

# Pinal County Fiscal Year 2017-2018 Tentative Budget

June 7, 2017



PINAL • COUNTY

*Wide open opportunity*

# Where Your Tax Dollars Go

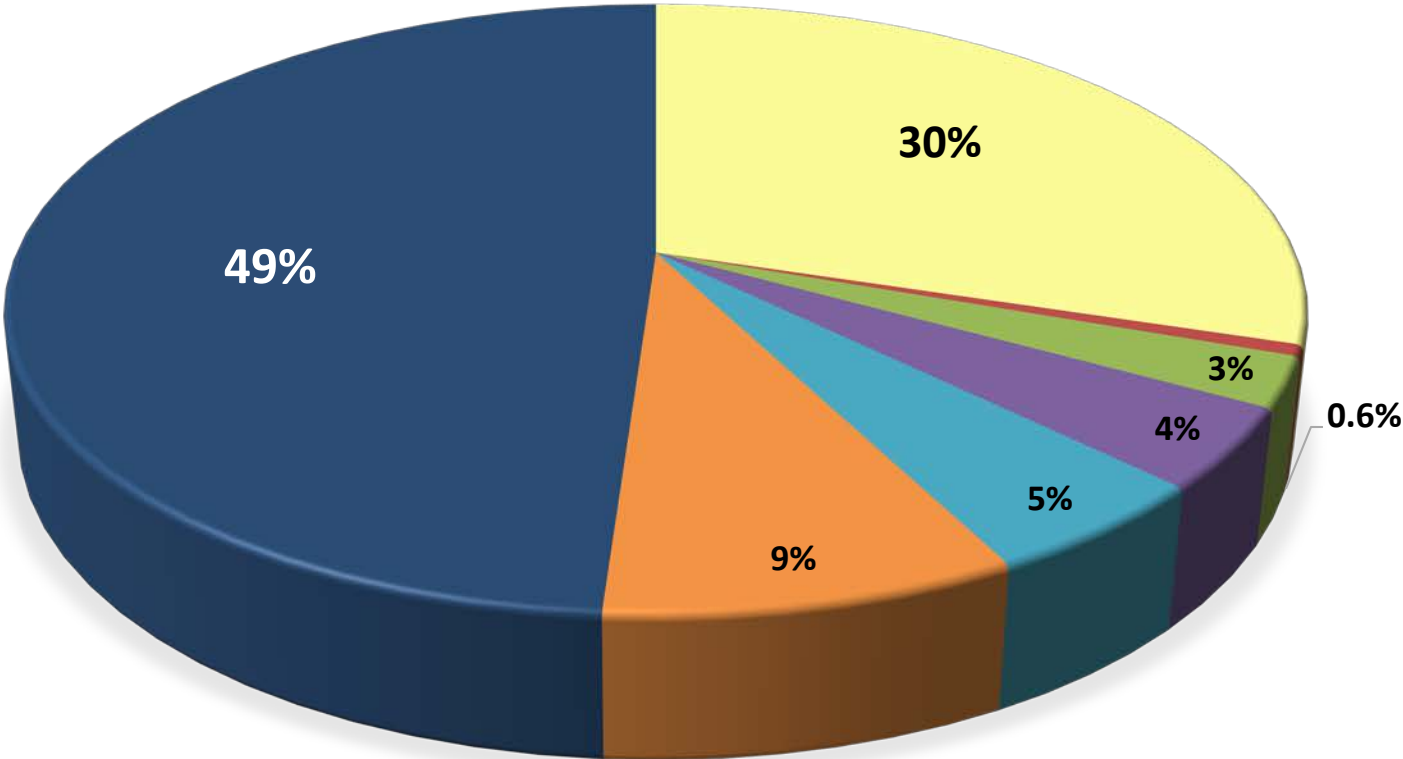


This presentation deals with the roughly 25 cents of your tax dollar that the County uses to fund its programs. This represents a 6 cent decrease from FY 10-11, when Pinal County's portion was 31 cents.

Based on fiscal year 16-17. Fiscal year 17-18 to be determined.

