

# Pinal County General Fund Five-Year Forecast

October 12, 2011



PINAL • COUNTY

*Wide open opportunity*

# Fiscal Year 2010-2011 GF Results

- FY 2010-2011 ended better than expected
  - Most departments stayed under budget
  - Reduced AHCCCS expenses due to Federal stimulus (last year for stimulus)
  - State prisoners were not shifted to the County
- Result: Fund Balance decreased from \$43.5M to \$43M

# Fiscal Year 2010-2011 GF Overages

- Sheriff's Office
  - Total overage was \$613,434 for which contingency has been requested
  - Primary causes were fuel costs and overtime
- Countywide Utilities
  - Total overage was \$104,902 for which contingency has been requested
  - Primary causes were increases due to the full use of the Adult Detention Center and new I.T. Data Center

# FY 12 Combined Property Tax Rate Comparison

| County     | Adopted Primary Rate | Adopted Secondary Rate | Combined Rate | Levy per \$1.00 of Rate |
|------------|----------------------|------------------------|---------------|-------------------------|
| Greenlee   | \$ 0.7736            | 0.3276                 | 1.1012        | \$ 2,487,436            |
| Coconino   | \$ 0.4303            | 0.8867                 | 1.3170        | \$ 15,121,243           |
| Navajo     | \$ 0.5984            | 0.7463                 | 1.3447        | \$ 8,826,063            |
| Maricopa   | \$ 1.2407            | 0.2272                 | 1.4679        | \$ 380,845,225          |
| Yavapai    | \$ 1.4305            | 0.3939                 | 1.8244        | \$ 25,782,513           |
| Apache     | \$ 0.4264            | 1.4131                 | 1.8395        | \$ 5,533,831            |
| Graham     | \$ 1.8556            | 0.0953                 | 1.9509        | \$ 2,283,707            |
| La Paz     | \$ 1.9744            | 0.0000                 | 1.9744        | \$ 2,267,922            |
| Mohave     | \$ 1.8196            | 0.9103                 | 2.7299        | \$ 19,426,257           |
| Yuma       | \$ 1.8798            | 1.0803                 | 2.9601        | \$ 12,547,789           |
| Cochise    | \$ 2.6276            | 0.4048                 | 3.0324        | \$ 10,416,387           |
| Santa Cruz | \$ 2.8215            | 0.5643                 | 3.3858        | \$ 3,805,601            |
| Pinal      | \$ 3.9999            | 0.2670                 | 4.2669        | \$ 21,483,379           |
| Gila       | \$ 4.1900            | 0.2000                 | 4.3900        | \$ 5,219,698            |
| Pima       | \$ 3.4178            | 1.3895                 | 4.8073        | \$ 83,151,641           |

Sources: County Websites, Discussions with County staff, and AZ Office of Employment and Population Statistics.

Note: Secondary rates include those that are county wide and controlled of the Board of Supervisors. Effort was made to keep consistency, however, it is important to note that secondary levies vary in purpose.

# Adopted Primary Levy per Capita

| County         | County Total Population | Adopted Primary Levy Per Person |
|----------------|-------------------------|---------------------------------|
| Apache         | 71,685                  | \$ 31                           |
| Navajo         | 107,677                 | \$ 57                           |
| Coconino       | 134,679                 | \$ 58                           |
| Graham         | 37,299                  | \$ 114                          |
| Yuma           | 196,160                 | \$ 120                          |
| Maricopa       | 3,824,058               | \$ 125                          |
| Yavapai        | 210,899                 | \$ 175                          |
| Mohave         | 200,099                 | \$ 176                          |
| Cochise        | 131,436                 | \$ 210                          |
| La Paz         | 20,495                  | \$ 218                          |
| Santa Cruz     | 47,539                  | \$ 227                          |
| Pinal          | 376,369                 | \$ 230                          |
| Greenlee       | 8,440                   | \$ 257                          |
| Pima           | 981,168                 | \$ 289                          |
| Gila           | 53,565                  | \$ 405                          |
| <b>Average</b> |                         | \$ 179                          |

