



Maricopa County Five-Year Financial Forecast



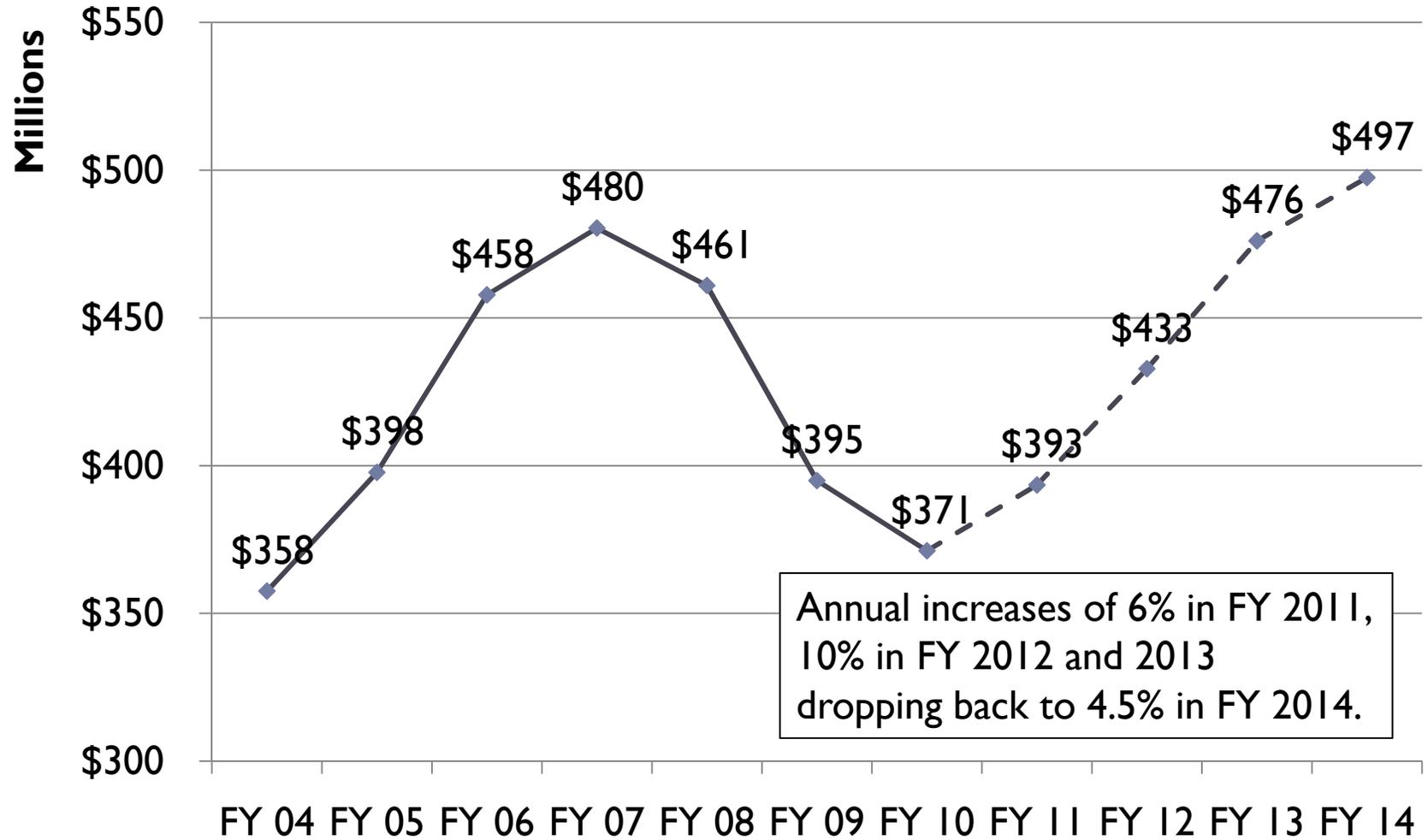
Office of Management and Budget
December 2009

Forecast Assumptions

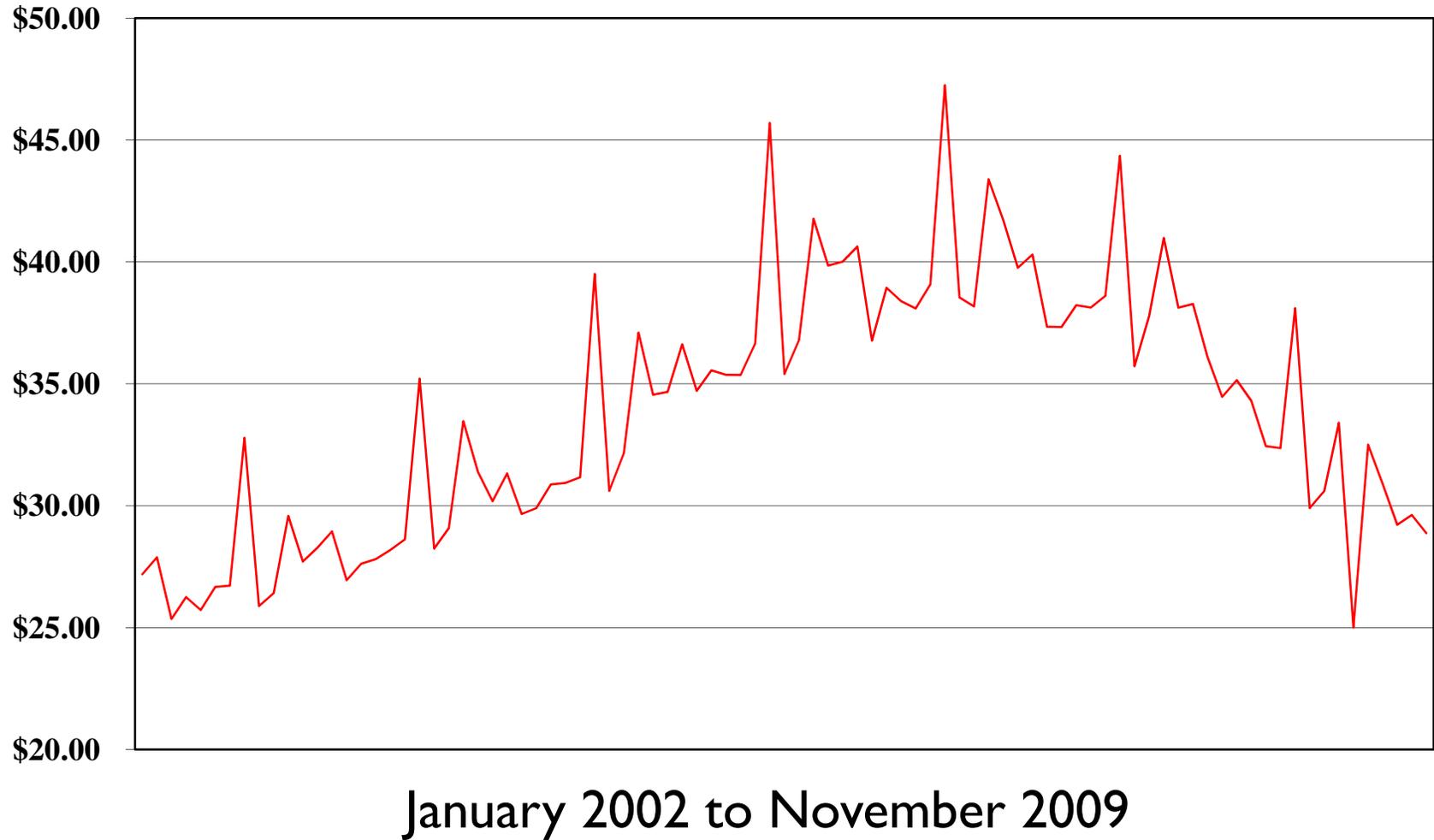
- ▶ Major revenues, property tax