

Pinal County

General Fund Status and Forecast

January 14, 2015



PINAL • COUNTY

Wide open opportunity

General Fund Forecast – As Is

FY 2014-2017 General Fund Forecast - Flat Rate - Base "As Is"						
	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 (Current Year) Projection	FY 15-16 Projection	FY 16-17 Projection
BEGINNING FUND BALANCE	\$43,015,930	\$43,730,294	\$48,044,732	\$36,633,277	\$18,252,461	\$456,706
REVENUES						
Property Taxes and Delinquent Tax Lien Sales	\$83,931,211	\$81,067,759	\$73,174,838	\$74,959,585	\$77,666,230	\$81,619,597
County Sales Tax	\$12,460,496	\$12,799,507	\$13,554,102	\$13,900,000	\$14,386,500	\$14,961,960
License & Permits	\$1,526,700	\$2,418,264	\$2,969,113	\$3,054,113	\$3,254,113	\$3,454,113
Intergovernmental	\$40,747,766	\$40,108,940	\$44,368,471	\$46,000,000	\$47,300,000	\$48,600,000
Charges for Services	\$21,027,837	\$19,440,241	\$17,757,852	\$6,922,852	\$5,872,852	\$5,772,852
Fines & Forfeits	\$1,894,038	\$1,839,517	\$1,802,343	\$1,900,310	\$1,925,310	\$1,950,310
Miscellaneous	\$1,556,393	\$1,300,144	\$1,732,010	\$1,967,780	\$1,217,780	\$1,217,780
Transfers In	\$4,931,672	\$3,388,438	\$3,199,011	\$3,006,415	\$2,616,415	\$2,616,415
TOTAL REVENUE	\$168,076,112	\$162,362,810	\$158,557,740	\$151,711,055	\$154,239,200	\$160,193,027
EXPENDITURES						
Personnel	\$103,290,109	\$104,260,129	\$103,573,164	\$102,302,911	\$102,502,911	\$105,402,911
Non-Personnel	\$50,150,064	\$49,360,309	\$52,217,984	\$51,755,616	\$51,435,616	\$51,635,616
Transfers Out	\$13,921,577	\$4,427,934	\$14,178,047	\$16,033,344	\$18,096,429	\$16,496,429
TOTAL EXPENDITURES	\$167,361,749	\$158,048,372	\$169,969,195	\$170,091,871	\$172,034,956	\$173,534,956
REVENUE LESS EXPENDITURE	<u>\$714,365</u>	<u>\$4,314,438</u>	<u>(\$11,411,455)</u>	<u>(\$18,380,816)</u>	<u>(\$17,795,756)</u>	<u>(\$13,341,929)</u>
ENDING FUND BALANCE	\$43,730,294	\$48,044,732	\$36,633,277	\$18,252,461	\$456,706	<u>(\$12,885,223)</u>
15% of Projected Outflows	\$25,104,262	\$23,707,256	\$25,495,379	\$25,513,781	\$25,805,243	\$26,030,243

Notes: Assumes ~4% increase in property tax levy in accordance with the increase in property values.