# Primary Property Tax Rate Comparison

| County     | Max Allowable Rate | Adopted Rate | % of Maximum Rate Adopted | Levy per \$1.00 of Primary Rate |
|------------|--------------------|--------------|---------------------------|---------------------------------|
| Pinal      | 4.9925             | 3.9999       | 80%                       | \$ 17,306,738                   |
| Yavapai    | 1.7511             | 1.4305       | 82%                       | \$ 21,092,085                   |
| Pima       | 4.0410             | 3.4178       | 85%                       | \$ 70,285,397                   |
| Gila       | 4.7921             | 4.1900       | 87%                       | \$ 4,527,359                    |
| Santa Cruz | 3.1944             | 2.8215       | 88%                       | \$ 3,379,544                    |
| Maricopa   | 1.3982             | 1.2407       | 89%                       | \$ 341,561,628                  |
| Cochise    | 2.7382             | 2.6276       | 96%                       | \$ 10,074,233                   |
| Navajo     | 0.6104             | 0.5984       | 98%                       | \$ 10,059,640                   |
| Apache     | 0.4349             | 0.4264       | 98%                       | \$ 5,149,446                    |
| La Paz     | 1.9744             | 1.9744       | 100%                      | \$ 2,267,922                    |
| Graham     | 1.8556             | 1.8556       | 100%                      | \$ 2,284,741                    |
| Greenlee   | 0.7736             | 0.7736       | 100%                      | \$ 2,804,607                    |
| Yuma       | 1.8798             | 1.8798       | 100%                      | \$ 12,470,853                   |
| Coconino   | 0.4303             | 0.4303       | 100%                      | \$ 18,088,506                   |
| Mohave     | 1.8196             | 1.8196       | 100%                      | \$ 19,326,817                   |

## *Looking Ahead...*

# Primary Property Tax Scenarios

- Flat Rate Projection
  - No change to the tax rate
  - Remains at \$3.9999 throughout forecast period
  - Results in decreases in \$ levied/collected
- Flat Levy Projection
  - No change in \$ levied/collected
  - Requires increases to the tax rate

# Historical/Projected Assessed Valuation

| Fiscal Year | Primary Assessed Valuation | % Change |               |
|-------------|----------------------------|----------|---------------|
| FY 2006-07  | 1,472,159,592              | 21.37%   |               |
| FY 2007-08  | 1,908,801,658              | 29.66%   |               |
| FY 2008-09  | 2,473,499,660              | 29.58%   |               |
| FY 2009-10  | 2,880,552,087              | 16.46%   |               |
| FY 2010-11  | 2,546,948,819              | (11.58%) |               |
| FY 2011-12  | 2,160,151,166              | (15.7%)  |               |
| FY 2012-13  | 1,879,331,514              | (13.0%)  | } Projections |
| FY 2013-14  | 1,822,951,569              | (3.0%)   |               |
| FY 2014-15  | 1,786,492,538              | (2.0%)   |               |
| FY 2015-16  | 1,786,492,538              | 0%       |               |

# Flat Rate - Primary Property Tax Levy Projection

| <b>Fiscal Year</b> | <b>Primary Assessed Valuation</b> | <b>Primary Tax Rate</b> | <b>Primary Tax Levy</b> | <b>Change</b>  |
|--------------------|-----------------------------------|-------------------------|-------------------------|----------------|
| FY 2012            | 2,160,151,166                     | \$3.9999                | \$86,403,886            | (\$16,083,395) |
| FY 2013            | 1,879,331,514                     | \$3.9999                | \$75,171,381            | (\$11,232,505) |
| FY 2014            | 1,822,951,569                     | \$3.9999                | \$72,916,240            | (\$2,255,141)  |
| FY 2015            | 1,786,492,538                     | \$3.9999                | \$71,457,915            | (\$1,458,325)  |
| FY 2016            | 1,786,492,538                     | \$3.9999                | \$71,457,915            | \$0            |

# Flat Levy - Primary Property Tax Rate Projection

| <b>Fiscal Year</b> | <b>Primary Assessed Valuation</b> | <b>Primary Tax Rate for Flat Levy</b> | <b>Primary Tax Levy</b> |
|--------------------|-----------------------------------|---------------------------------------|-------------------------|
| FY 2012            | 2,160,151,166                     | \$3.9999                              | \$86,403,886            |
| FY 2013            | 1,879,331,514                     | \$4.5976                              | \$86,403,886            |
| FY 2014            | 1,822,951,569                     | \$4.7398                              | \$86,403,886            |
| FY 2015            | 1,786,492,538                     | \$4.8365                              | \$86,403,886            |
| FY 2016            | 1,786,492,538                     | \$4.8365                              | \$86,403,886            |