# General Fund Revenue Budget

FY 2017-2018

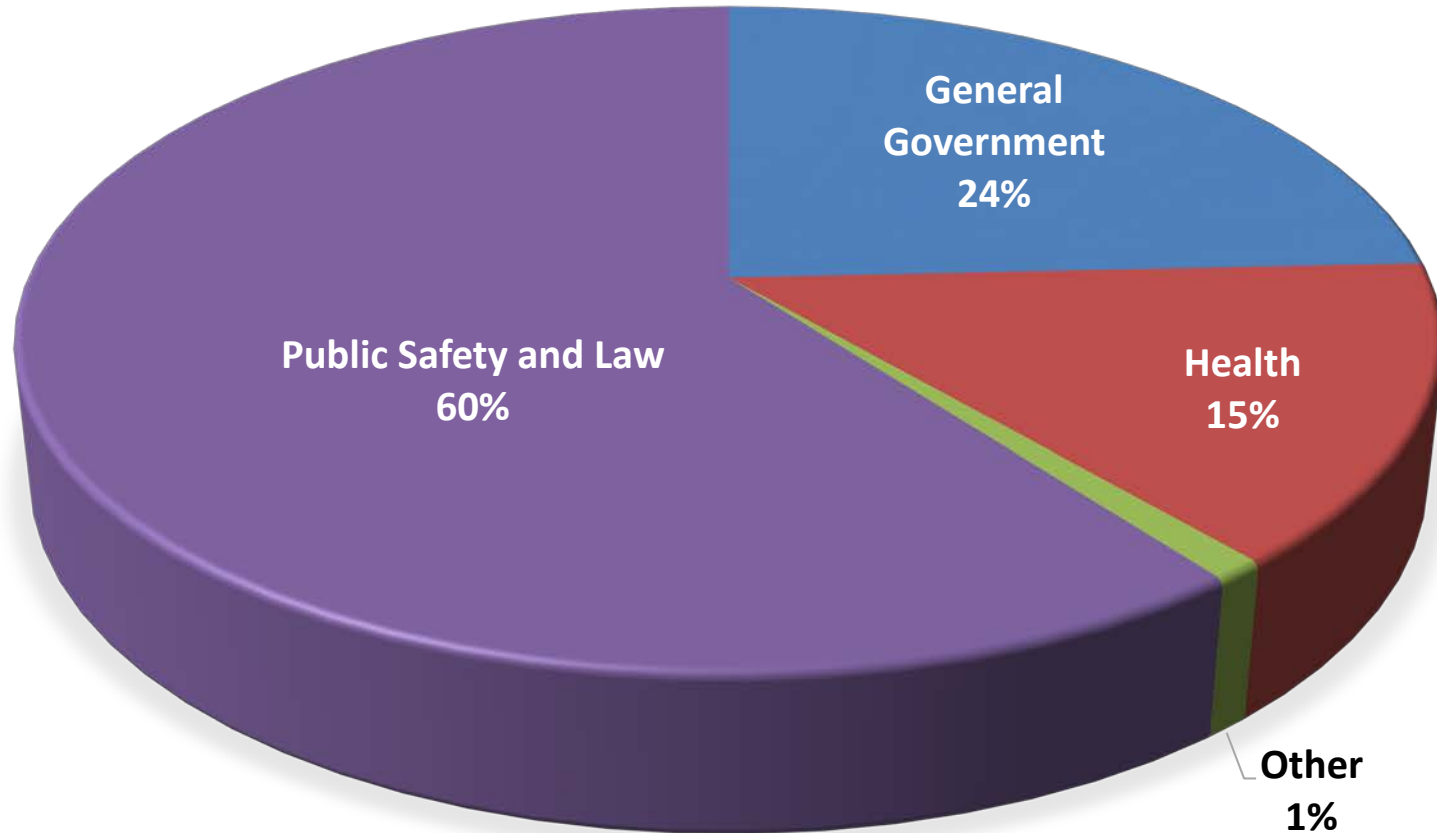


- Intergovernmental
- Charges for Services
- Property Tax
- Fines & Forfeits
- Transfers In & Miscellaneous
- Licenses & Permits
- County Sales Tax

Notes: Property Taxes includes delinquent tax lien sales and Intergovernmental includes State Shared Revenue

# Distribution of General Fund

\*not including reserves and transfers



Notes: Health includes mandatory AHCCCS contributions and Behavioral Health; General Government includes Assessor, Recorder, Treasurer, Board of Supervisors/appointed, and countywide utilities and facilities; and Other includes Transportation, Education, Welfare, and Recreation.

