

Maricopa County FY 2009-10

Recommended Tentative Budget

May 18, 2009

Sandi Wilson, Deputy County Manager
Chris Bradley, Deputy Budget Director
Brian Hushek, Deputy Budget Director
Lee Ann Bohn, Deputy Budget Director



Mission Statement

The mission of Maricopa County is to provide regional leadership and fiscally responsible, necessary public services so that residents can enjoy living in a healthy and safe community.



Executive Summary



Budget Guidelines

Approved by the Board of Supervisors November 2008

- Maintain Structural Balance.
- All Departments will prepare budget reductions of up to 20%.
- The employer-paid portion of employee health and dental premiums will be held to minimal increases. Any increases will be absorbed in department budgets.
- No new capital or increases in budgets for current projects will be considered unless a new funding source is identified that can support both the project itself and future operating costs.
- New information technology projects considered only if they have a return on investment of 3 years or less.

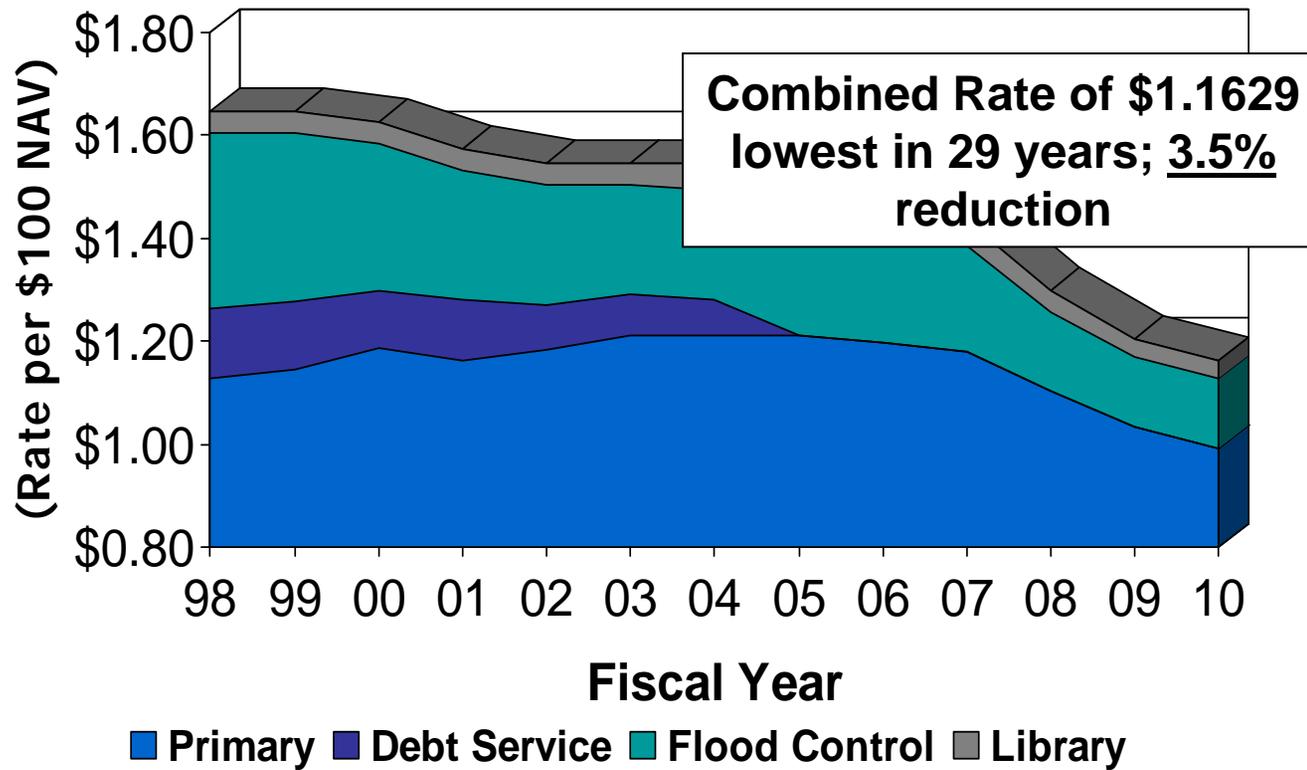


Property Tax Rate

	FY 2008-09 Adopted	FY 2009-10 Preliminary	Change
Primary	\$ 1.0327	\$ 0.9909	\$ (0.0418)
Flood Control District	0.1367	0.1367	-
Library District	0.0353	0.0353	-
Combined	\$ 1.2047	\$ 1.1629	\$ (0.0418)

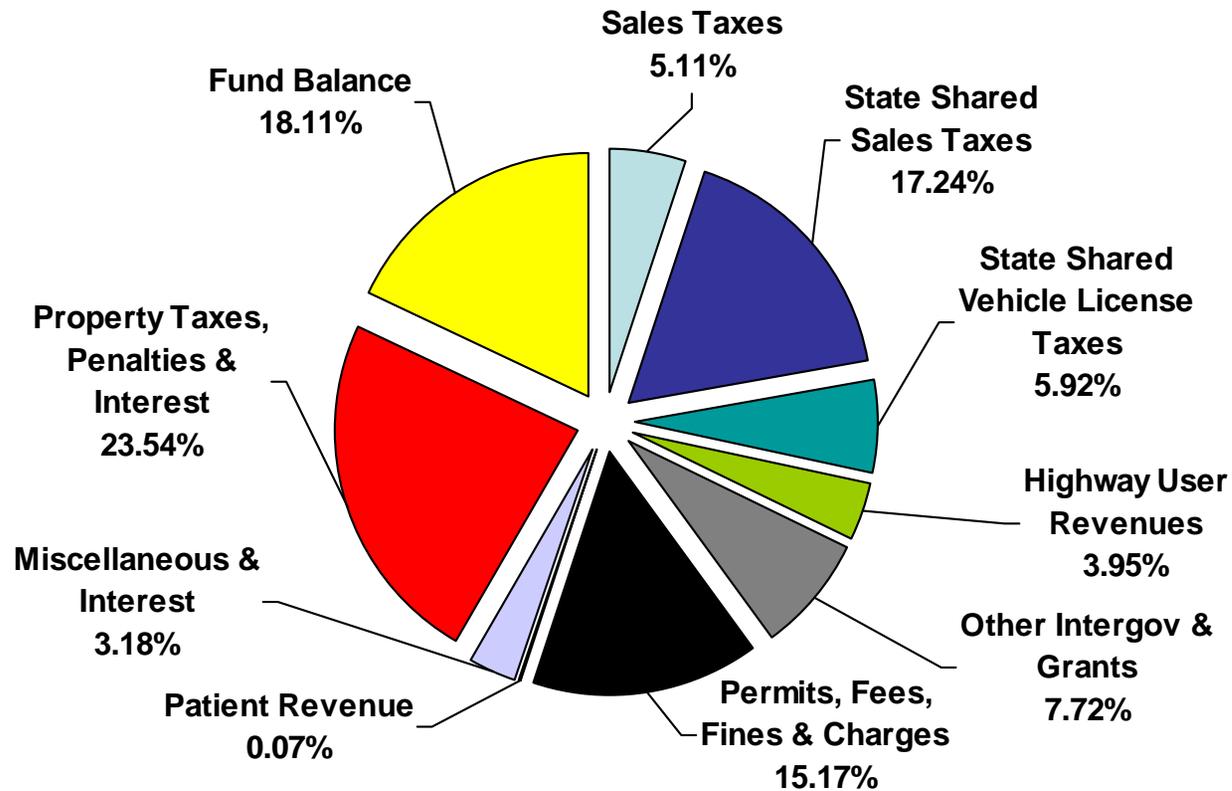


Property Tax Rate Trend

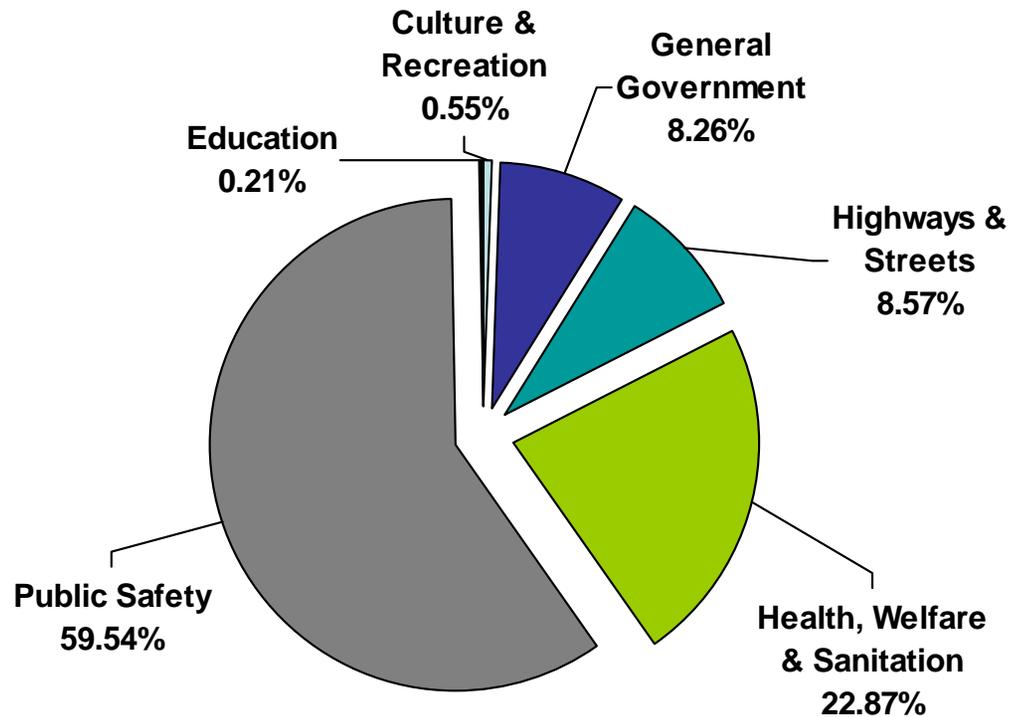


FY 2009-10 Tentative Budget

Sources of Funds \$2,136,483,257



FY 2009-10 Tentative Budget Uses of Funds \$2,136,483,257



2009-10 Net Variance over FY 2008-09 Adopted Budget

	(millions)			
	FY 2008-09 Adopted	FY 2009-10 Recomm.	Reduction	%
Total County	\$ 2,259	\$ 2,136	\$ 122	5.4%
Total County Operating	\$ 1,772	\$ 1,712	\$ 60	3.4%
Total General Fund	\$ 1,443	\$ 1,273	\$ 170	11.8%
General Fund Operating	\$ 1,167	\$ 1,089	\$ 77	6.6%



Economic Indicators



Economic & Demographic Trends

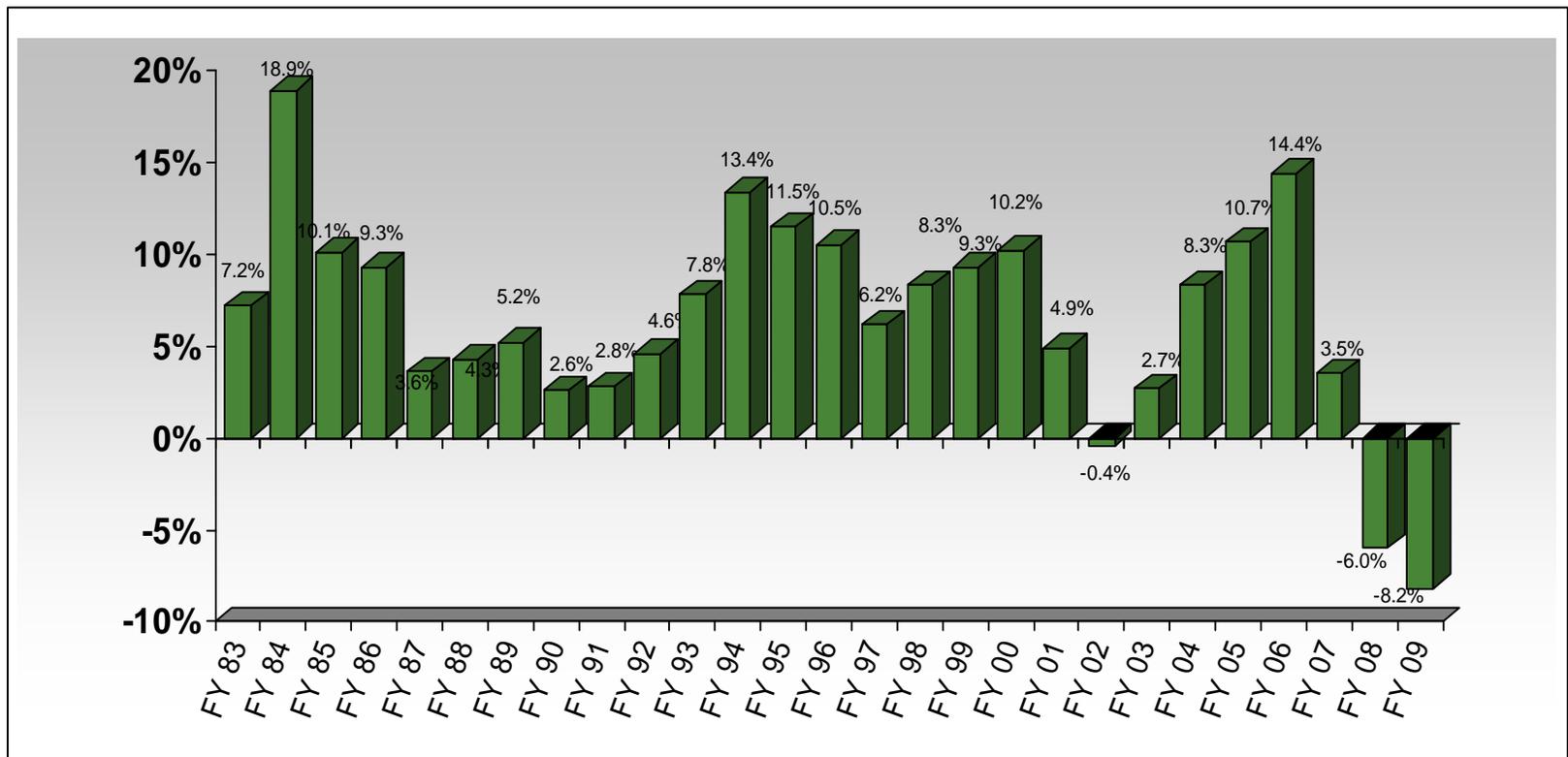
“The state and local economic region are performing even more poorly. Doing the same analysis of recession employment levels reveals that the current downturn in Greater Phoenix is already deeper than the downturn of 1974 and is already nearly as long. When the final employment statistics are revealed, they are likely to display a local recession period that is more than two times longer than anything that has been realized before.”