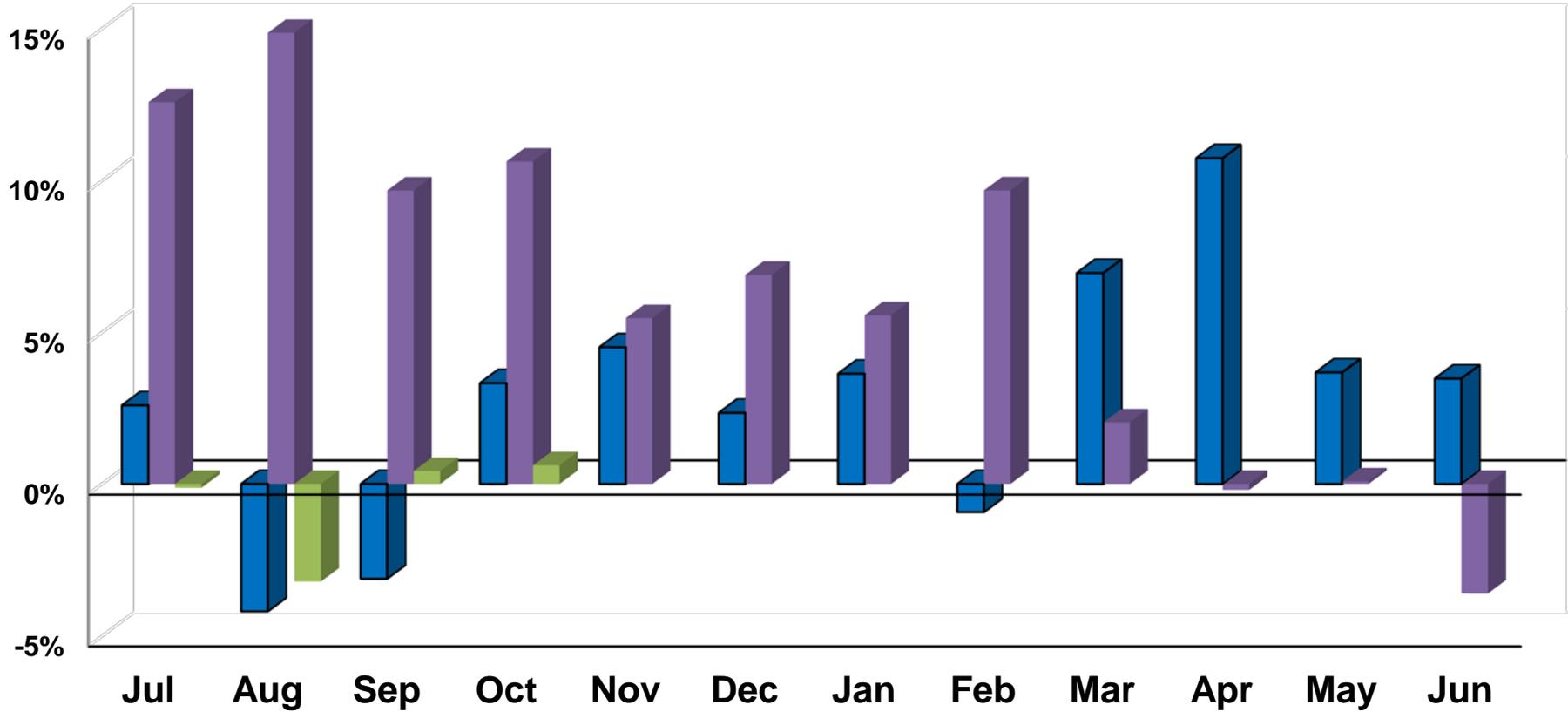
Assumes wage increases and continued vacancy savings.

Reserve -7%

Employer retirement contributions are estimated based on actuarial forecast for EORP, but are speculative and to be determined.