June 7, 2017

# FY 2017-2018 Highlights

- Pinal County continues its commitment to financial health and built the budget to keep the property tax rate flat while service demands increase and State cost/revenue shifts continue.
- New construction valuation continually improving at \$67.6M (3.2% growth). The increase in existing properties valuation was 2.4%, restrained by the implementation of Prop 117.
- General Fund excise tax related revenues continue to grow at about 2-3%.
- Increased GF funding to enhance services:
  - Pinal County Attorney's Office \$1.6M
  - Pinal County Justice Courts \$15k
  - Pinal County Superior Court \$206k
  - Economic Development \$72k
  - Pictometry GIS \$117k
  - Countywide Utilities/Liability Insurance \$215k

# FY 2017-2018 Highlights

- Over the past year, employees have been brought at least to the minimum market wages according to the compensation study and placed into the new salary structure (effective 12/31/16, giving credit for years worked in job) at an overall annual cost of \$4.5M.
- The county is paying for the increase in medical benefits at the cost of \$650k, ensuring that no employee contribution for medical insurance premiums increase with most plans experiencing a decrease.
- The county is paying annual increase of \$1.9M for retirement pension contributions.
- A two percent wage increase across the board for all employees effective the first pay period following 7/1/17 at annual cost of \$2.3M.
- The GF reserve balance could be near \$24.8M, 14% of projected expenditures at year end including fund sweeps in the amount of ~\$1.2M for state cost shifts. Structural deficit of -1%.
- Law Enforcement Operations study in progress with results soon which can have a budgetary effect.

**FY 2016-2018 General Fund Forecast \$3.8699 Tax Rate**

	<b>FY 13-14 Actual</b>	<b>FY14-15 Actual</b>	<b>FY15-16 Actual</b>	<b>FY 16-17 Projection</b>	<b>FY 17-18 Projection</b>	<b>FY 18-19 Projection</b>
<b>BEGINNING FUND BALANCE</b>	\$48,044,732	\$36,505,766	\$19,985,248	\$21,981,768	\$26,654,020	\$24,835,908
<b>REVENUES</b>						
Property Taxes and Tax Lien Sales	\$73,174,837	\$76,321,610	\$79,772,057	\$80,496,391	\$84,813,307	\$87,200,706
County Sales Tax	\$13,554,101	\$14,007,149	\$14,561,022	\$14,852,242	\$15,223,548	\$15,604,137
License & Permits	\$2,969,113	\$2,913,494	\$3,457,294	\$4,125,288	\$4,331,552	\$4,548,130
Intergovernmental	\$44,368,471	\$46,129,391	\$47,988,514	\$49,591,698	\$51,629,449	\$53,178,333
Charges for Services	\$18,795,692	\$7,491,903	\$12,621,361	\$7,598,786	\$7,349,774	\$7,423,272
Fines & Forfeits	\$764,504	\$805,158	\$772,993	\$1,001,800	\$1,011,818	\$1,021,936
Miscellaneous	\$1,732,010	\$1,137,383	\$4,516,357	\$4,030,195	\$1,292,997	\$1,305,927
Transfers In	\$3,199,011	\$3,469,841	\$5,979,761	\$6,360,352	\$4,800,288	\$4,800,288
<b>TOTAL REVENUE</b>	<b>\$158,557,740</b>	<b>\$152,275,929</b>	<b>\$169,669,359</b>	<b>\$168,056,752</b>	<b>\$170,452,733</b>	<b>\$175,082,728</b>
<b>EXPENDITURES</b>						
Personnel	\$103,573,164	\$100,581,171	\$101,103,998	\$97,802,393	\$101,101,950	\$105,615,804
Non-Personnel	\$52,345,495	\$52,723,106	\$53,445,031	\$51,594,704	\$53,865,713	\$53,635,713
Transfers Out	\$14,178,047	\$15,492,169	\$13,123,810	\$12,228,360	\$16,094,139	\$16,033,910
State Impact				\$1,759,043	\$1,209,043	\$1,209,043
<b>TOTAL EXPENDITURES</b>	<b>\$170,096,706</b>	<b>\$168,796,446</b>	<b>\$167,672,839</b>	<b>\$163,384,500</b>	<b>\$172,270,845</b>	<b>\$176,494,470</b>
<b>REVENUE LESS EXPENDITURE</b>	<b><u>(\$11,538,966)</u></b>	<b><u>(\$16,520,517)</u></b>	<b><u>\$1,996,520</u></b>	<b><u>\$4,672,252</u></b>	<b><u>(\$1,818,112)</u></b>	<b><u>(\$1,411,742)</u></b>
<b>Surplus/(Deficit) as a % of Revenue</b>	<b>-7%</b>	<b>-11%</b>	<b>1%</b>	<b>3%</b>	<b>-1%</b>	<b>-1%</b>
<b>ENDING FUND BALANCE</b>	<b>\$36,505,766</b>	<b>\$19,985,248</b>	<b>\$21,981,768</b>	<b>\$26,654,020</b>	<b>\$24,835,908</b>	<b>\$23,424,167</b>
<b>Reserve as a % of outflows</b>	<b>21%</b>	<b>12%</b>	<b>13%</b>	<b>16%</b>	<b>14%</b>	<b>13%</b>
<b>15% of Projected Outflows</b>	<b>\$25,514,506</b>	<b>\$25,319,467</b>	<b>\$25,150,926</b>	<b>\$24,507,675</b>	<b>\$25,840,627</b>	<b>\$26,474,170</b>