# Historical Property Tax Revenues

| Fiscal Year | Tax Rate | Tax Levy      | Variance       | Population |
|-------------|----------|---------------|----------------|------------|
| FY 2006-07  | \$4.4532 | \$65,558,211  |                | 304,889    |
| FY 2007-08  | \$4.1442 | \$79,104,558  | \$13,546,347   | 333,977    |
| FY 2008-09  | \$3.5614 | \$88,091,217  | \$8,986,659    | 358,190    |
| FY 2009-10  | \$3.3575 | \$96,714,536  | \$8,623,319    | 364,995    |
| FY 2010-11  | \$3.9999 | \$102,487,281 | \$5,772,745    | 376,369    |
| FY 2011-12  | \$3.9999 | \$86,403,886  | (\$16,083,394) |            |
| FY 2012-13  | \$4.5976 | \$86,403,886  | 0              |            |

# 5 Year Model Revenue Notes

- FY 12 includes increase in State Shared Sales tax due to change in population
- FY12 includes one time transfer in for Long Term Care and Horizon Home Care closures
- Projected at very conservative growth for FY 2013-2016

# 5 Year Model Expenditure Assumptions

- Projected at FY 2011-2012 Level of Service noting the following annual adjustments:
  - Employee Retirement Programs increase by 1%
  - Countywide Vehicle Replacement - \$1.5M
  - No General Fund Supplemental Funding
  - Continued required State contribution of \$2.6M
  - Shifting of State Prisoners – \$2M
  - Increase of 4% per year in AHCCCS contributions