- Elliott Pollack & Company



Maricopa County Retail and Restaurant & Bar Sales by Fiscal Year

Annual Growth FY 83 – FY 09*

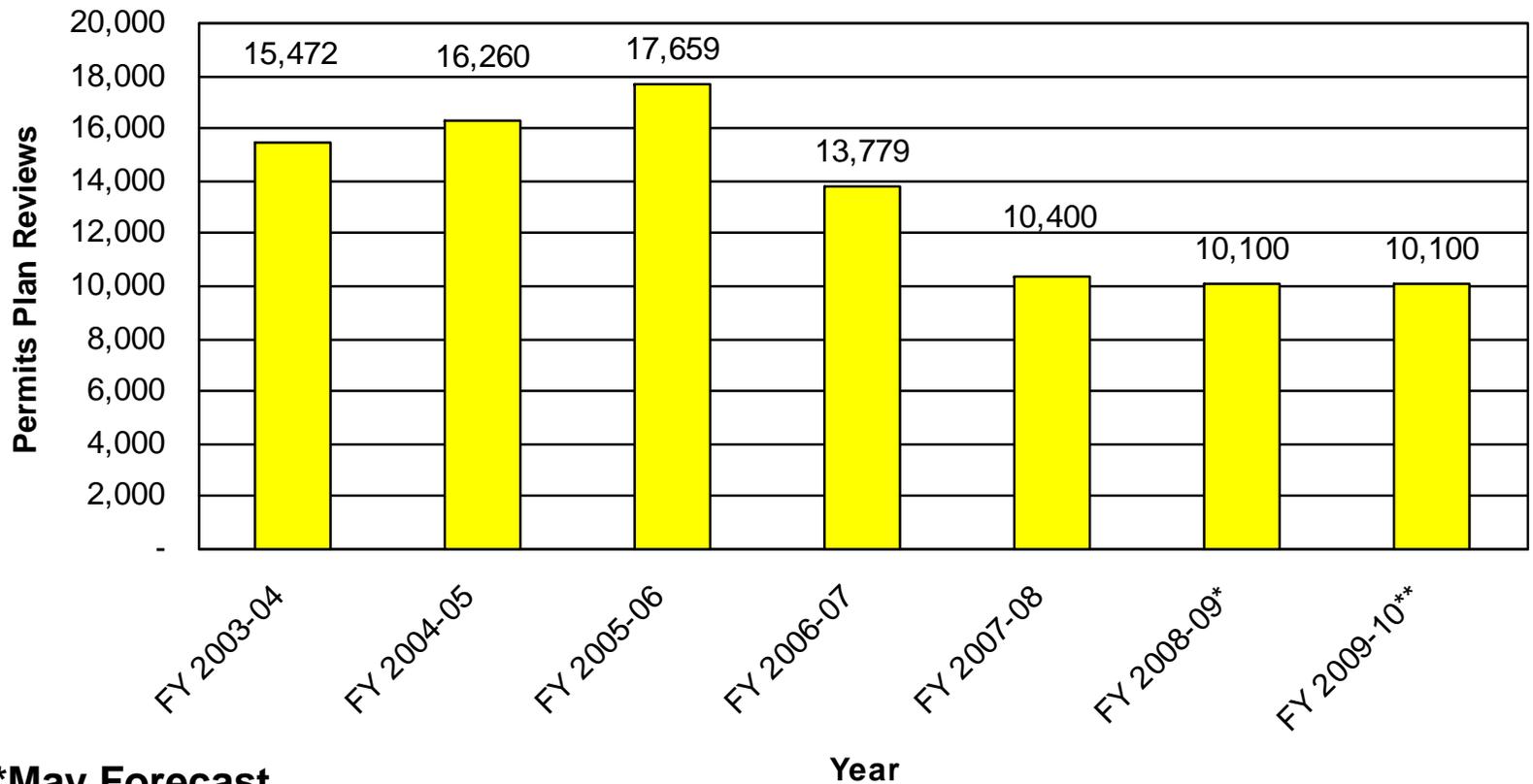


Source: ADOR



Planning & Development

Number of Permits Plan Reviews

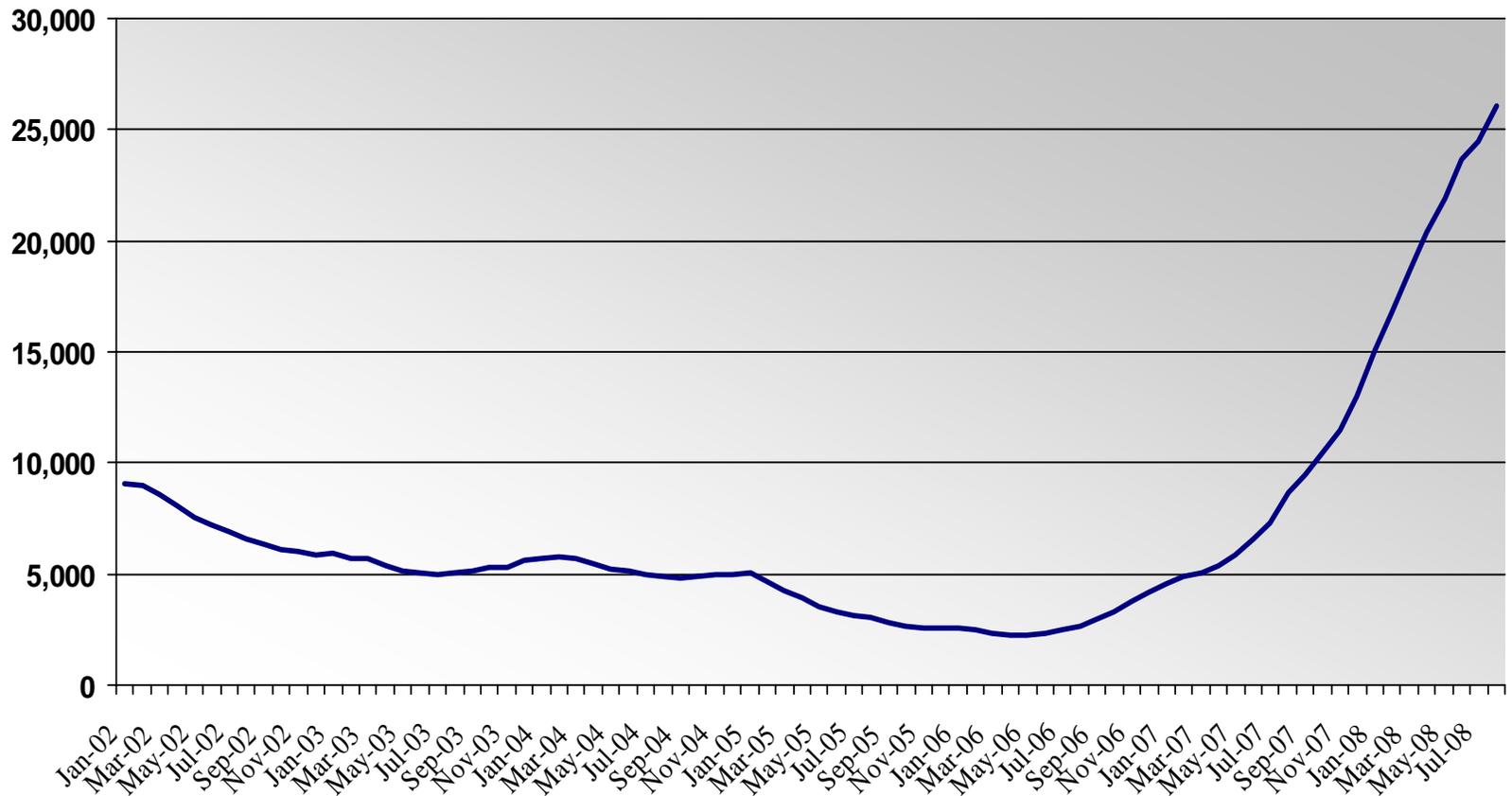


*May Forecast

**Recommended Budget



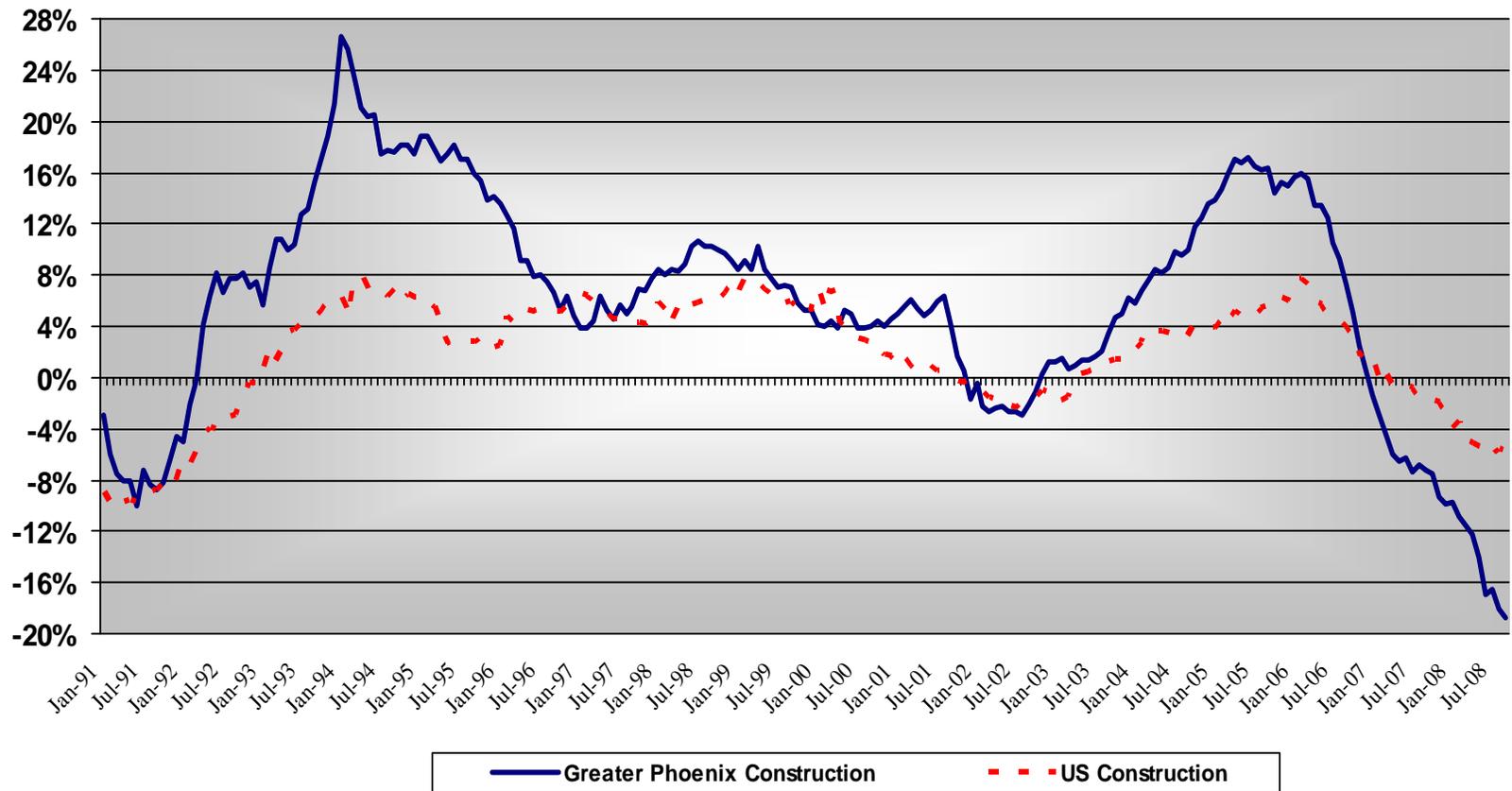
Properties in the Foreclosure Process Maricopa County 2002 – 2008



Source: The Information Market



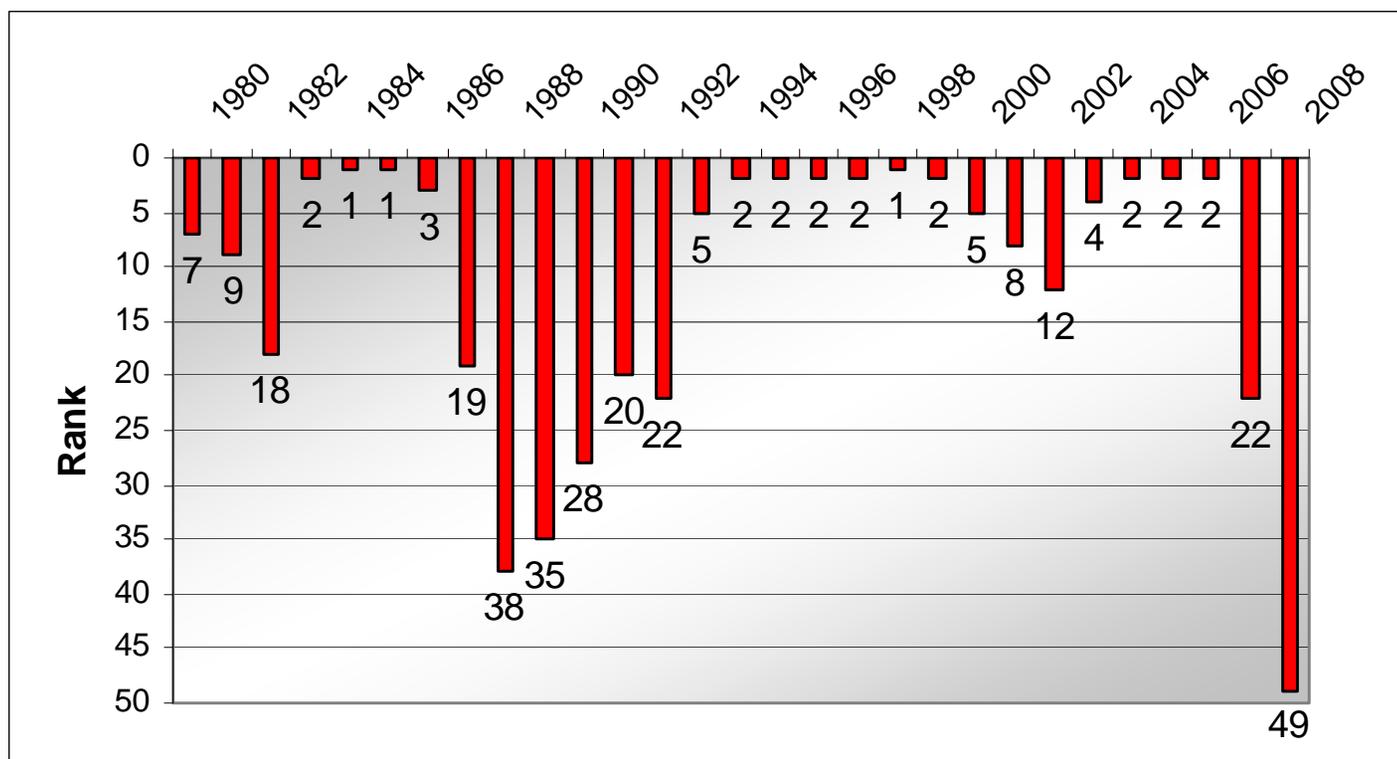
Construction Employment: Greater Phoenix v. U.S. Percent Change Year Ago 1991 – 2008*



Source: Bureau of Labor Statistics



Employment Ranking



County Budgetary Threats

Wild West Budgeting

When money is tight in Arizona, anything goes.