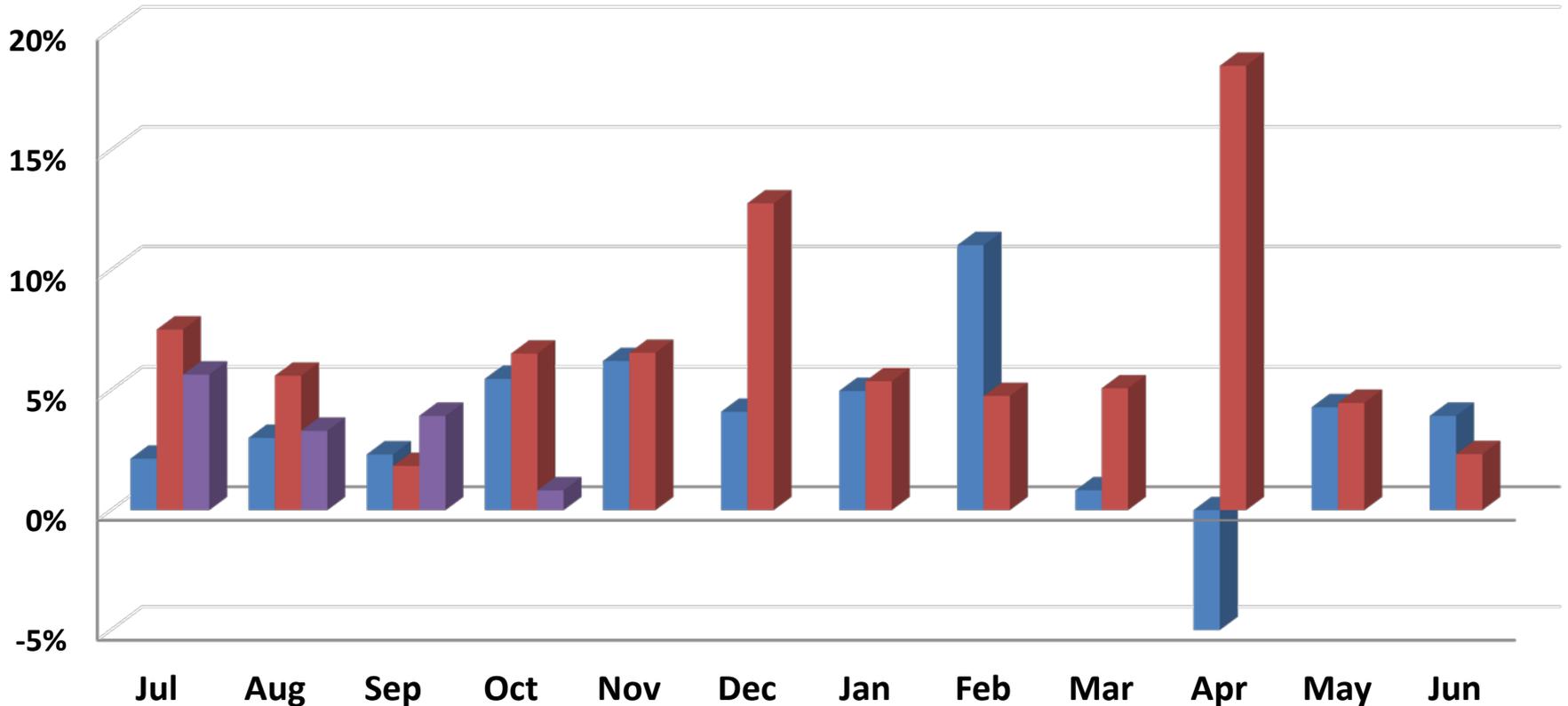
County Sales Tax Revenue

■ FY13 - Average 2.7% ■ FY 14 - Average 5.9% ■ FY 15 - Projected Average 3%



State Shared Sales Tax Revenue

■ FY13 - Average 3.3% ■ FY 14 - Average 6.8% ■ FY 15 - Projected Average 3%



Economic Forecast

2014 Forecast Annual Percentage Change						
	Population	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Manufacturing Empl.	Construction Empl.
Arizona Dept. of Administration	1.3	2.6	8.4	2.2	0.6	7.1
Arizona Public Service	1.9	5.5	7.5	2.5	1.5	1.5
ASU - Economic Outlook Center	1.7	4.5	4.0	2.4	0.1	5.0
ECON-LINC	1.5	4.6	4.8	2.3	3.2	12.0
EconLit LLC	1.9	6.0	6.9	3.1	3.0	12.0
Elliott D. Pollack and Co.	1.5	4.0	4.9	2.7	0.0	0.5
Joint Legislative Budget Committee	1.6	5.0	5.7	2.6	1.5	6.8
The Maguire Company	1.7	5.7	7.9	2.5	2.4	10.0
Salt River Project	1.6	4.4	4.8	2.6	2.0	7.5
Southwest Growth Partners	1.9	6.3	7.4	2.7	3.3	10.5
U of A - Eller College	1.6	5.4	6.8	3.2	2.6	8.1
VisionEcon/Governing Star Group	2.0	4.0	6.5	3.0	0.0	5.2
Consensus	1.7	4.8	6.3	2.7	1.7	7.2

2015 Forecast Annual Percentage Change						
	Population	Current \$ Personal Income	Retail Sales	Wage & Salary Empl.	Manufacturing Empl.	Construction Empl.
Arizona Dept. of Administration	1.5	3.5	8.0	2.6	1.0	7.1
Arizona Public Service	2.1	4.7	5.5	2.5	1.5	4.5
ASU - Economic Outlook Center	1.7	4.8	4.5	2.5	0.5	7.0
ECON-LINC	1.6	5.3	5.2	2.8	3.2	14.0
EconLit LLC	2.0	6.1	7.2	3.5	3.4	15.0
Elliott D. Pollack and Co.	1.8	5.0	5.0	3.0	1.0	10.0
Joint Legislative Budget Committee	2.0	5.2	6.0	3.0	2.5	8.0
The Maguire Company	2.0	6.0	7.9	2.6	2.5	10.0
Salt River Project	1.8	5.4	5.8	3.2	3.0	7.5
Southwest Growth Partners	2.1	6.1	6.5	3.4	3.2	15.0
U of A - Eller College	1.7	6.6	6.8	3.5	3.1	10.4
VisionEcon/Governing Star Group	2.2	4.0	4.0	1.7	1.5	4.0
Consensus	1.9	5.2	6.0	2.9	2.2	9.4