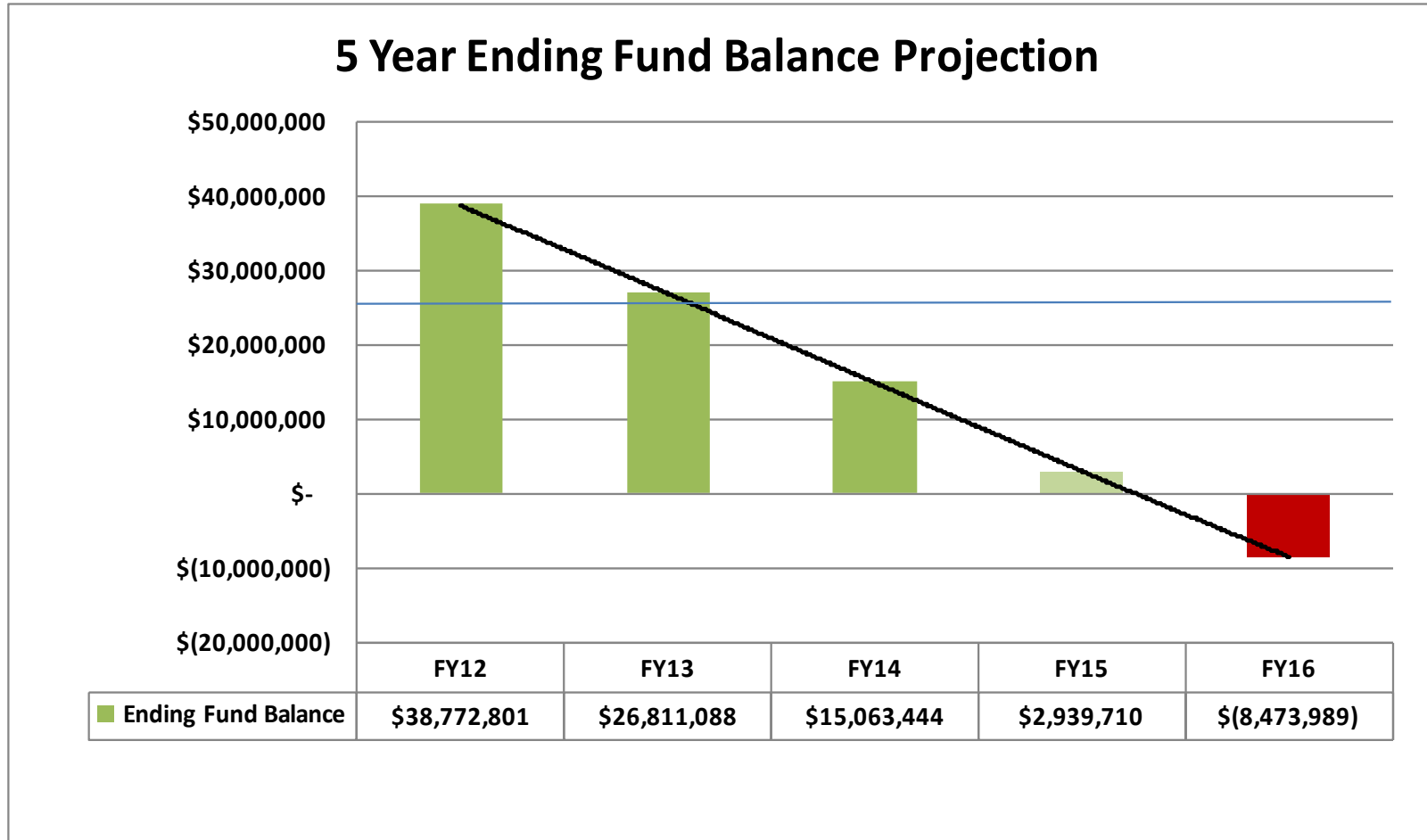
# Forecast Summary – Flat Rate

| 5-Year General Fund Forecast Flat Primary Rate |                    |                       |                       |                       |                       |                       |
|------------------------------------------------|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| As of October 12, 2011                         |                    |                       |                       |                       |                       |                       |
|                                                | FY 2011<br>Actual  | FY 2012<br>Projection | FY 2013<br>Projection | FY 2014<br>Projection | FY 2015<br>Projection | FY 2016<br>Projection |
| <b>BEGINNING FUND BALANCE</b>                  | \$43,540,676       | \$43,015,929          | \$38,772,801          | \$16,130,029          | (\$8,443,101)         | (\$34,779,051)        |
| <b>REVENUES</b>                                |                    |                       |                       |                       |                       |                       |
| Taxes                                          | \$111,324,359      | \$95,428,885          | \$84,897,493          | \$82,622,054          | \$81,089,402          | \$81,215,177          |
| License & Permits                              | \$1,202,320        | \$1,201,000           | \$1,301,000           | \$1,411,000           | \$1,471,000           | \$1,531,000           |
| Intergovernmental                              | \$32,678,202       | \$37,344,194          | \$37,605,503          | \$37,902,099          | \$38,218,263          | \$38,567,432          |
| Charges for Services                           | \$19,906,226       | \$20,933,148          | \$20,801,913          | \$20,541,913          | \$20,801,913          | \$20,891,913          |
| Fines & Forfeits                               | \$1,775,482        | \$1,778,970           | \$1,778,970           | \$1,778,970           | \$1,778,970           | \$1,778,970           |
| Miscellaneous                                  | \$955,609          | \$1,524,733           | \$800,883             | \$850,883             | \$925,883             | \$975,883             |
| Other Financing Sources                        | \$303,865          | \$165,000             | \$165,000             | \$165,000             | \$165,000             | \$165,000             |
| Transfers In                                   | \$5,657,242        | \$8,000,000           | \$3,273,548           | \$3,273,548           | \$3,273,548           | \$3,273,548           |
| <b>TOTAL REVENUE</b>                           | \$173,803,306      | \$166,375,930         | \$150,624,310         | \$148,545,468         | \$147,723,979         | \$148,398,923         |
| <b>EXPENDITURES</b>                            |                    |                       |                       |                       |                       |                       |
| Personal Services                              | \$107,802,388      | 105,837,589           | 105,875,622           | 105,963,440           | 106,052,173           | 106,141,829           |
| Non-Personal Services                          | \$40,883,400       | 46,837,325            | 52,685,663            | 52,716,820            | 54,455,285            | 54,338,887            |
| Supplemental                                   | \$9,697,800        | 5,406,404             | 1,500,000             | \$1,500,000           | \$1,500,000           | \$1,500,000           |
| Contingency                                    |                    | 500,000               | 500,000               | 500,000               | 500,000               | 500,000               |
| Transfers Out                                  | \$15,944,465       | 12,037,740            | 12,705,797            | \$12,438,337          | \$11,552,472          | \$11,544,122          |
| <b>TOTAL EXPENDITURES</b>                      | \$174,328,053      | \$170,619,058         | \$173,267,082         | \$173,118,598         | \$174,059,930         | \$174,024,838         |
| <b>REVENUE LESS EXPENDITURE</b>                | <u>(\$524,747)</u> | <u>(\$4,243,128)</u>  | <u>(\$22,642,772)</u> | <u>(\$24,573,130)</u> | <u>(\$26,335,951)</u> | <u>(\$25,625,915)</u> |
| 15% Financial Stability Reserve                | \$26,476,200       | \$26,250,734          | \$25,990,062          | \$25,967,790          | \$26,108,989          | \$26,103,726          |
| <b>ENDING FUND BALANCE</b>                     | \$43,015,929       | \$38,772,801          | \$16,130,029          | (\$8,443,101)         | (\$34,779,051)        | (\$60,404,967)        |