Maricopa County Threats

- Internal lawsuits initiated by the County Treasurer, Sheriff, and Attorney
- Lack of compliance with Board policies
- Numerous duplicative, time-consuming, and costly public records requests
- Potential Fair Labor Standards Act issues at MCSO
- Potential liability stemming from MCSO and MCAO's resistance to modernizing information technology infrastructure



Structurally Balanced Budget



*Definition:
Reoccurring
revenues meet or
exceed reoccurring
expenditures*



Total Budget Balancing Strategies (\$ millions)

	FY 07 and FY 08	FY 09 Adopted	FY 09 Mid Year	FY 10 Recomm.	Total
Operating	\$ 12.8	\$ 124.8	\$ 36.2	\$ 156.2	\$ 330.1
Non-Recurring		37.8		(26.0)	11.8
	<u>\$ 12.8</u>	<u>\$ 162.6</u>	<u>\$ 36.2</u>	<u>\$ 130.3</u>	<u>\$ 341.9</u>



History of Budget Balancing

- FY 2006-07
 - Lowered revenue projections and cut spending mid-year
- FY 2007-08 Budget Preparation
 - Revenue budgets for State-shared Sales, Jail Excise and Vehicle License Taxes prepared with little or no revenue growth
 - Budget reductions in personnel budgets, court security, overtime, supplies, services



History of Budget Balancing

- FY 2007-08 Mid-Year
 - Reduced all administrative budgets by 5%
 - Froze hiring and capital expenditures
 - Froze contingency funds
 - Reduced overtime
- FY 2008-09 Budget Preparation
 - Reduced operating budgets by an average of 5.6%



History of Budget Balancing

- FY 2008-09 Mid-Year
 - Continued hiring and capital freezes
 - Continued contingency freeze
 - Used contingency funds and funds reserved for salary increases to offset \$58.4 deficit



History of Budget Balancing

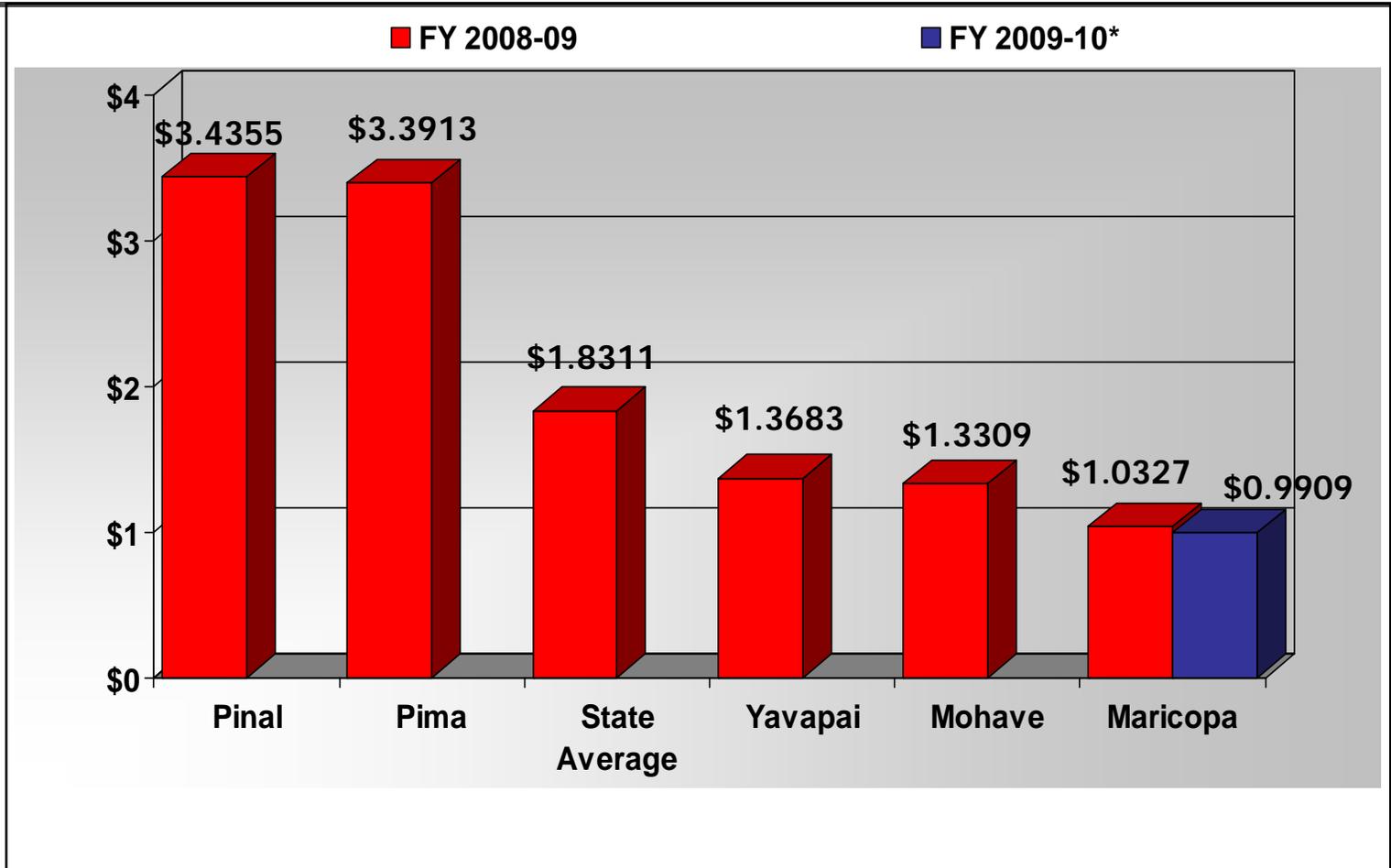
- FY 2009-10 Budget Development
 - Departments asked for 20%
 - Average reduction 11.7%
 - Examples:
 - Service reductions: \$4.1 M
 - Reduced administrative overhead: \$6.0 M
 - Reduced cost of providing service – “do more with less”: \$47.3 M
 - Eliminated vacant positions and other personnel savings: \$24.5 M
 - Reduced or eliminated non-mandated programs: \$.5 M
 - Paying off outstanding capital leases: \$12.9 M
 - Non-Departmental Reductions: \$53.7 M



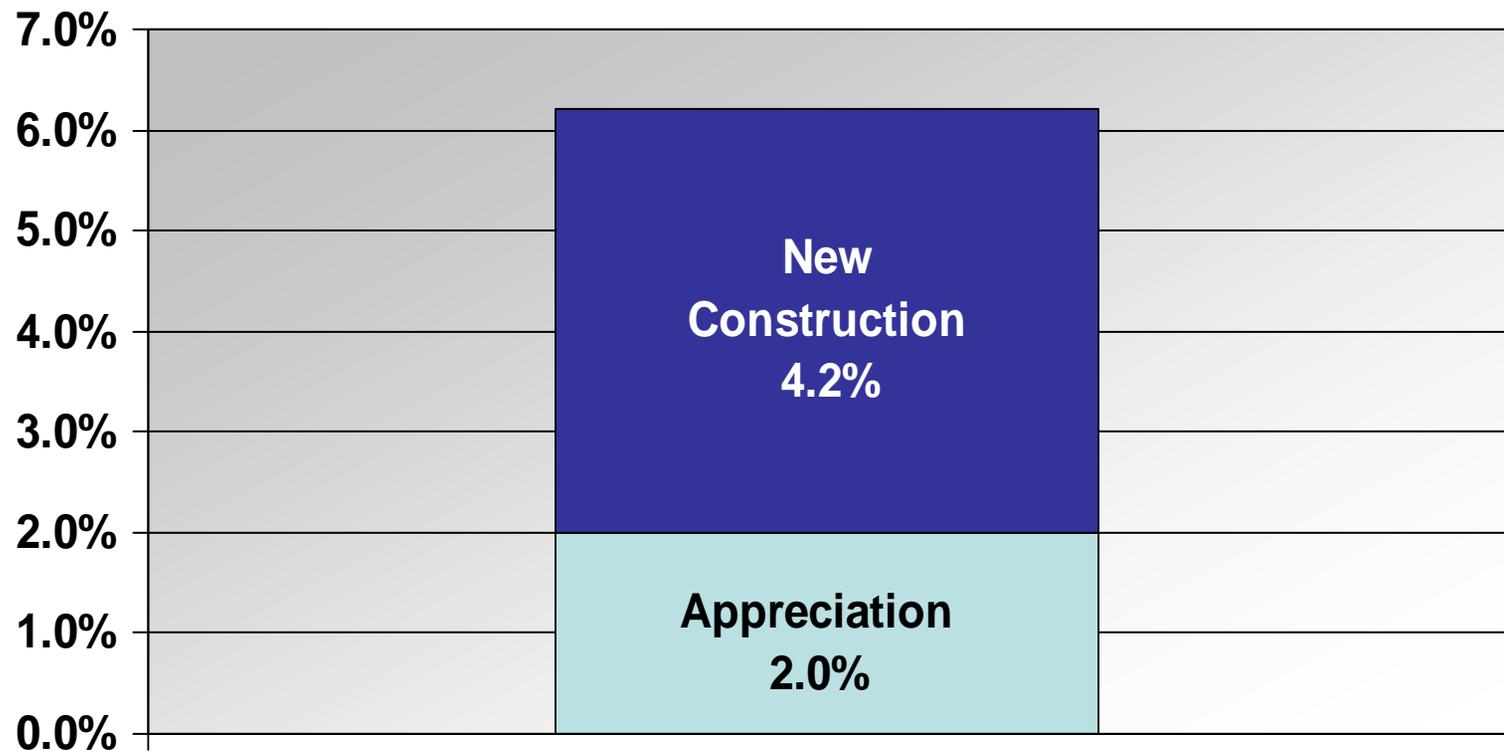
Revenue Trends



Primary Property Tax Rates



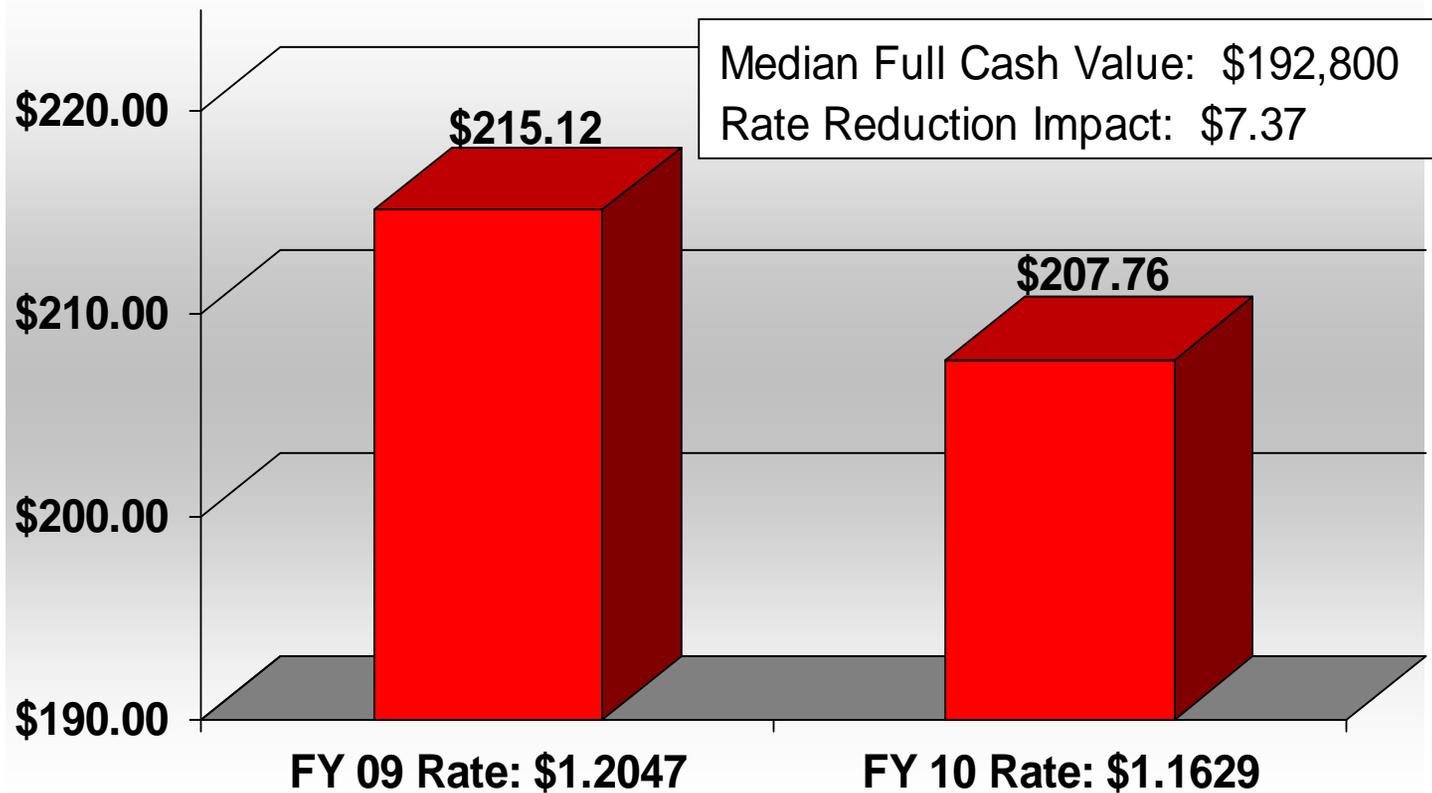
Property Tax Growth from New Construction