# FY 2017-2018 Facilities Department (New projects)

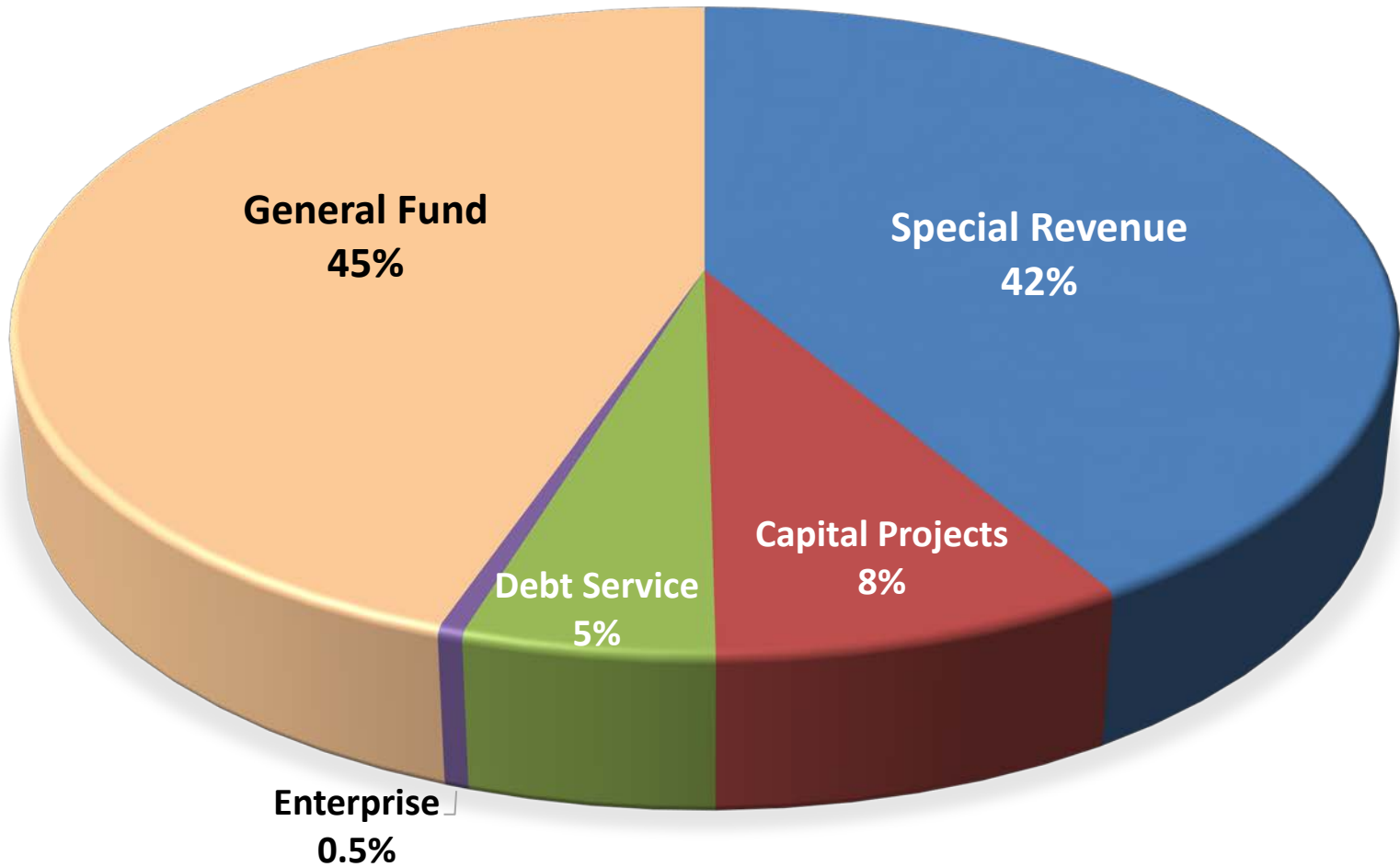
– Building Improvement Projects	
• Casa Grande Complex Bldg 5 Repurposing	\$500,000
• Election Building / Warehouse	\$200,000
• Facilities Mgmt New Workshop Bldg	\$150,000
• Completion of Medical Examiner Facility	\$50,000
• Countywide Building Improvements	\$145,000
– Safety Improvements	
• Fire Alarm System (Oracle Adm Bldg)	\$40,000
• Fire Alarm System (San Manuel Adm Bldg)	\$40,000
• Elevator Equipment Upgrades (Countywide)	\$250,000
– Feasibility / Concept Study	
• Update of 2006 Master Facilities Plan	\$75,000
– Potential Projects Upon BOS Approval	
• Kearney Justice of the Peace Improvement	\$500,000
• New Florence / Coolidge JP Court at Hunt Hwy	\$2,000,000
(One-time funding sources to be determined)	
Total Cost	\$3,950,000