Budget Increases Authorized

FY 13/14 Budget Increases

\$5,898,018

- County Attorney \$1,282,919
- Assessor \$190,623
- Superior Court \$1,724,573
- Public Defender \$1,351,194
- Board of Supervisors \$98,709
- Cost of Living Increase Qtr Effect \$550,000
- Retirement Increases \$700,000

FY 14/15 Budget Increases

\$5,910,127

- Economic Contributions \$276,305
- JP Courts \$416,209
- Superior Court \$335,627
- Animal Control \$506,562
- PCSO \$1,500,000
- Open Space & Trails \$120,000
- Recorder/Elections \$476,944
- School Superintendent \$30,000
- Board of Supervisors \$48,480
- Cost of Living Increase Annual Effect \$2,200,000

Combined Total of Increases \$11,808,145

Note: Increased cost due to ~50% increase in local jail population since 2012 is not included in this list.

Recent Adjustments

- Reduction in vehicle purchases
- Use of bond proceeds for dispatch console and radio upgrades
- Deferral of Parking Lot renovation

General Fund Forecast Adjusted

FY 2014-2017 General Fund Forecast - Flat Rate - Adjusted and 5% Budget Reduction						
	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 (Current Year) Projection	FY 15-16 Projection	FY 16-17 Projection
BEGINNING FUND BALANCE	\$43,015,930	\$43,730,294	\$48,044,732	\$36,633,277	\$21,102,461	\$17,156,706
REVENUES						
Property Taxes and Delinquent Tax Lien Sales	\$83,931,211	\$81,067,759	\$73,174,838	\$74,959,585	\$77,666,230	\$81,619,597
County Sales Tax	\$12,460,496	\$12,799,507	\$13,554,102	\$13,900,000	\$14,386,500	\$14,961,960
License & Permits	\$1,526,700	\$2,418,264	\$2,969,113	\$3,054,113	\$3,254,113	\$3,454,113
Intergovernmental	\$40,747,766	\$40,108,940	\$44,368,471	\$46,000,000	\$47,300,000	\$48,600,000
Charges for Services	\$21,027,837	\$19,440,241	\$17,757,852	\$6,922,852	\$5,872,852	\$5,772,852
Fines & Forfeits	\$1,894,038	\$1,839,517	\$1,802,343	\$1,900,310	\$1,925,310	\$1,950,310
Miscellaneous	\$1,556,393	\$1,300,144	\$1,732,010	\$1,967,780	\$1,217,780	\$1,217,780
Transfers In	\$4,931,672	\$3,388,438	\$3,199,011	\$4,006,415	\$8,616,415	\$3,616,415
TOTAL REVENUE	\$168,076,112	\$162,362,810	\$158,557,740	\$152,711,055	\$160,239,200	\$161,193,027
EXPENDITURES						
Personnel	\$103,290,109	\$104,260,129	\$103,573,164	\$101,752,911	\$99,752,911	\$100,452,911
Non-Personnel	\$50,150,064	\$49,360,309	\$52,217,984	\$51,755,616	\$51,435,616	\$51,635,616
Transfers Out	\$13,921,577	\$4,427,934	\$14,178,047	\$14,733,344	\$15,496,429	\$13,896,429
Estimated Effect of 5% Budget Reduction					(\$2,500,000)	(\$2,500,000)
TOTAL EXPENDITURES	\$167,361,749	\$158,048,372	\$169,969,195	\$168,241,871	\$164,184,956	\$163,484,956
REVENUE LESS EXPENDITURE	<u>\$714,365</u>	<u>\$4,314,438</u>	<u>(\$11,411,455)</u>	<u>(\$15,530,816)</u>	<u>(\$3,945,756)</u>	<u>(\$2,291,929)</u>
ENDING FUND BALANCE	\$43,730,294	\$48,044,732	\$36,633,277	\$21,102,461	\$17,156,706	\$14,864,777
15% of Projected Outflows	\$25,104,262	\$23,707,256	\$25,495,379	\$25,236,281	\$24,627,743	\$24,522,743

Notes: Assumes ~4% increase in property tax levy in accordance with the increase in property values.