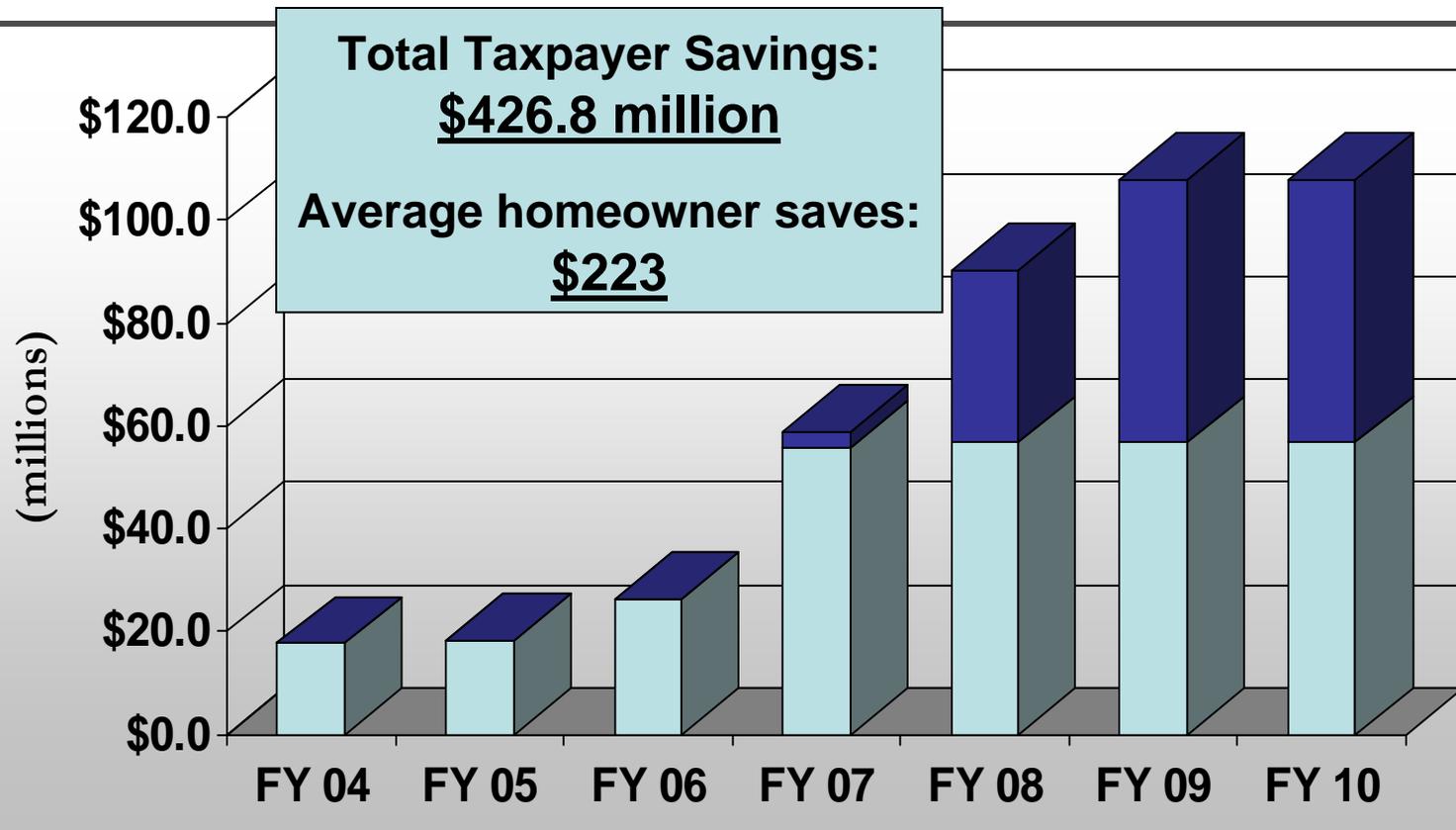
FY 2009-10



Rate Reduction Impact on the 2009 Median Priced Home



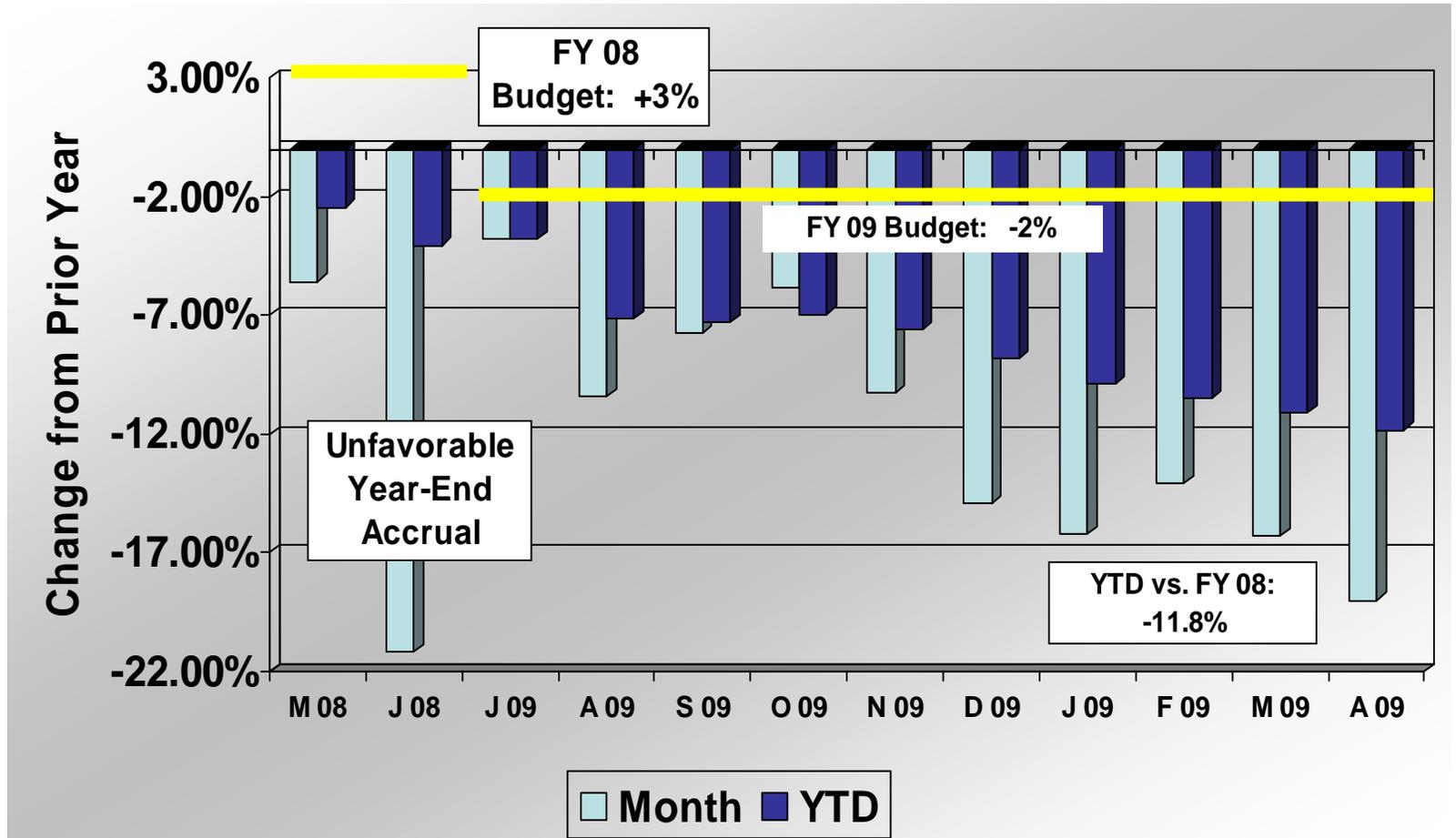
Property Taxes Savings



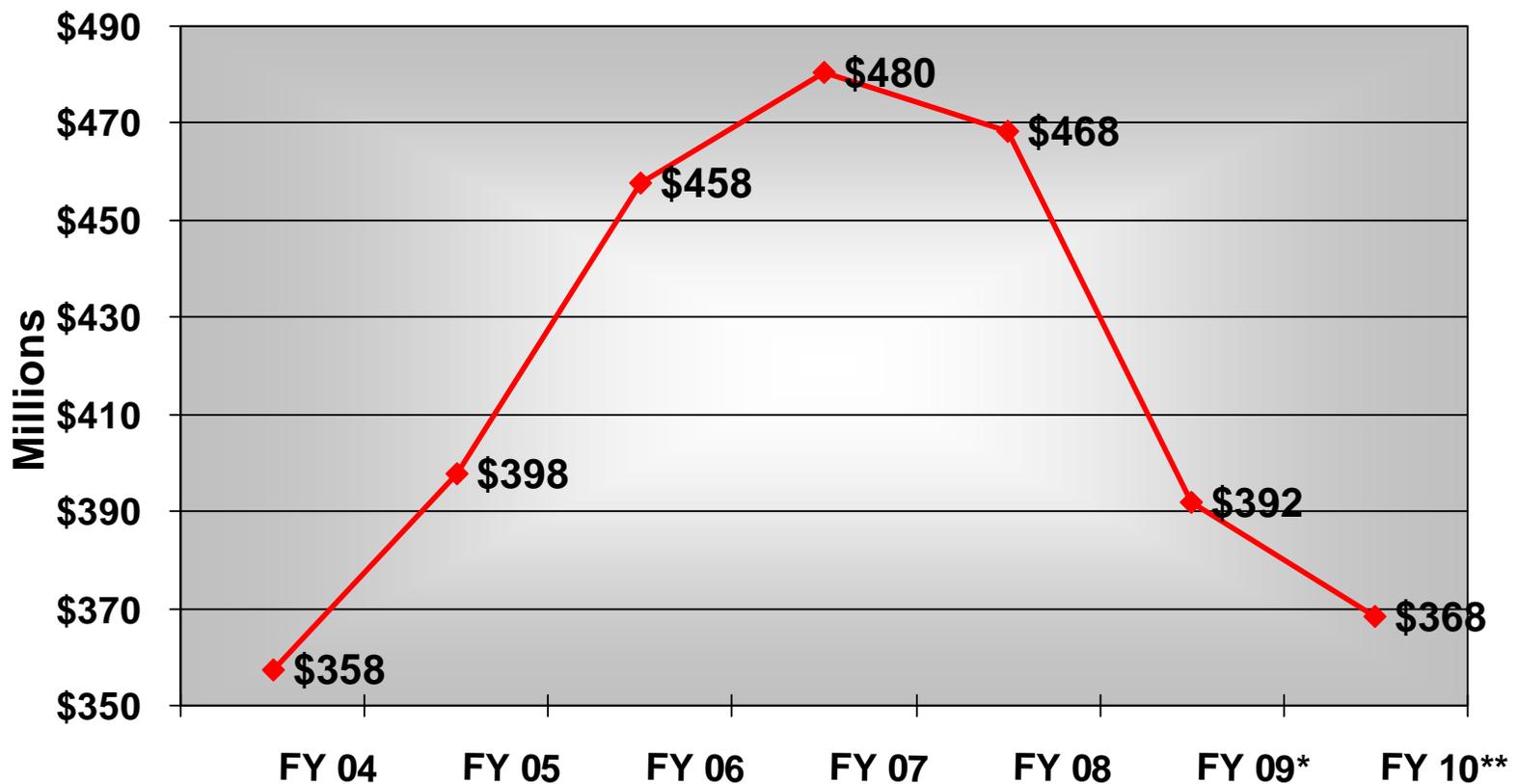
■ Debt Service Taxes ■ Voluntary Limit on District Taxes



