



FY 2010/11 Budget Update

May 27, 2010

Founding Resident Companies 2010/2011 Mesa Art Center Performances

- Ballet Etudes
- East Valley Children's Theater
- Mesa Encore Theater
- Metropolitan Youth Symphony
- Southwest Shakespeare
- Symphony of the Southwest

\$15,000 In-Kind Credit for Founding Resident Companies – Included in the FY'10/11 Budget

- Allocated to the listed organizations based on their percentage of the total rental revenues generated from all companies
- The allocation per Company will range from \$1,350 to \$5,700
- Companies can apply their credit towards rental fees, set construction and/or marketing
- Companies are currently in discussions with Boards on how to apply their allocated credit

Human Services – Included in the FY'10/11 Budget

The change for Mesa United Way to administer Human Services allocations for the City of Mesa is being delayed to allow time for leadership changes at the United Way.

Restores a position previously identified for elimination in Neighborhood Services

Outstanding Issues

Mesa Public Schools has announced a reduced need for School Resource Officers (SROs)

- 4 Officers, previously assigned to Mesa Public Schools with the majority of the cost (83%) paid for by the District will now be available for assignment by MPD at a cost to the City of \$335,000.
- Mesa Public Schools has also indicated that the funding for four additional officers will be impacted next year.

Outstanding Issues - Continued

The Mesa Fire Department's Life Safety activities leverages volunteer service program hours with a value of \$556,000

- Additional cost to retain the Life Safety Program for FY'10/11 = \$306,000
- Would restore 3.5 previously identified positions and maintain current program service levels

Secondary Property Tax Bills

- The average residential secondary property tax bill is currently estimated at \$62.52.
- Better than projected rates from the May 19th G.O. bond sale reduced the debt service payments for next fiscal year by \$210k over initial projections.
- Target the average estimated tax bill to remain at \$62.52
 - Avg. Rate = \$0.3454
 - Est. Additional Revenue = \$548k

Adjustment Summary

Release of SRO's	\$335,000
<u>FD Life Safety Program</u>	<u>306,000</u>
Issues	\$641,000
Magma Gas Rate Equalization	\$100,000
<u>Maintain Existing Est. Tax Bill</u>	<u>548,000</u>
Revenues	\$648,000

Remaining FY 2010/11 Budget Adoption Activities

- | | |
|---------|---|
| June 7 | Adopt Tentative Budget |
| June 21 | Adopt Budget & Utility Rates |
| July 1 | New 2010/11 Fiscal Year Begins |
| July 8 | Secondary Property Tax Levy (rate)
Adopted |

Questions?



CITY OF MESA

POST EMPLOYMENT HEALTH PLAN PROGRAM

May 25, 2010

Overview

City of Mesa employees who are **eligible for normal retirement** as defined by the Public Safety Personnel Retirement System (PSPRS), and who elect to retire by July 31, 2010, may take advantage of a new opportunity to receive a one-time contribution from a Post Employment Health Plan (PEHP). This program is designed to help qualified separating employees pay for long-term medical costs. It is not an early retirement program because only employees eligible for normal retirement may apply and an employee's separation will not be affected. At the discretion of the City Manager, this program may or may not be offered again.

What is a PEHP?

A PEHP is a taxed deferred investment plan. Withdrawals are tax exempt when used for qualified medical expenses. This PEHP program will be administered by Great West Retirement Services.

PEHP Benefits

- Regular full-time and benefited part-time employees who retire from the City currently receive 50% of their accumulated sick leave (Personnel Rule Section 432), and 100% of their accumulated vacation leave (Personnel Rule Section 431) at their current pay range and step. This one-time benefit, deposited into the PEHP for the retiring employee will be equal to the value of any un-reimbursed sick time accrued at the time of the employee's retirement, with a minimum value of \$3,000 up to a maximum value of \$20,000.
- Accepted employees will receive a contribution through Great West Retirement Services, set up in their name by October 1, 2010, from which they can later draw from to offset future qualified medical expenses.
- The contribution is not subject to income or payroll taxes. The City will disburse the funds to Great West Retirement Services which in turn will establish an individual investment account under appropriate IRS guidelines. These accounts will be subject to annual maintenance & adjudication fees.

Eligibility

- You must be eligible to receive normal retirement on or before the day you retire. An individual becomes eligible for normal retirement in PSPRS under the earliest of the following circumstances:
 - At age 62 with 15 or more years of credited service; or
 - After completing 20 years of credited service.
- You must apply to participate in the PEHP by June 10, 2010 by completing and forwarding the attached application to Human Resources with a copy to your direct supervisor.
- Participants must separate from the City of Mesa by May 31, 2010 and have an effective retirement date that immediately follows the date of separation.
- Employees are strongly encouraged to consult with ASHR or PSPRS regarding their retirement eligibility.

Other Conditions

- Based upon the number of pending applications and at the City Manager's discretion, the City reserves the right to establish additional selection criteria consistent with federal and state law and City policies.
- Prior to final approval for the PEHP benefit, employees will be required to verify their eligibility for normal retirement and/or to authorize the City to verify his/her eligibility. If an employee applies for the benefit and is approved but ultimately it is determined by PSPRS that he/she was not eligible for normal retirement, the employee may be required to repay any expense incurred by the City as a result of the employee's separation from employment and participation in the PEHP program.



APPLICATION - CITY OF MESA

POST EMPLOYMENT HEALTH PLAN PROGRAM

Complete and forward to Human Resources by 6:00 PM,

June 10, 2010

First Name: _____ Last Name: _____

Employee #: _____ Department: _____

Job Title: _____

Last Day Worked (must be no later than 6/31, 2010): _____

By signing below, I certify that I am required by the rules of the program, I am eligible for normal retirement. I authorize the City to verify my eligibility for normal retirement. In addition, I acknowledge and understand that acceptance into the program is not guaranteed and that, if accepted, any future interest earnings on the funds deposited into my PEHP account are not guaranteed.

Signed: _____ Date: _____