	4,576,346
Court Construction Fee Fund	\$746,000	\$746,000	\$746,000
Arts Center Restoration	250,000	250,000	251,292
Highway User Revenue Fund	39,009,409	36,521,000	30,579,016
Regional Transportation Fund	4,412,534	3,422,000	12,415,280
Environmental Compliance Fund	6,626,492	6,340,000	6,534,279
Trust Funds	70,469,000	70,456,000	73,879,000
Internal Services	99,247	67,000	62,054
Total Budget Appropriations	\$943,709,000	\$783,925,155	\$927,443,000
Bond Capital Improvements Scheduled	\$169,249,000	\$56,022,293	\$220,334,000
CITY TOTAL	\$1,112,958,000	\$839,947,448	\$1,147,777,000
EXPENDITURE LIMITATION COMPARISON			
Budgeted Expenditures	\$1,112,958,000	\$839,947,448	\$1,147,777,000
Less: Estimated Exclusions	(1,112,958,000)	(839,947,448)	(1,147,777,000)
Estimated Expenditures Subject to Limitation	0	0	0
Expenditure Limitation	521,247,935	521,247,935	501,706,702
Over (Under) State Limit	(\$521,247,935)	(\$521,247,935)	(\$501,706,702)
State Lid Limit Carryover			
Over (Under) State Limit W/Carryover Adjustments	-	-	-

City of Mesa
 Summary Five-Year Capital Improvement Program

Capital Improvement Funds	Proposed	Proposed	Proposed	Proposed	Proposed	Five-Year
<u>Restricted Funds</u>	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	Total
American Economic Recovery & Reinvestment	8,278,645	-	-	-	-	8,278,645
Local Streets Sales Tax	1,438,419	1,813,602	884,847	819,683	769,836	5,726,387
Highway User Revenue Fund	180,000	-	-	-	-	180,000
Regional Transportation Program (RTP) Revenue Fund	12,415,280	10,734,663	7,317,059	-	-	30,467,002
Environmental Compliance Fund	250,000	-	-	-	-	250,000
Cemetery Reserve Fund	852,390	-	-	-	-	852,390
Local Transportation Assistance Fund	5,671,538	5,779,297	77,660	79,011	80,331	11,687,837
Grants	500,000	-	-	-	-	500,000
Federal Aid	15,278,479	3,168,071	981,977	3,100,519	3,209,741	25,738,787
State Aid	3,602,500	1,847,773	86,066	763,276	181,000	6,480,615
Total	48,467,251	23,343,406	9,347,609	4,762,489	4,240,908	90,161,663
<u>Unrestricted Funds</u>	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	Five-Year
General Fund	848,266	-	-	-	-	848,266
Enterprise Fund	2,268,021	365,791	153,579	250,079	227,329	3,282,243
Total	3,116,287	370,108	154,133	256,209	233,772	4,130,509
<u>Bonds Funds</u>	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	Five-Year
General Obligation Bonds 20%	69,890,174	60,875,901	15,892,789	16,723,474	5,478,185	168,860,523
General Obligation Bonds 6%	100,000	-	-	-	-	100,000
Utility Revenue Bonds	120,594,276	61,139,454	51,556,382	52,372,445	56,252,876	341,915,433
Excise Tax Bonds	25,784,719	51,308,931	8,153,460	-	-	85,247,110
Total	216,369,169	173,324,286	75,602,631	69,095,919	61,731,061	596,123,066
Subtotal Capital Improvement Program	267,952,707	197,037,800	85,104,373	74,114,617	66,205,741	690,415,238
<u>Reimbursements</u>	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	Five-Year
Maricopa Association of Governments	(257,000)	-	-	-	-	(257,000)
Federal Transit Authority	(5,671,538)	(5,779,297)	(77,660)	(79,011)	(80,331)	(11,687,837)
Total	(5,928,538)	(5,779,297)	(77,660)	(79,011)	(80,331)	(11,944,837)
Total Capital Improvement Program By Fiscal Year	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	Five-Year
	262,024,169	191,258,503	85,026,713	74,035,606	66,125,410	678,470,401
One-Time Start Up and Ongoing Maintenance ⁽¹⁾	Proposed	Proposed	Proposed	Proposed	Proposed	Five-Year
<u>General Fund</u>	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	Total
General Fund	1,362,070	2,234,711	2,346,496	2,391,758	2,440,248	10,775,283
Local Streets Sales Tax	32,880	33,505	35,866	36,490	37,099	175,840
Environmental Compliance	283,000	280,225	-	-	-	563,225
Local Transportation Assistance Fund	2,051,650	2,153,413	2,257,010	2,365,128	2,476,634	11,303,835
Highway User Revenue	101,816	136,460	279,858	384,950	391,379	1,294,463
Subtotal	3,831,416	4,838,314	4,919,230	5,178,326	5,345,360	24,112,646
Light Rail Fare Revenue	(948,891)	(995,928)	(1,043,859)	(1,093,884)	(1,950,678)	(6,033,240)
Total One-Time Start Up and Ongoing Maintenance	2,882,525	3,842,386	3,875,371	4,084,442	3,394,682	18,079,406

⁽¹⁾ Major capital projects often require a multi-year design and construction period and therefore operations and maintenance costs may be a result of projects that were completed in a prior fiscal year.