State Shared Sales Tax Monthly & YTD Change Over Prior Year



State Shared Sales Tax Trend

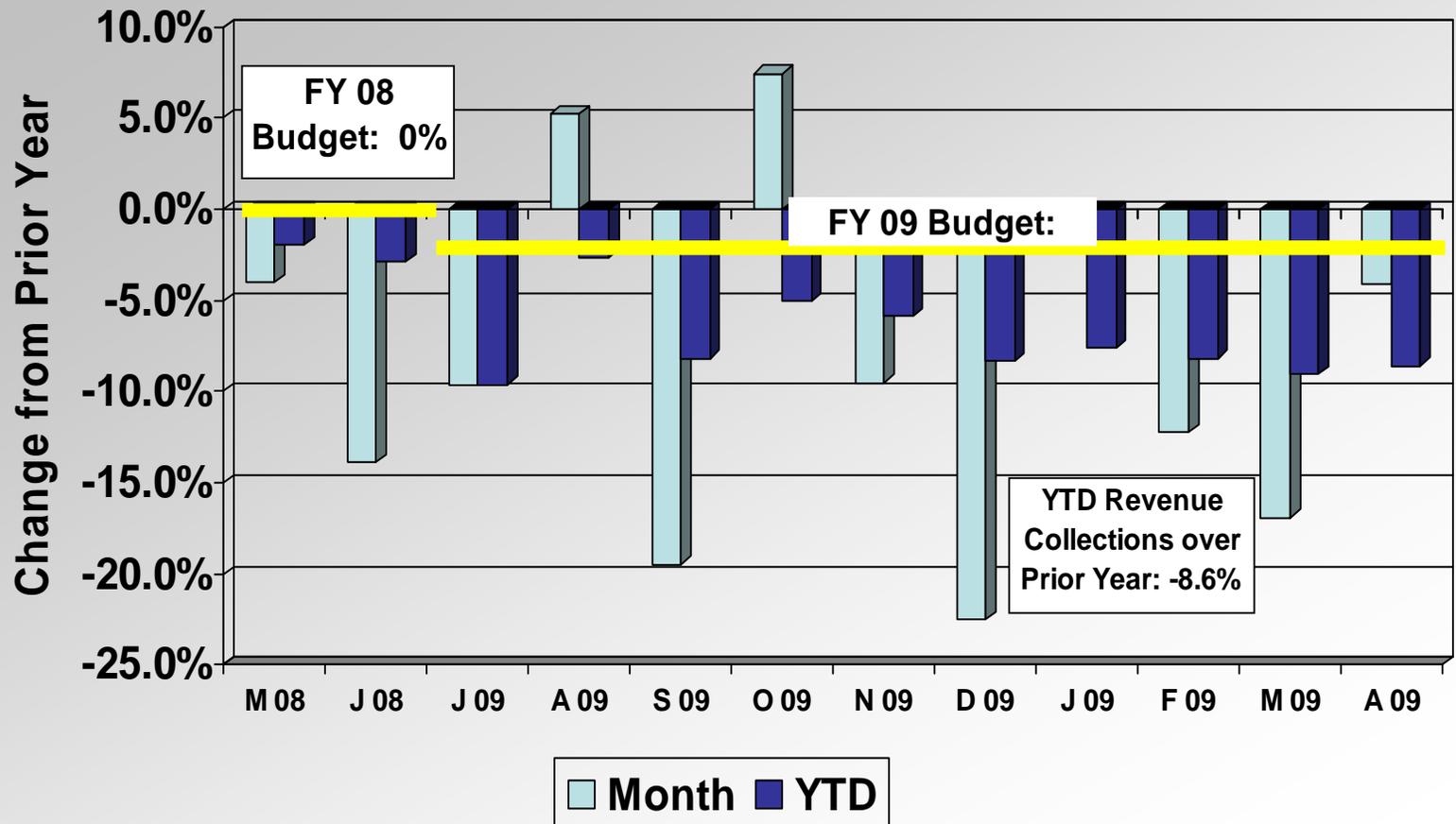


* Forecast ** Rec. Budget

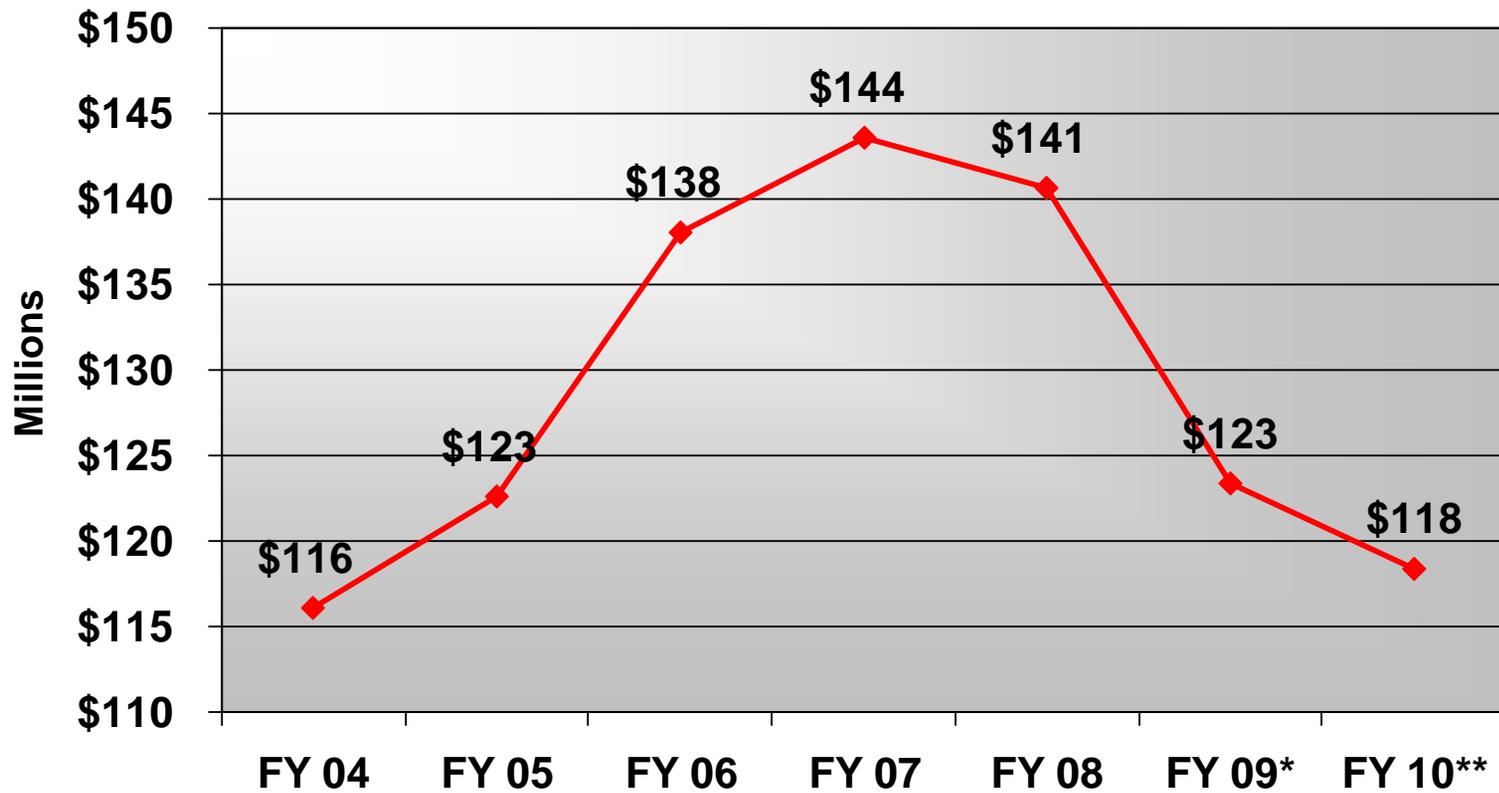


Vehicle License Tax

Monthly & YTD Change Over Prior Year



Vehicle License Tax Trend

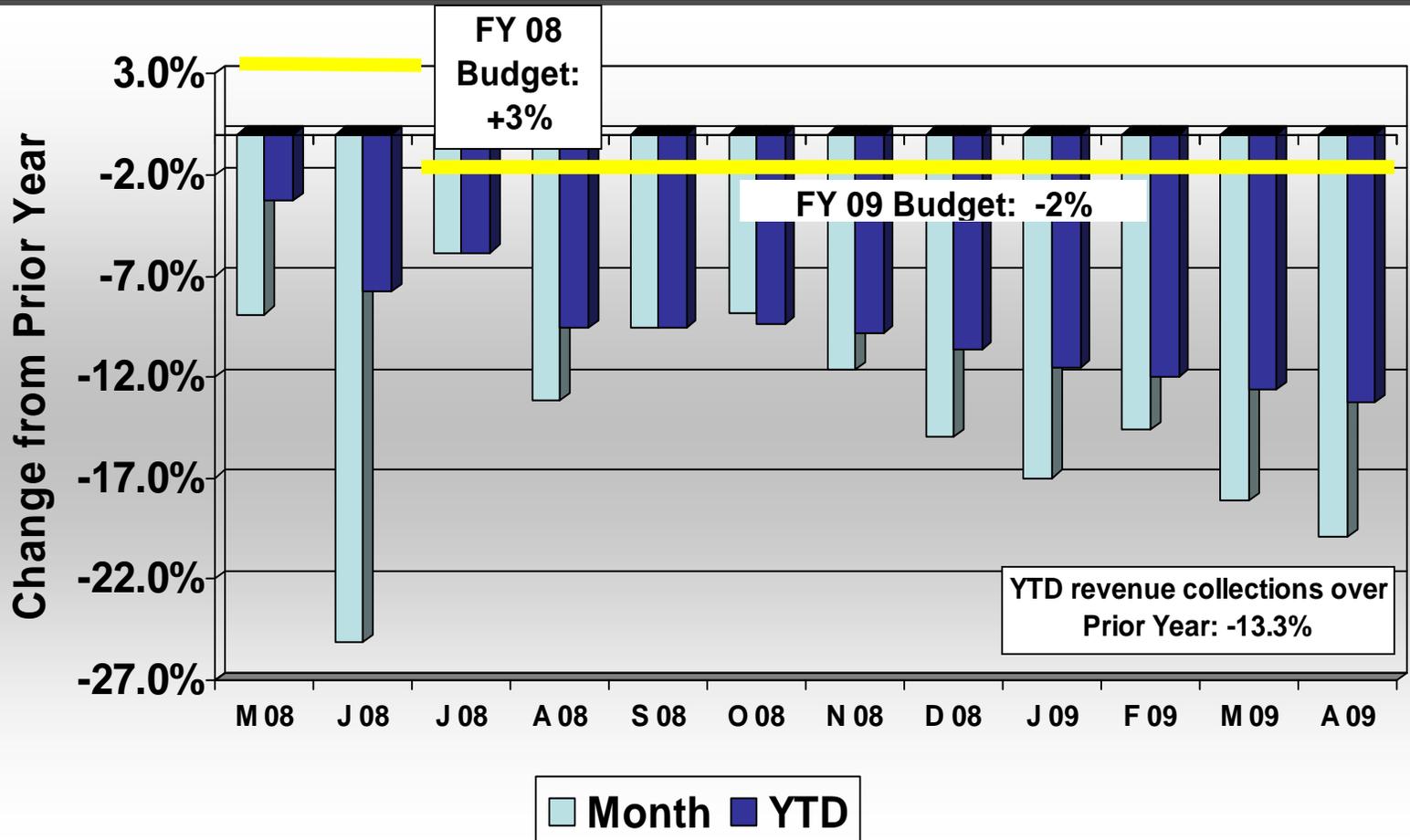


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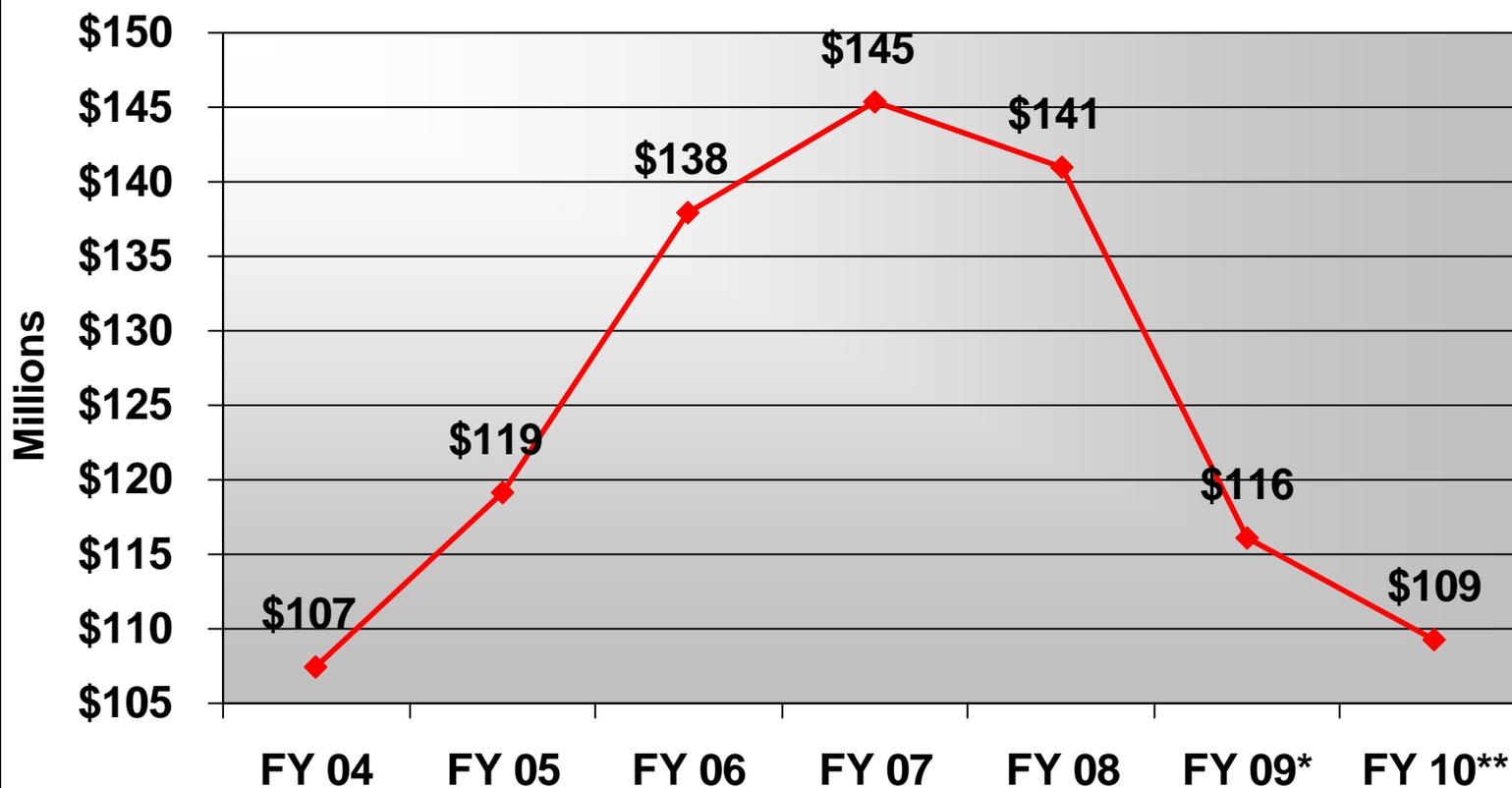


Jail Excise Tax

Monthly & YTD Change Over Prior Year



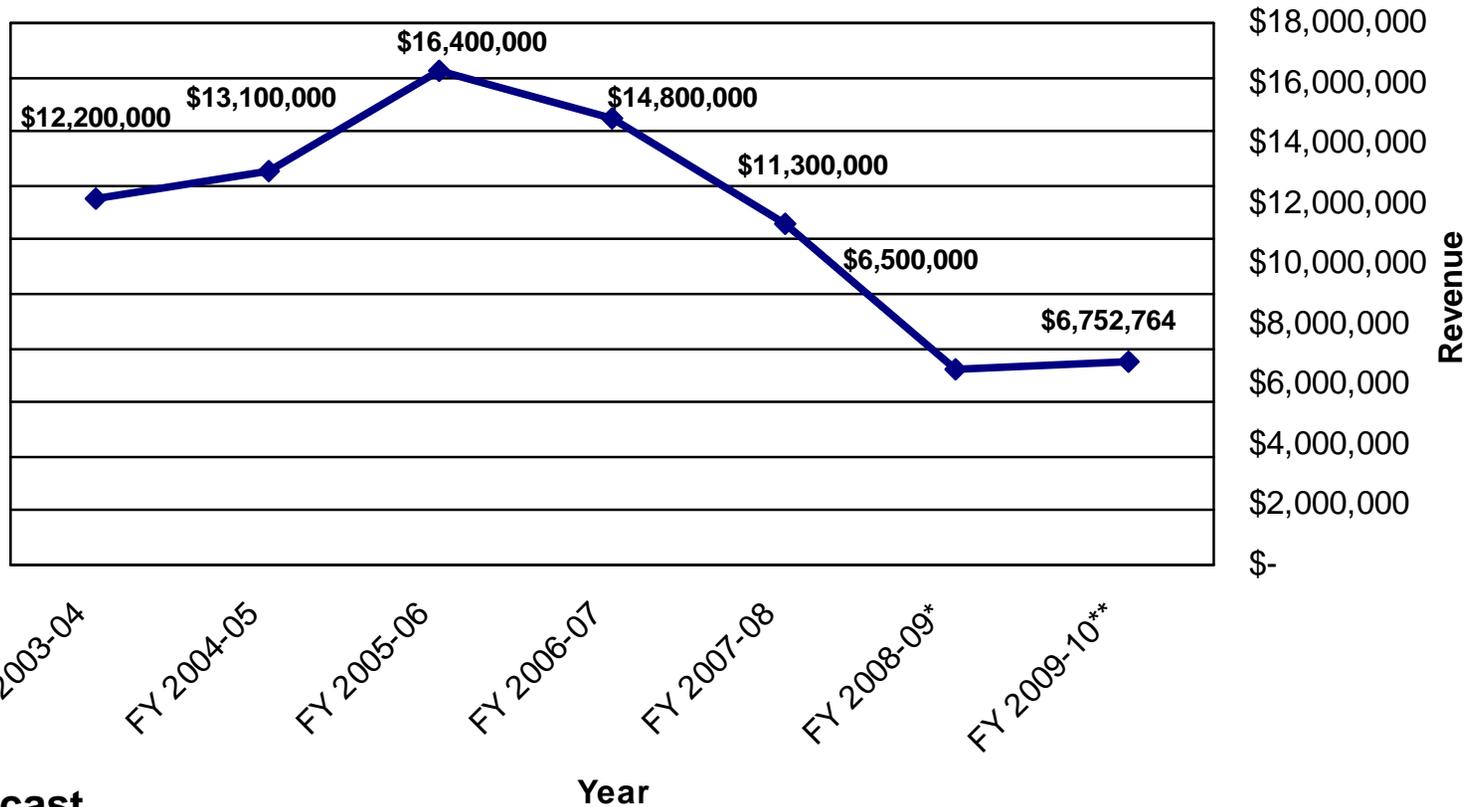
Jail Excise Tax Trend



* Forecast ** Rec. Budget



Planning & Development Revenue



*Forecast

**Recommended Budget



Federal Stimulus Funding

- RECEIVED:
 - Healthcare for the Homeless Program has received \$237,718
- AWARDED:
 - Transportation & Infrastructure – \$5.9 million via MAG
 - US Department of Justice grants - \$10.5 million overall of which \$1.5 million for Maricopa County
 - Human Services Workforce Development Division - \$7.9 million for Summer Youth and Dislocated Worker Programs