# Forecast Summary – Flat Levy

| 5-Year General Fund Forecast Flat Primary Levy |                           |                             |                              |                              |                              |                              |
|------------------------------------------------|---------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| As of October 12, 2011                         |                           |                             |                              |                              |                              |                              |
|                                                | FY 2011<br>Actual         | FY 2012<br>Projection       | FY 2013<br>Projection        | FY 2014<br>Projection        | FY 2015<br>Projection        | FY 2016<br>Projection        |
| <b>BEGINNING FUND BALANCE</b>                  | \$43,540,676              | \$43,015,929                | \$38,772,801                 | \$26,811,088                 | \$15,063,444                 | \$2,939,710                  |
| <b>REVENUES</b>                                |                           |                             |                              |                              |                              |                              |
| Taxes                                          | \$111,324,359             | \$95,428,885                | \$95,350,961                 | \$95,174,258                 | \$94,998,787                 | \$95,124,562                 |
| License & Permits                              | \$1,202,320               | \$1,201,000                 | \$1,301,000                  | \$1,411,000                  | \$1,471,000                  | \$1,531,000                  |
| Intergovernmental                              | \$32,678,202              | \$37,344,194                | \$37,833,094                 | \$38,175,383                 | \$38,521,094                 | \$38,870,263                 |
| Charges for Services                           | \$19,906,226              | \$20,933,148                | \$20,801,913                 | \$20,541,913                 | \$20,801,913                 | \$20,891,913                 |
| Fines & Forfeits                               | \$1,775,482               | \$1,778,970                 | \$1,778,970                  | \$1,778,970                  | \$1,778,970                  | \$1,778,970                  |
| Miscellaneous                                  | \$955,609                 | \$1,524,733                 | \$800,883                    | \$850,883                    | \$925,883                    | \$975,883                    |
| Other Financing Sources                        | \$303,865                 | \$165,000                   | \$165,000                    | \$165,000                    | \$165,000                    | \$165,000                    |
| Transfers In                                   | \$5,657,242               | \$8,000,000                 | \$3,273,548                  | \$3,273,548                  | \$3,273,548                  | \$3,273,548                  |
| <b>TOTAL REVENUE</b>                           | <b>\$173,803,306</b>      | <b>\$166,375,930</b>        | <b>\$161,305,368</b>         | <b>\$161,370,954</b>         | <b>\$161,936,196</b>         | <b>\$162,611,140</b>         |
| <b>EXPENDITURES</b>                            |                           |                             |                              |                              |                              |                              |
| Personal Services                              | \$107,802,388             | 105,837,589                 | 105,875,622                  | 105,963,440                  | 106,052,173                  | 106,141,829                  |
| Non-Personal Services                          | \$40,883,400              | 46,837,325                  | 52,685,663                   | 52,716,820                   | 54,455,285                   | 54,338,887                   |
| Supplemental                                   | \$9,697,800               | 5,406,404                   | 1,500,000                    | \$1,500,000                  | \$1,500,000                  | \$1,500,000                  |
| Contingency                                    |                           | 500,000                     | 500,000                      | 500,000                      | 500,000                      | 500,000                      |
| Transfers Out                                  | \$15,944,465              | 12,037,740                  | 12,705,797                   | \$12,438,337                 | \$11,552,472                 | \$11,544,122                 |
| <b>TOTAL EXPENDITURES</b>                      | <b>\$174,328,053</b>      | <b>\$170,619,058</b>        | <b>\$173,267,082</b>         | <b>\$173,118,598</b>         | <b>\$174,059,930</b>         | <b>\$174,024,838</b>         |
| <b>REVENUE LESS EXPENDITURE</b>                | <b><u>(\$524,747)</u></b> | <b><u>(\$4,243,128)</u></b> | <b><u>(\$11,961,713)</u></b> | <b><u>(\$11,747,643)</u></b> | <b><u>(\$12,123,734)</u></b> | <b><u>(\$11,413,699)</u></b> |
| 15% Financial Stability Reserve                | \$26,476,200              | \$26,250,734                | \$25,990,062                 | \$25,967,790                 | \$26,108,989                 | \$26,103,726                 |
| <b>ENDING FUND BALANCE</b>                     | <b>\$43,015,929</b>       | <b>\$38,772,801</b>         | <b>\$26,811,088</b>          | <b>\$15,063,444</b>          | <b>\$2,939,710</b>           | <b><u>(\$8,473,989)</u></b>  |