Assumes no wage increases, Benefits Trust Cash out of \$5M, Annual Fund Sweeps of RTC/SVP ~ \$1M,

Reserve

9%

Refinancing of COPS 2004, and 5% budget reduction resulting in ~2.5M savings.

General Fund Forecast Adjusted

FY 2014-2017 General Fund Forecast - Flat Rate - Adjusted and 8% Budget Reduction						
	FY 11-12 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 (Current Year) Projection	FY 15-16 Projection	FY 16-17 Projection
BEGINNING FUND BALANCE	\$43,015,930	\$43,730,294	\$48,044,732	\$36,633,277	\$21,102,461	\$19,856,706
REVENUES						
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Estimated Effect of 8% Budget Reduction					(\$5,200,000)	(\$5,200,000)
TOTAL EXPENDITURES	\$167,361,749	\$158,048,372	\$169,969,195	\$168,241,871	\$161,484,956	\$160,784,956
REVENUE LESS EXPENDITURE	<u>\$714,365</u>	<u>\$4,314,438</u>	<u>(\$11,411,455)</u>	<u>(\$15,530,816)</u>	<u>(\$1,245,756)</u>	<u>\$408,071</u>
ENDING FUND BALANCE	\$43,730,294	\$48,044,732	\$36,633,277	\$21,102,461	\$19,856,706	\$20,264,777
15% of Projected Outflows	\$25,104,262	\$23,707,256	\$25,495,379	\$25,236,281	\$24,222,743	\$24,117,743

Notes: Assumes ~4% increase in property tax levy in accordance with the increase in property values.

Assumes no wage increases, Benefits Trust Cash out of \$5M, Annual Fund Sweeps of RTC/SVP ~ \$1M,

Reserve

13%

Refinancing of COPS 2004, and 8% budget reduction resulting in ~5.2M savings.

Current Year Budget Tools to Consider

- Vacancy Savings use freeze unless specifically exempted?
- Hiring Freeze unless exempted?
- Targeted Budget Reductions or 2% across the board?
- 4th Quarter Wage Increase?
- Fund Sweep for RTC/SVP?
- Fuel Savings?
- Other Tools?

Next Year Budget Tools to consider

- Flexibility to temporarily decrease the financial stability reserve policy to no less than 10%
- Across the board budget reduction % with ability to budget vacancy savings to meet the target
- Targeted Budget Reductions
- Other Revenue Enhancement Ideas
- Benefit Trust Restructuring

Fuel Costs

GENERAL FUND - NON SHERIFF

FUEL TYPE	GALLONS	FY 13/14 AVG COST PER GALLON	Actual FY 13/14	FY 14/15 AVG COST PER GALLON	PROJECTED FY 14/15	Variance between Actuals FY 13/14 & Projection FY 14/15
DIESEL	4,176	\$ 3.81	\$ 14,894.84	\$ 3.50	\$ 14,614.43	\$ 280.41
UNLEADED	162,859	\$ 3.45	\$ 512,250.97	\$ 2.50	\$ 407,147.18	\$ 105,103.80

GENERAL FUND - SHERIFF

FUEL TYPE	GALLONS	FY 13/14 AVG COST PER GALLON	Actual FY 13/14	FY 14/15 AVG COST PER GALLON	PROJECTED FY 14/15	Variance between Actuals FY 13/14 & Projection FY 14/15
DIESEL	20,516	\$ 3.78	\$ 72,631.69	\$ 3.50	\$ 71,804.95	\$ 826.74
UNLEADED	436,408	\$ 3.46	\$ 1,371,553.86	\$ 2.50	\$ 1,091,019.00	\$ 280,534.86

COMBINED GENERAL FUND TOTAL

FUEL TYPE	GALLONS	FY 13/14 AVG COST PER GALLON	Actual FY 13/14	FY 14/15 AVG COST PER GALLON	PROJECTED FY 14/15	Variance between Actuals FY 13/14 & Projection FY 14/15
DIESEL	24,691	\$ 3.79	\$ 87,526.53	\$ 3.50	\$ 86,419.38	\$ 1,107.16
UNLEADED	599,266	\$ 3.45	\$ 1,883,804.83	\$ 2.50	\$ 1,498,166.18	\$ 385,638.66