Federal Stimulus Funding

- FORMULA

- US Department of Energy - \$11.9 million for Weatherization
- HUD Community Development Block Grant - \$600,000
- HUD Emergency Homeless Shelter - \$900,000
- Federal Medical Assistance Percentage (FMAP) Counties help to fund AHCCCS and ALTCS - Maricopa County's share expected to be \$90 million

- APPLIED

- Head Start will receive \$1.3 million



Federal Stimulus Funding

- APPLYING
 - U.S. Dept. of Energy -\$3.6 million in Energy Efficiency & Conservation Block Grants (EECBG). Application due June 25
 - Parks & Recreation expects to apply for 2 CIP projects for a total of \$19.4 million
 - Correctional Health Services expects to apply for several projects for approximately \$2 million
- Not all federal stimulus money shown here is included in the budget at this time

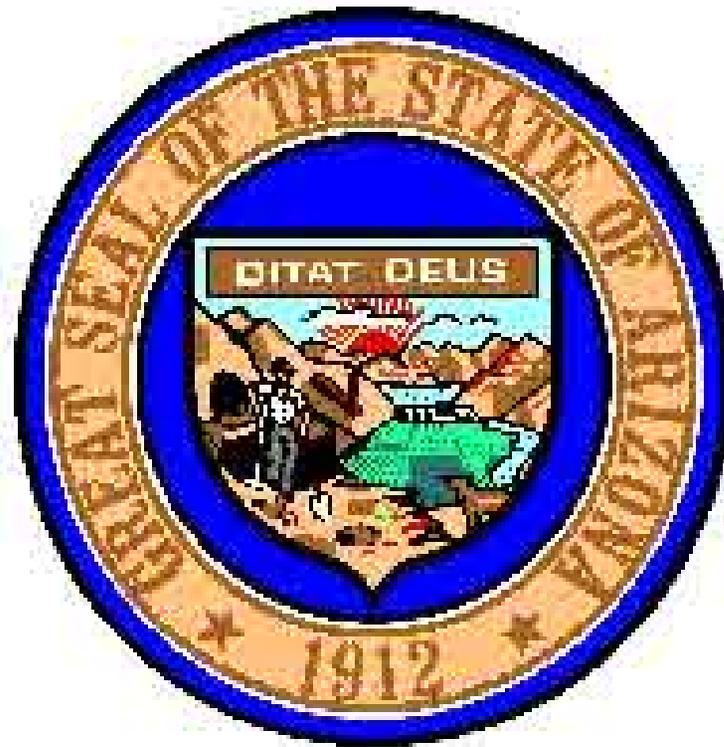


First Things First Funding for Public Health

- Voter-approved program funded through the State tobacco tax
- Direct funds for Child Care Health Consultation (County-wide), \$2.65 Million for 12 months
- Three First Things First proposals being reviewed:
 - Injury Prevention (Central Phoenix only), with a potential award amount of \$266,003 for 12 months
 - Nurse Family Partnership Home Visitation (South Phoenix only), with a potential award amount of \$1 Million for 12 months, of which \$500,000 will be pass-through funds
- This funding source is expected to be on-going, but is not yet included in the budget



State of Arizona Budgetary Threats

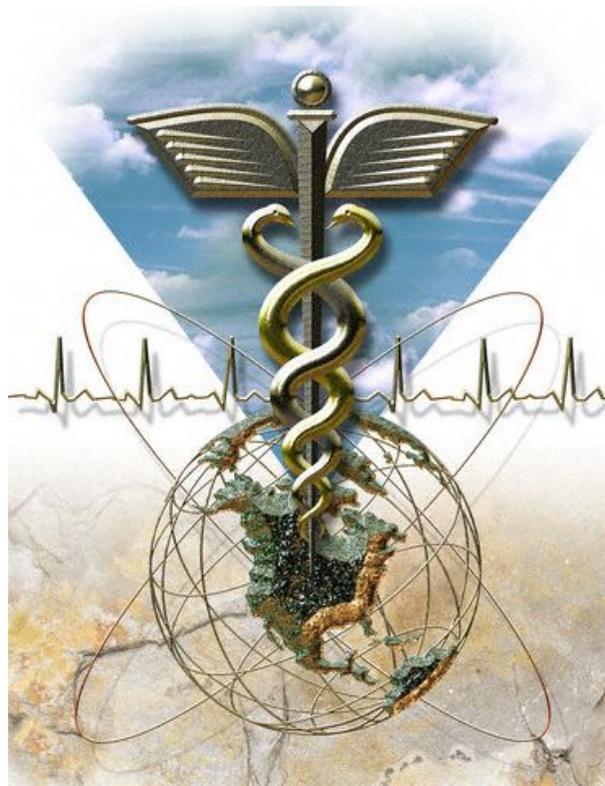


State of Arizona Threats

- County Contributions (\$24.1 + \$42 million)
- HURF Diversion to DPS
- Risk Management Costs/Probationer Fees in budget
- Juvenile Diversion Cuts
- State Lake Improvement Fund Sweeps
- Voluntary Vehicle Repair and Retrofit Sweeps
- Outcome of FMAP savings
- Potential Change in ALTCS



Health Care Programs



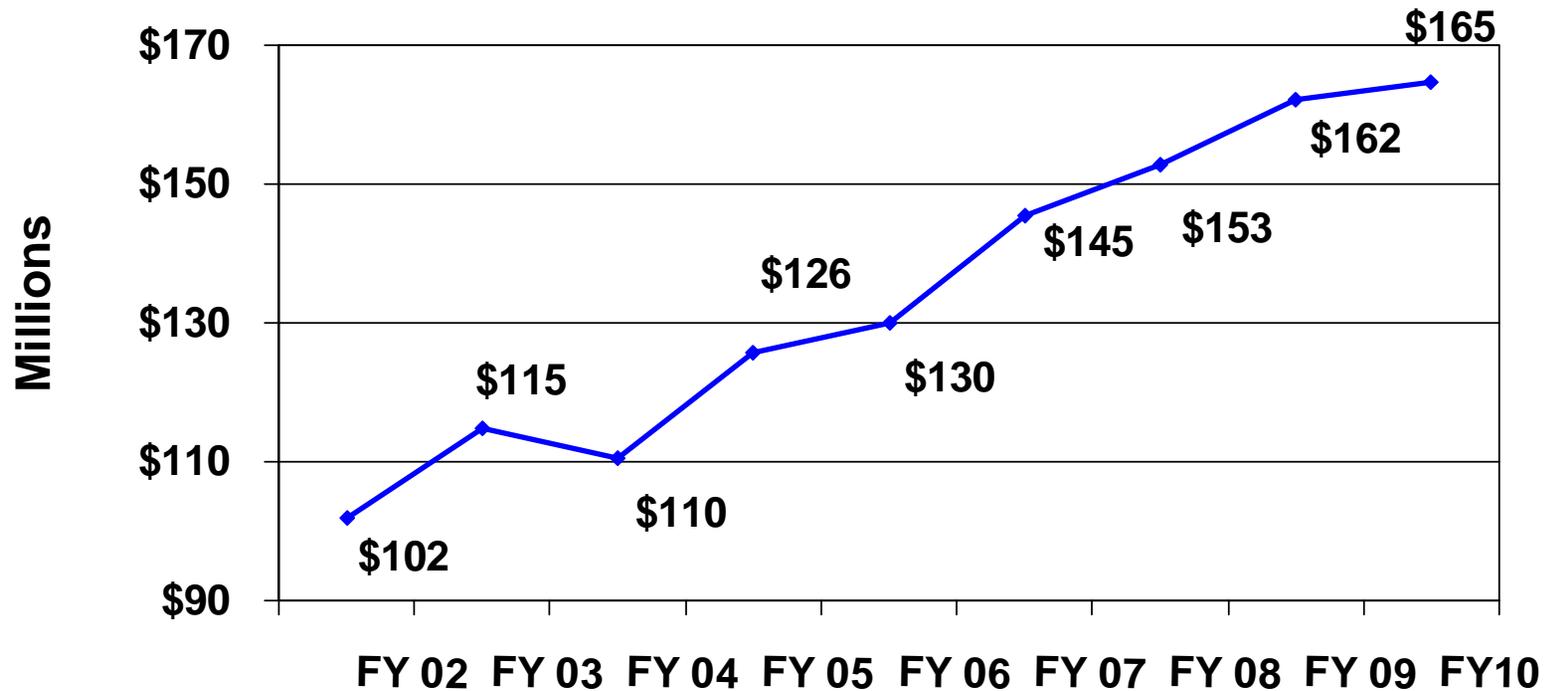
Health Care Programs

- \$1.8 million increase in Arnold v Sarn mental health contribution
- \$3.8 million increase in ALTCS contribution
- Overall increase in general fund of \$5.1 million

Note: Does not reflect any State formula changes being discussed



Maricopa County ALTCS Contribution Growth, FY 2002-2010





Budgets not reviewed with the Board of Supervisors

- Indigent Representation
- Sheriff's Office
- County Attorney
- County Attorney Civil
- General Litigation
- Treasurer's Office



Indigent Representation

- Expenditure Change from Adopted Budget: (5.3%)
 - Cost Reductions: -\$2.6 million
 - Primarily through increasing caseloads and reducing contract payments
 - Vacant Positions: -\$1.0 million
 - Future vacancies, RIF's, or furloughs: -\$1.0 million
 - Other Adjustments: -\$653k
 - Total: -\$4 million



Sheriff's Office – General Fund

- Expenditure Change from Adopted Budget: (13.9%)
 - Vacant civilian, some deputy sheriff and captain positions: -\$3.0 million
 - Cost Reductions: -\$6.7 million
 - \$3.5 million in savings due to future vacancies, RIF's, or furloughs
 - Remaining savings from temporary positions, supplies and services, shift differential
 - Other Adjustments: -\$400k
 - Total: -\$10.1 million



Sheriff's Office – Detention Fund

- Revenue Change from Adopted Budget: +20.7%
 - Increased Per Diem/Booking Revenue: \$5.6 million
 - Total: \$5.6 million
- Expenditure Change from Adopted Budget: (1.2%)
 - Vacant civilian, lieutenant, captain, sergeant positions: -\$3.1 million
 - Cost Reductions: -\$3.2 million
 - \$400k in savings due to gradual conversion of DO positions to civilian in food services and distribution
 - Remaining savings from temporary positions, supplies and services, shift differential
 - Personnel Savings: +7.0 million
 - Other Adjustments: -\$2.8 million
 - Total: -\$2.2 million



Additional Budget Options Presented to MCSO

- Reduce deputy chief, captain, and lieutenant staff to benchmarked ratios (\$6.0 m)
- Recognize a portion of the savings MCSO identified would result from Mobile Data Computing (project approved and funded by Board last summer; \$3.8 m)



Additional Budget Options Presented to MCSO

- Reduce or eliminate take-home vehicles (cost savings unknown, as MCSO has not yet complied with Board directives regarding take-home vehicle reporting)
- MCSO suggestions **not** accepted by OMB:
 - Elimination of all vacant law enforcement and detention staff
 - Severe reductions in overtime





Double Click on picture to Play Video, right click for more options

Joseph Arpaio
Sheriff

4-30-09

Date

Sandi Wilson
Deputy County Manager

4-29-09

Date



County Attorney's Office

- Expenditure Change from Adopted Budget: (9.9%)
 - Service Reductions: -\$289k
 - Post-Disposition Therapeutic Courts
 - Vacant Positions: -\$5.3 million
 - Future vacancies, RIF's, or furloughs: -\$3.3 million
 - Fund Shifts: -\$360k
 - Other Adjustments: -\$1.1 million
 - Total: -\$6.2 million



Additional Budget Reduction Options Presented to MCAO

- Reduce technology staff to align with benchmark staffing ratios (\$1.1 m)
- Suspend funding for the attorney loan repayment program (\$800 k)
- Reprogram Diversion monies currently used for publications and television ads to fund attorneys (\$1.0 m)



Treasurer's Office

- Recommended Budget \$2,618,874, a 22.91% reduction from the FY 2008-09 Adopted Budget.
- A 10% Budget Reduction to the FY 2008-09 revised Budget, which is a 2 year reduction, since there was no reduction between FY 08 and FY 09.
- Postage, Tax Bills, Info Statements, Delinquency notices and Resolution Bills continue to be budgeted in Non-Departmental.