# Flat Levy Fund Balance Projection



# Near Term Focus – Flat Levy

| <b>3-Year General Fund Forecast Flat Primary Levy</b> |                               |                               |                               |
|-------------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b>As of October 12, 2011</b>                         |                               |                               |                               |
|                                                       | <b>FY 2012<br/>Projection</b> | <b>FY 2013<br/>Projection</b> | <b>FY 2014<br/>Projection</b> |
| <b>BEGINNING FUND BALANCE</b>                         | \$43,015,929                  | \$38,772,801                  | \$26,811,088                  |
| <b>REVENUES</b>                                       |                               |                               |                               |
| Taxes                                                 | \$95,428,885                  | \$95,350,961                  | \$95,174,258                  |
| License & Permits                                     | \$1,201,000                   | \$1,301,000                   | \$1,411,000                   |
| Intergovernmental                                     | \$37,344,194                  | \$37,833,094                  | \$38,175,383                  |
| Charges for Services                                  | \$20,933,148                  | \$20,801,913                  | \$20,541,913                  |
| Fines & Forfeits                                      | \$1,778,970                   | \$1,778,970                   | \$1,778,970                   |
| Miscellaneous                                         | \$1,524,733                   | \$800,883                     | \$850,883                     |
| Other Financing Sources                               | \$165,000                     | \$165,000                     | \$165,000                     |
| Transfers In                                          | \$8,000,000                   | \$3,273,548                   | \$3,273,548                   |
| <b>TOTAL REVENUE</b>                                  | <b>\$166,375,930</b>          | <b>\$161,305,368</b>          | <b>\$161,370,954</b>          |
| <b>EXPENDITURES</b>                                   |                               |                               |                               |
| Personal Services                                     | 105,837,589                   | 105,875,622                   | 105,963,440                   |
| Non-Personal Services                                 | 46,837,325                    | 52,685,663                    | 52,716,820                    |
| Supplemental                                          | 5,406,404                     | 1,500,000                     | \$1,500,000                   |
| Contingency                                           | 500,000                       | 500,000                       | 500,000                       |
| Transfers Out                                         | 12,037,740                    | 12,705,797                    | \$12,438,337                  |
| <b>TOTAL EXPENDITURES</b>                             | <b>\$170,619,058</b>          | <b>\$173,267,082</b>          | <b>\$173,118,598</b>          |
| <b>REVENUE LESS EXPENDITURE</b>                       | <b><u>(\$4,243,128)</u></b>   | <b><u>(\$11,961,713)</u></b>  | <b><u>(\$11,747,643)</u></b>  |
| 15% Financial Stability Reserve                       | \$26,250,734                  | \$25,990,062                  | \$25,967,790                  |
| <b>ENDING FUND BALANCE</b>                            | <b>\$38,772,801</b>           | <b>\$26,811,088</b>           | <b>\$15,063,444</b>           |

# Pinal County

## General Fund Five-Year Forecast

October 12, 2011



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*Wide open opportunity*