# Pinal County Continues to Provide Excellent Service to the Public

- Economic Development
- Hunt Highway
  - Phase 4 In procurement for Construction Contract (bid opening 07/20/17)
  - Phase 5 Design in progress
- Pinal Regional Transportation Authority (RTA) November ballot
- Pinal Airport
  - Marketing and Web development
  - Infrastructure improvements
  - Business and Economic Development
- Ironwood/Gantzel Rd. Safety Enhancements
- Surfacing Dirt Roads/Pavement Preservation - \$8M
- Convert Public Safety Radio communication to digital - \$19M Estimated completion Jan 2018
- Expand Superior Court Facilities - \$15M – Estimated completion July 2017
- Pinal County Flood Control partnership with Corps of Engineers for Lower Santa Cruz River Feasibility Study
- Updated County Strategic Plan
- San Tan Valley Area Plan
- Community Health Assessment
- Renovated Casa Grande Public Health Clinic – Pilot WIC debit card program

# Total Pinal County Expenditures FY 2017-2018



June 7, 2017

# Pinal County's Tentative Budget for Fiscal Year 2016-2017:

\$406,072,603

- The overall budget decreased by \$3,637,924, which is due to the spending in the financed capital projects: Public Safety Radio System, Court Expansion, Hunt Highway, and Ironwood/Gantzel Rd. Improvements.
- Once the Tentative Budget is adopted, it can be decreased or budget can be reallocated. However, the total budget cannot be increased. State law requires the County to budget all of its projected sources, including in all fund balances, even if they are not planned to be spent in the current year. In compliance with Section 42-17107, Arizona Revised Statutes, a Truth in Taxation Hearing Notice will be published in the local newspaper.
- Final Budget to be adopted during a regular session on July 12, 2017 and the adoption of the tax rates/levies will be held on August 21, 2017.