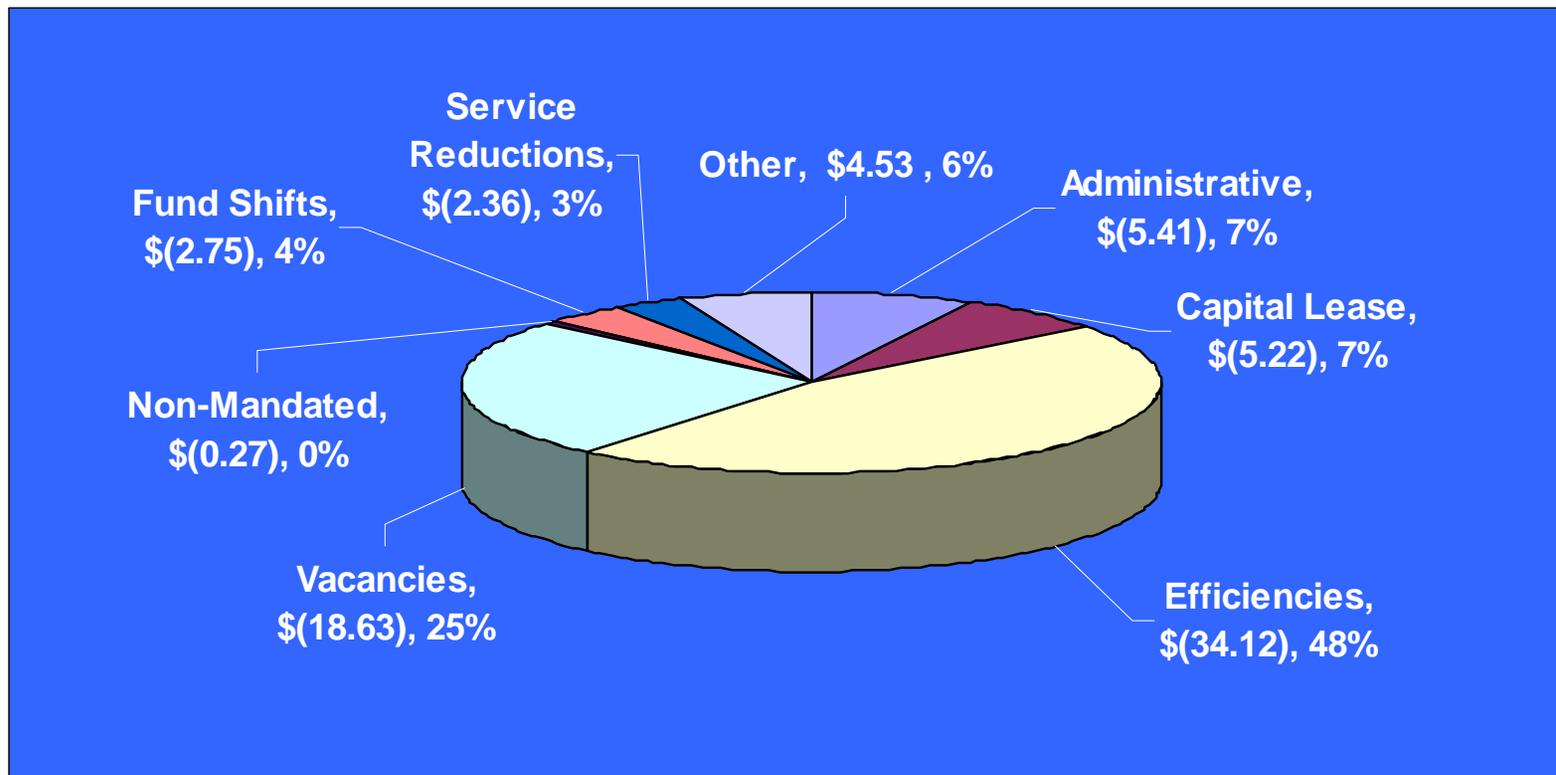


Treasurer's Office (continued)

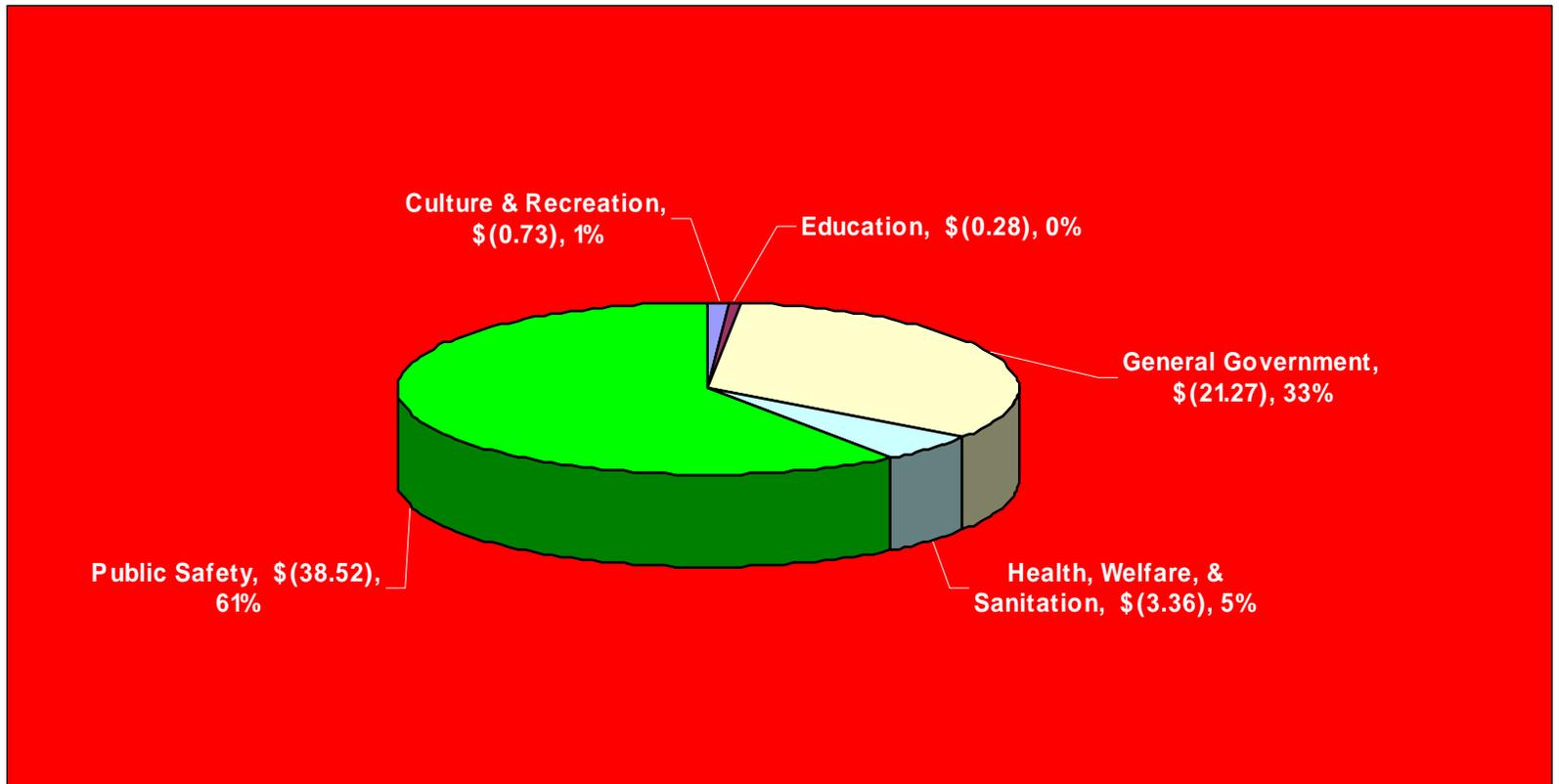
- Recommended Budget Highlights
 - Eliminate 5 Vacant positions -\$210,181.
 - Eliminate 3 positions to fund 2 higher level positions -\$36,454.
 - Termination of Magnolia Lease and moving Warehouse to Durango -\$40,260.
 - Other Personnel and Salary Reductions - \$188,900.
 - Total: -\$778,091, of which \$487,027 was restated to Non-Departmental; Net reduction is \$291,064.



General Fund Expenditure Departmental Reductions (by type)



General Fund Expenditure Departmental Reductions (by category)



General Fund Departmental Two Year Budget Reduction Summary

- **Average Reduction:** **13.2%**
– \$74.6 million in departmental reductions
- *Average Appointed Reduction:* **13.7%**
- *Average Elected Reduction:* **13.7%**
- *Average Judicial Reduction:* **12.1%**



Reductions in Staffing

Total Full Time Equivalent Positions Eliminated

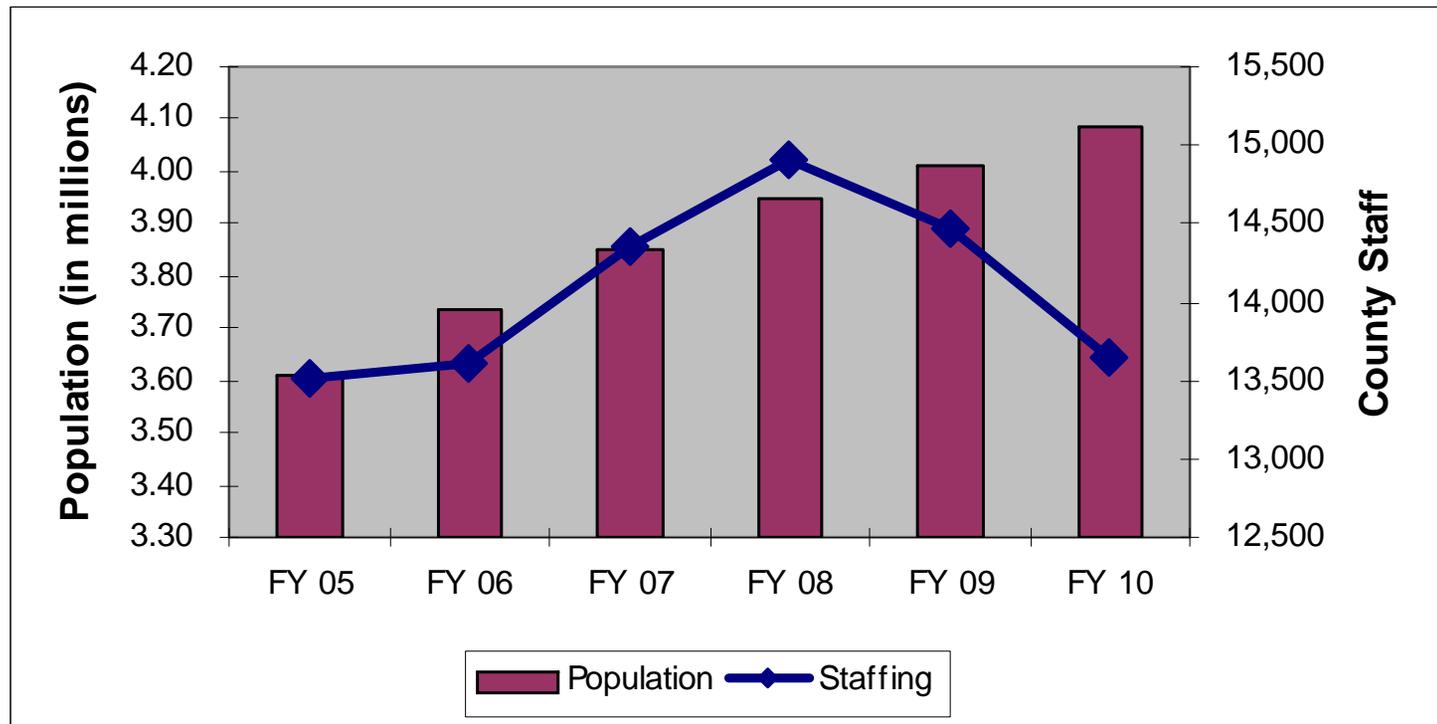
	FY 08 (Mid-Year)	FY 09 Adopted	FY 09 (Mid-Year)	FY 10 To Date	Total (to date)
Filled	(43.0)	(11.0)	(54.0)	(209.7)	(317.7)
Vacant	(34.0)	(164.2)	(91.1)	(834.0)	(1,123.3)
Total	(77.0)	(175.2)	(145.1)	(1,043.7)	(1,441.0)

Terminations and Hires (FY 08 and FY 09 to date):

Terminations:	3,427
Hires:	1,004
Net Vacancies:	2,423



Changes in County Population and County Staffing



Capital Improvements

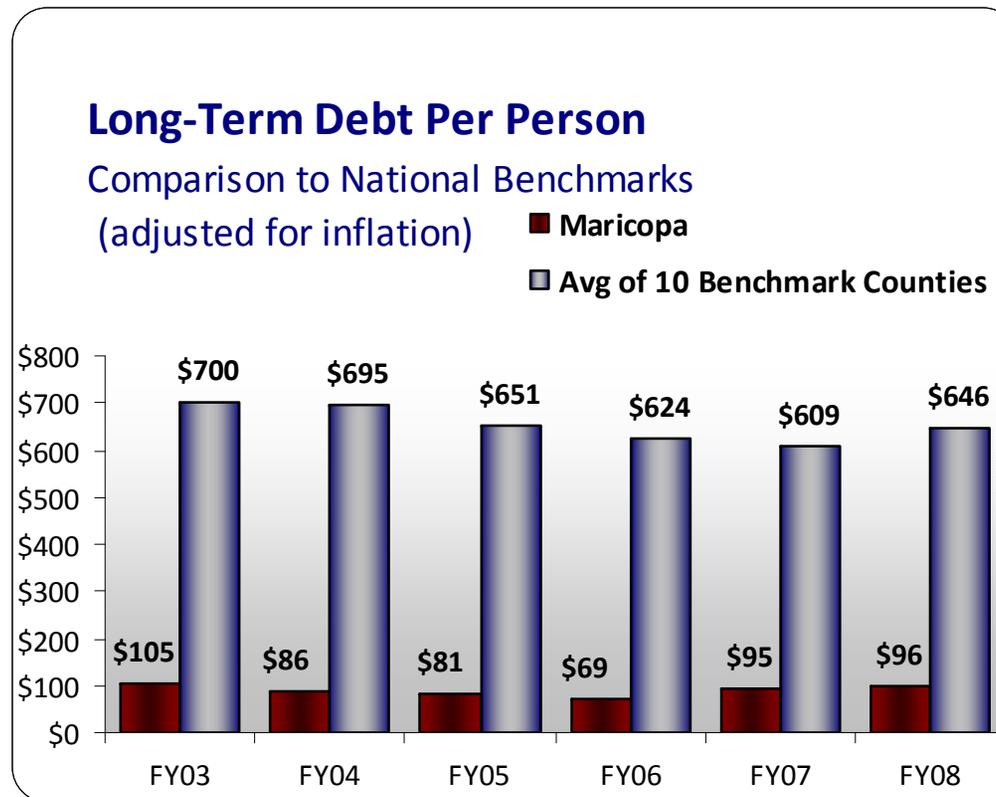


Capital Improvement Philosophy

- Modified “pay as you go” policy, which began in FY 1999-00
- Use of cash or a combination of identified operational savings and lease reversions to pay the debt service
- County’s 1986 General Obligation (GO) bond debt was paid off in 2004
- Due to the fiscal downturn and limited new cash, the county has cancelled, delayed or downsized projects in order to concentrate efforts on continuing the new Criminal Court Tower project



County Long-term Debt per Person Comparison to National Benchmarks*



* National Benchmarks counties include: Clark (NV), Los Angeles (CA), Santa Clara (CA), Salt Lake (UT), Multnomah (OR), San Diego (CA), Pima (AZ), Harris (TX), King (WA), and Orange (CA). Source: Financial Conditions Report, Internal Audit, Maricopa County.



Cancelled/Delayed CIP Projects

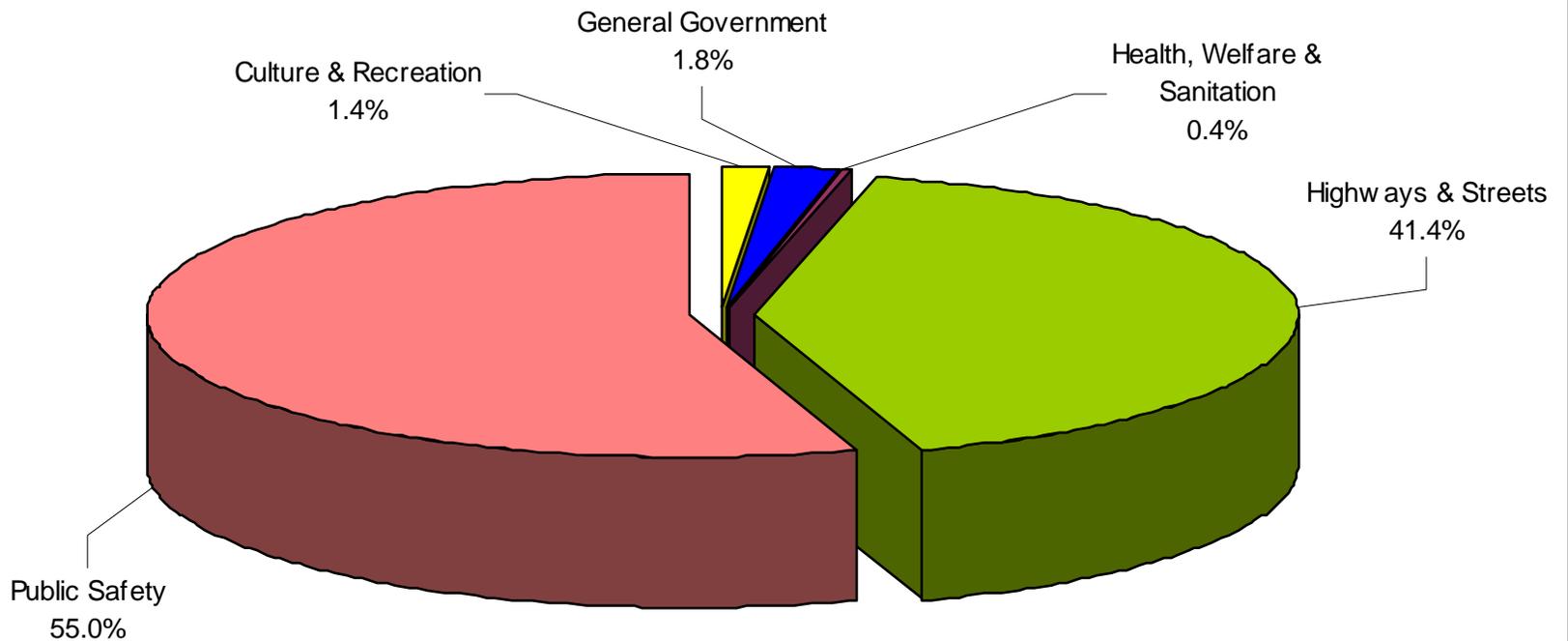
- Southwest Justice Center
- Southeast Justice Center
Expansion
- 911 Call Center/Crime Lab
- Demo of 1st Avenue Jail



Uses of Capital Funds

FY 2009-10 - \$207,296,819

Uses of Capital Funds - FY 2009-10 \$207,296,819



The Criminal Court Tower



Criminal Court Tower

- \$339.5 Million project budgeted fully with cash
- Will accommodate 32 new courtrooms (22 built-out)
- Projected completion scheduled January 2012



Court Tower Planning

- Planning for the Court Tower began more than 2 ½ years ago
- Numerous functional committees have and continue to meet regularly to discuss requirements
- Departments actively engaged in planning activities include: MCSO, MCAO, Indigent Defense, Clerk of Superior Court, Superior Court, Public Works



Technology Projects



Managing for Results

Managing for Results

Managing for Results | Planning for Results | Budgeting for Results | Reporting for Results | Analyzing for Results | System Support

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[Analyzing for Results](#)
[System Support](#)

Introduction

Managing for Results is a comprehensive and integrated performance management system that focuses the County's resources, people, and organizations on achieving results for customers. The Managing for Results Information System (MFRIS), Version 1.0, leverages the latest technologies to facilitate Maricopa's continued drive toward an integrated approach to improved results for customers. MFRIS includes the components of Planning for Results (PFR), Reporting for Results (RFR), Budgeting for Results (BFR), and Analyzing for Results (AFR).

Announcements

There are no items to show in this view of the "Announcements" view.

Process

- Planning for Results
- Budgeting for Results
- Reporting for Results
- Analyzing for Results

MFR

MARICOPA COUNTY
MANAGING FOR RESULTS
WWW.MARICOPA.GOV/MFR

PERSONAL SERVICES REQUEST FY2008

	FY 2008	July FY 2008	August FY 2008	September FY 2008
REG - REGULAR SALARY PAY	762,462,077	62,944,267	62,822,974	62,282,581
REG - REGULAR SALARY ADJUSTMENTS	(2,234,842)	(2,495)	(2,495)	(2,495)
REG - REGULAR PAY PERSONAL SAVINGS	(28,243,176)	(2,373,481)	(2,373,776)	(2,368,881)
REG - OTHER PAY	2,075,894	94,800	92,874	92,874
REG - ALL PAY	734,060,053	59,964,791	59,942,677	59,904,279
REG - TEMPORARY PAY	8,280,498	1,073,984	1,073,776	1,073,776
REG - OVERTIME	8,280,498	893,384	893,384	893,384
REG - REGULAR BENEFITS	236,762,764	25,782,576	26,822,742	26,822,521
REG - OVERTIME BENEFITS	1,000,000	65,760	65,760	65,760
REG - BENEFITS SALARY ADJUSTMENT	(7,238,899)	(2,874)	(2,874)	(2,874)
REG - BENEFITS PERSONAL SAVINGS	(7,238,899)	(848,976)	(847,420)	(847,420)
REG - OTHER BENEFITS	5,767,671	447,732	447,340	447,340
REG - PERSONAL SERVICES	236,824,444	25,267,142	26,265,842	26,265,321
REG - OTHER PERSONAL SERVICES	6,238,400	1,022,125	1,022,125	1,022,125
REG - PERSONAL SERVICES ALLOC OUT	(9,962,762)	(8,899,445)	(7,981,262)	(7,981,262)
REG - PERSONAL SERVICES ALLOC IN	80,968,642	7,772,006	8,562,420	8,562,420
ALLOPY - PERSONAL SERVICES	227,070,282	23,972,228	26,406,919	26,208,219



Technology Projects

- Continued Downtown Network Infrastructure Upgrade
 - Core, Distribution, Data Centers, User Access and Wireless Networks, and Buildings' Physical Infrastructure
 - Wi-Fi at:
 - Facilities Management
 - Administration Building
 - West Court Building
 - Chambers
 - Board of Supervisors Auditorium
 - Change of Venue
 - Downtown Infrastructure Upgrade planned for completion by end of FY 2010 (except jail facilities)
 - Disaster Recovery Deployment completed by end of FY 2010



Technology Projects

- Managing For Results Information Systems (MFRIS)
 - Second year of integrated budget and performance metrics
 - First year of Strategic Business Plans in the system
 - Position Management Module and other enhancements in FY 2010



Technology Projects

- Computerized Assessor's Mass Appraisal (CAMA) System
 - Appeals Application Phase I completed
 - Appeals Application Phase 2 in FY 2010
 - Residential, Commercial, Agricultural and Mobile Homes appeals
 - E-signature
 - Reporting
 - Support for State Board of Equalization



Technology Projects

- Human Resource Information System (HRIS)
 - Move from PeopleSoft to ADP early FY 2010
- Completed Projects in FY 2009
 - Secure Online Agenda Resource (SOLAR) System
 - Parcel Watch
 - SharePoint
 - Treasurer's Office Server Refresh



Technology Risks

- Treasurer IT consolidation occurred, but now being litigated
- Zone 2 network infrastructure is seriously outdated, but litigation is preventing upgrades
- Other consolidation opportunities on hold

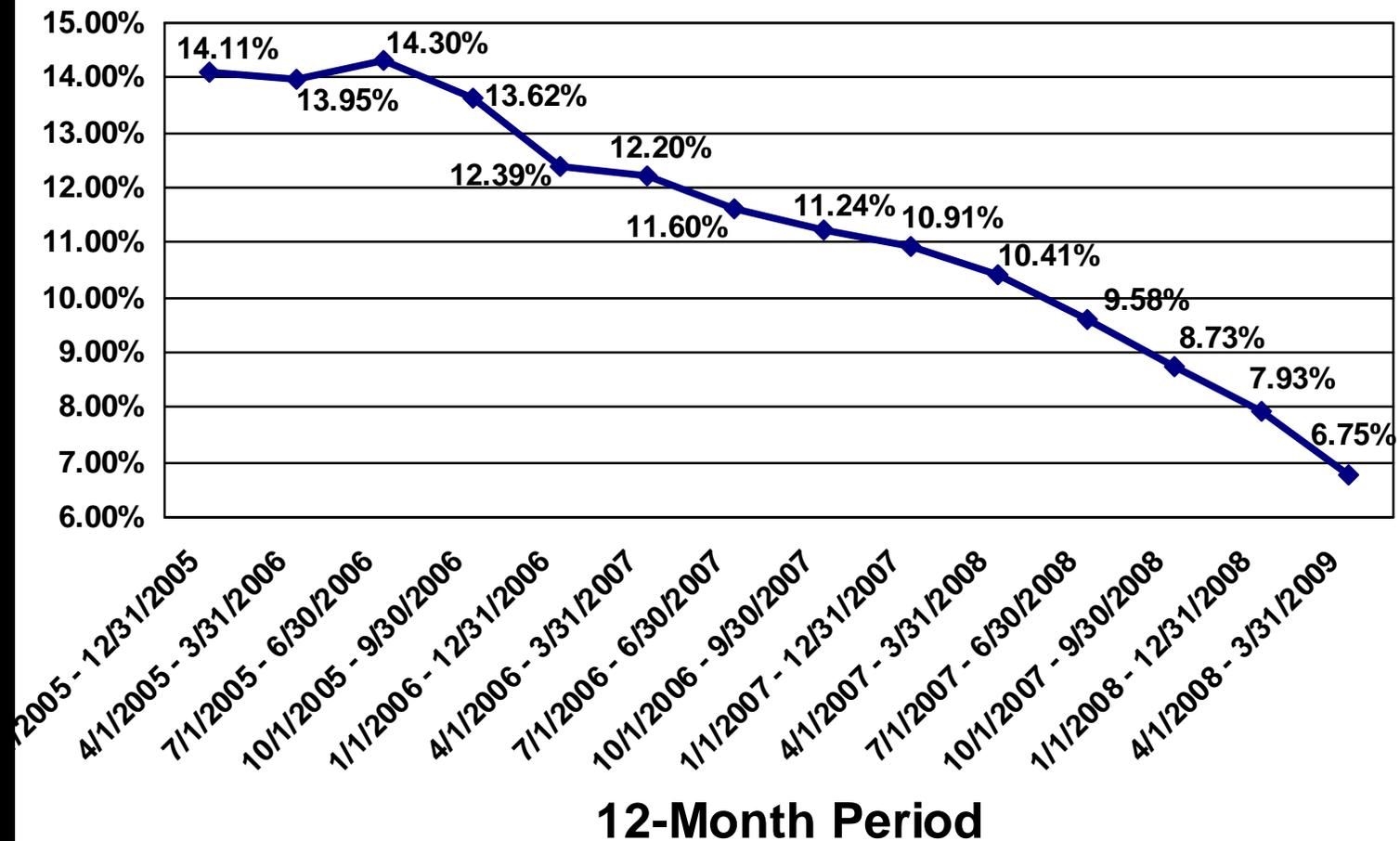


Employee Issues



Voluntary Turnover By 12-Month Period

% of Turnover



Note: Voluntary turnover for FY 2008-09 3rd Quarter was 1%!



Retirement Incentive

- Also known as the Post Employment Health Plan Enhancement Program
- Up to \$30,000 Health Plan Account for eligible retirees
- As of May 13th, 115 employees have stated their intent to retire under the plan
- Net savings yet to be determined



Potential Furlough Budget Plans

- Planning and Development
- Sheriff
- County Attorney
- Indigent Representation



Conclusion

- FY 2009-10 recommended budget is fiscally sound.
- Most County leaders throughout the government have thought creatively and come up with new and innovative ways to do their work better.
- Our leaders generally met the call for action.
- This budget does more with less.
- We will need to continue to do so throughout this year and next.
- While there are some service reductions, most of the expenditure cuts were efficiency based.



Appreciation

Thanks to the Board of Supervisors, other Elected Officials, Judicial Branch, Presiding Judge and the Appointed Officials for their cooperation and understanding during this time of fiscal downturn. This budget could not have been balanced without your participation, great ideas and assistance.*

Note: County Attorney & Treasurer did not sign their budget agreements.



Budget Calendar – Remaining Dates

May 18	Tentative Budget Adoption
June 19	ATRA Presentation
June 22	Final Budget Adoption
August 17	Property Tax Levy Adoption





Special Districts



Stadium District Highlights

- Overall expenditures of \$10.6 Million, a \$1.7 Million decrease from FY 2008-09
- Projects completed in FY 2008-09:
 - Production Room Equipment (\$282,228)
 - Flooring (\$437,421)
 - Suite Renovations (\$2,208,926)
 - Field-level Renovations - lounge and restrooms (\$778,054)
- New projects in FY 2009-10:
 - Party Suite Renovations (\$1,800,000)



Flood Control District Highlights

- The tax levy maintained at a tax rate of \$0.1367; \$150,310 increase in property tax revenue
- Overall expenditures of \$96.73 Million, an increase of \$768,023
- FY 2009-10 CIP remained at \$60 Million
- Five-year CIP projected to be \$300 Million



Flood Control District CIP

Flood Control District Projects (31 Projects)	FY 2009-10 Recommended Budget	FY 2010-11 Thru FY 2013-14	Five-Year CIP Program Total
	\$ 60,000,000	\$ 240,000,000	\$ 300,000,000



Library District Highlights

- Tax rate remains unchanged at \$0.0353.
- Overall expenditures of \$21.9M for FY 2009-10 is a \$0.6M decrease compared to \$22.5M in FY 2008-09.
- New Library Openings:
 - Queen Creek Branch (November 2008)
 - Sun City Branch (May 2009)
- Expansion of Polaris Integrated Automated Library System.
- Circulation increased by double digits for the sixth year in a row.
 - Circulation 06-07 4,531,500
 - Circulation 07-08 5,911,180
 - Circulation 08-09 7,024,424 (proj)
- Summer Reading program: 45,000 children in FY 2008-09, a 60% increase over the previous FY.





Population Growth

Top six counties in population gains 2000 - 2008



- | | |
|-------------------|---------|
| 1. Maricopa | 882,426 |
| 2. Harris | 583,759 |
| 3. Riverside | 555,142 |
| 4. Clark | 490,211 |
| 5. Los Angeles | 342,718 |
| 6. San Bernardino | 305,912 |

Top 4 counties in total population (est. July 1, 2008)

1. Los Angeles	9,862,049	3. Harris	3,984,349
2. Cook County	5,294,664	4. Maricopa	3,954,598

Source: U.S. Census Bureau



State Shared Sales Tax Budget vs. Actual