base, and key economic and demographic indicators from Elliott D. Pollack and Co. October 2009 pessimistic forecast
- ▶ Fees, fines and other revenue forecasts assume no change in current rates set by statute or approved by the Board
- ▶ Expenditures driven by indicators of service demand (general population and jail population) and inflation
 - ▶ Salary increases not forecasted for FY 11, except for minimal amount to address critical market salary issues
 - ▶ Health benefit costs assumed to increase by Medical CPI plus 5%
 - ▶ Jail and juvenile detention populations forecasted from an historically low base
- ▶ Mandated State contributions forecasted based on current law
- ▶ No additional State impacts are included in the forecast



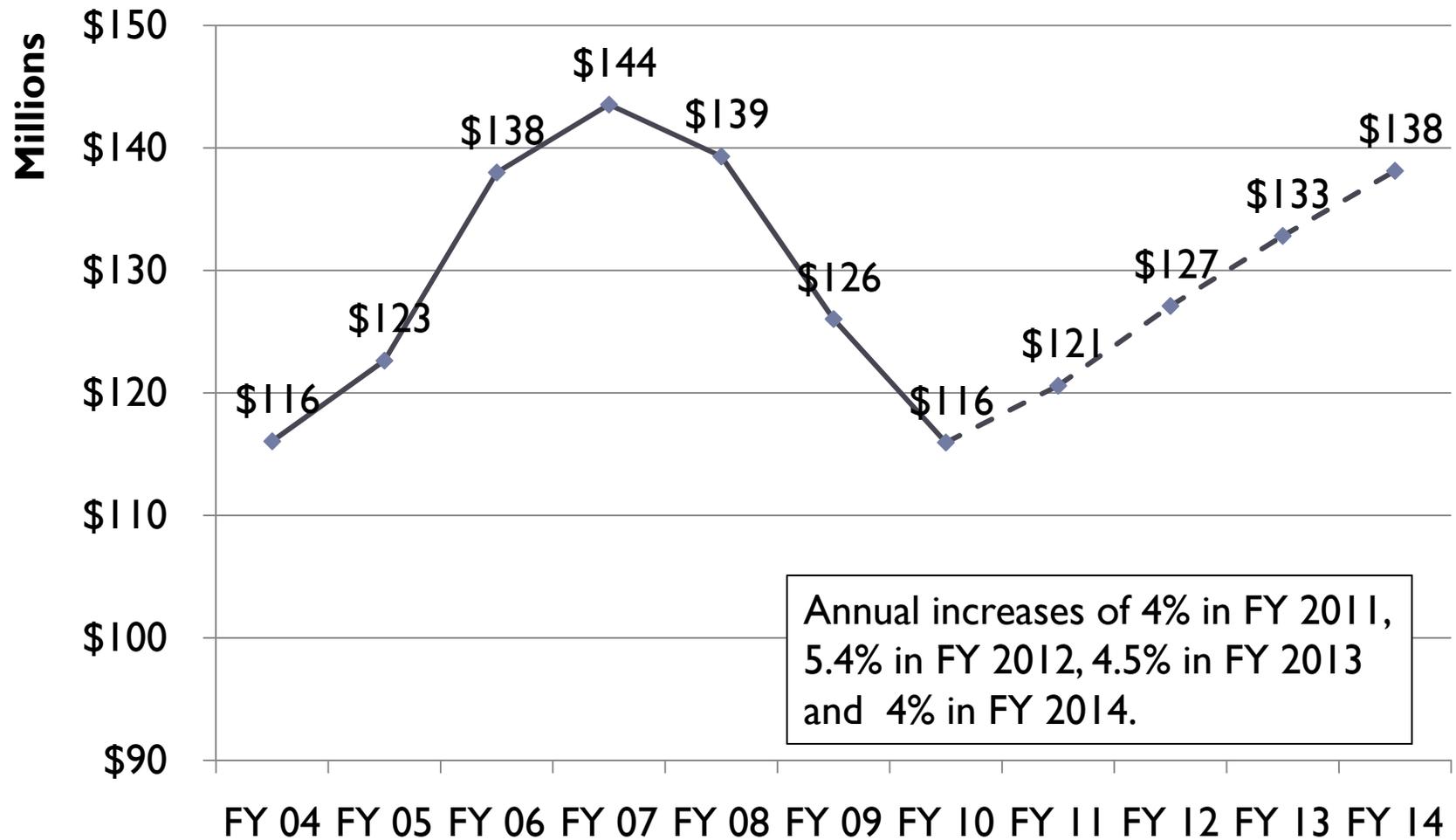
Sales Tax Forecast



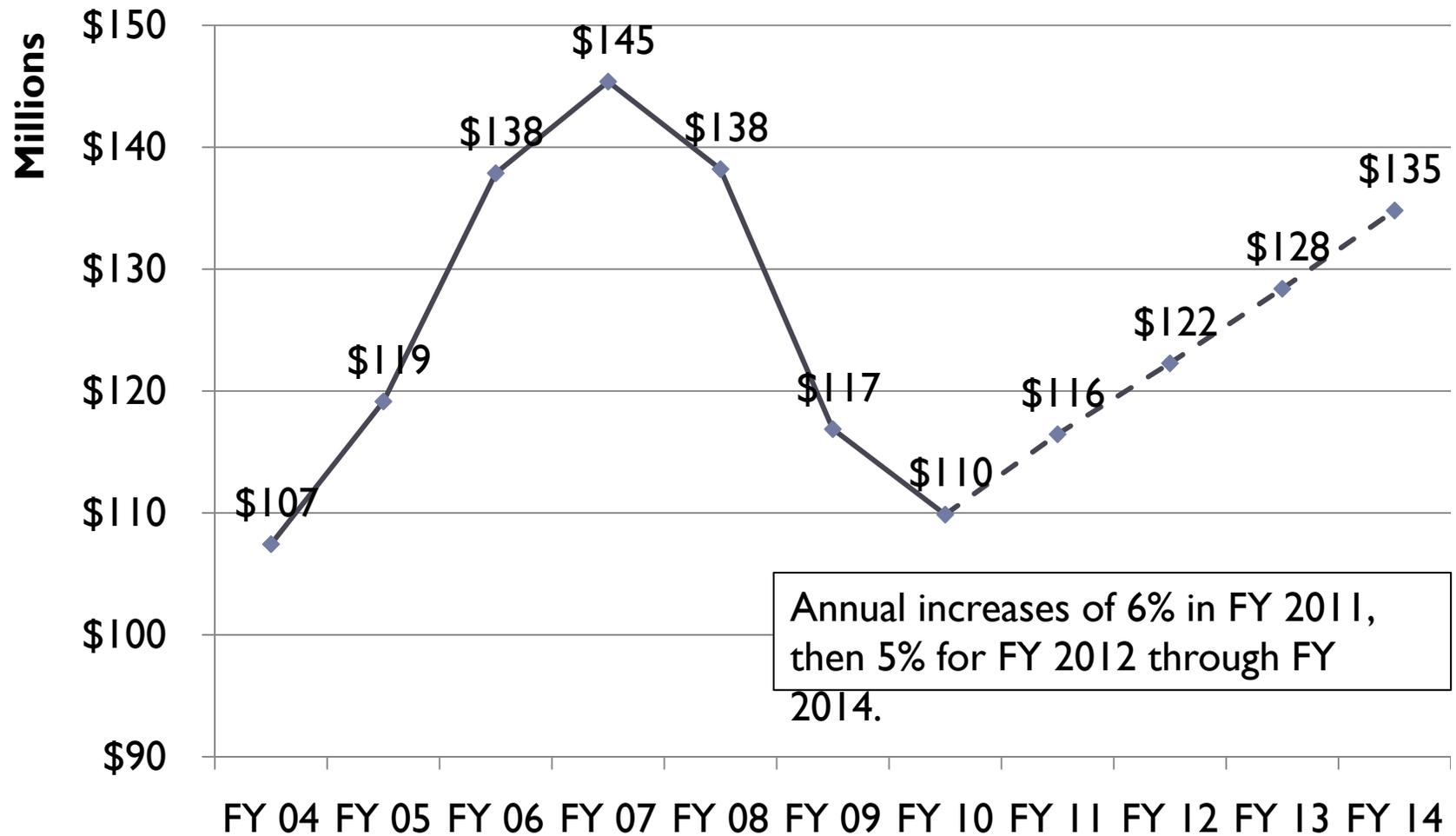
Sales Tax Historical Monthly Collections



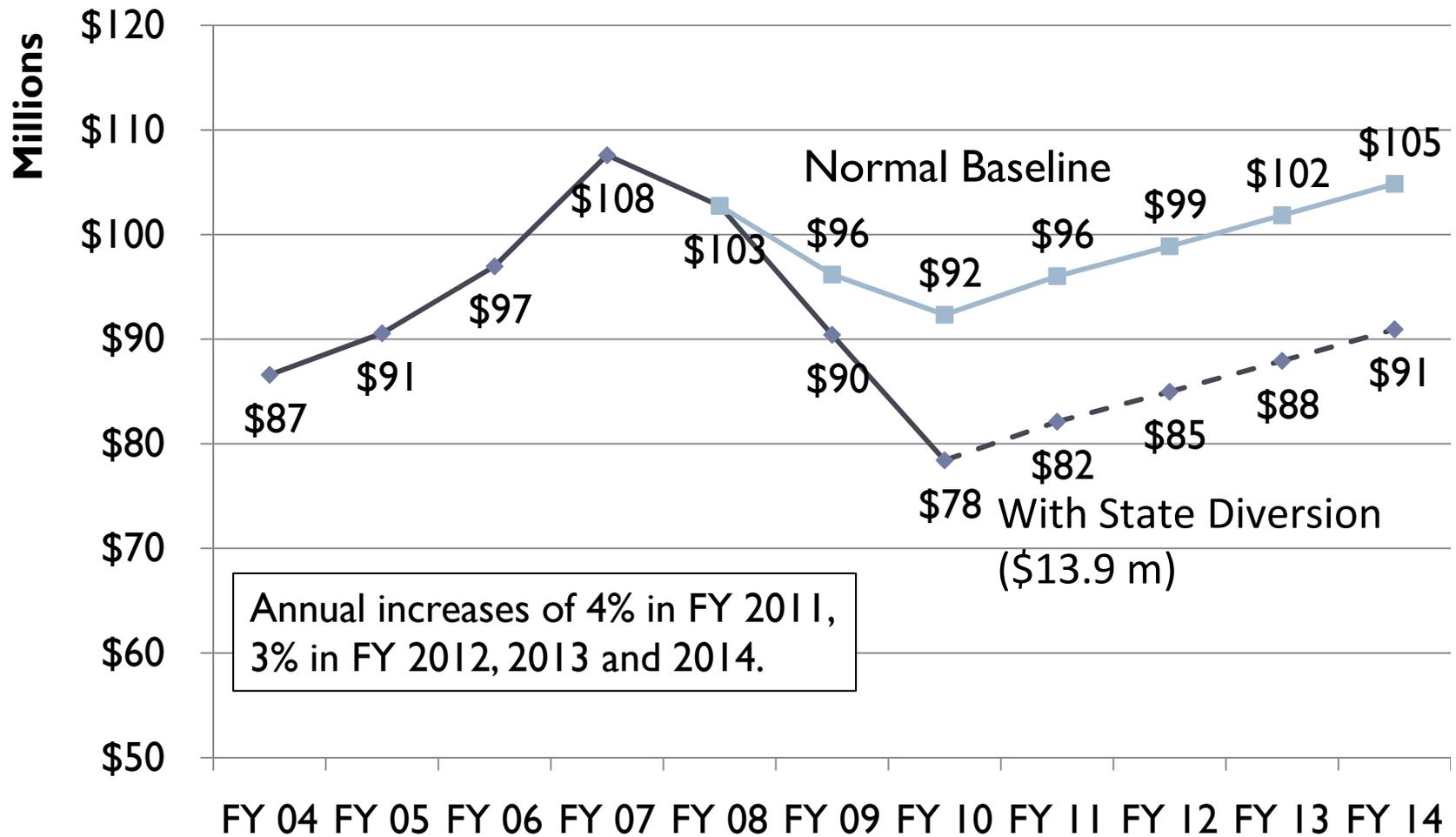
Vehicle License Tax Forecast



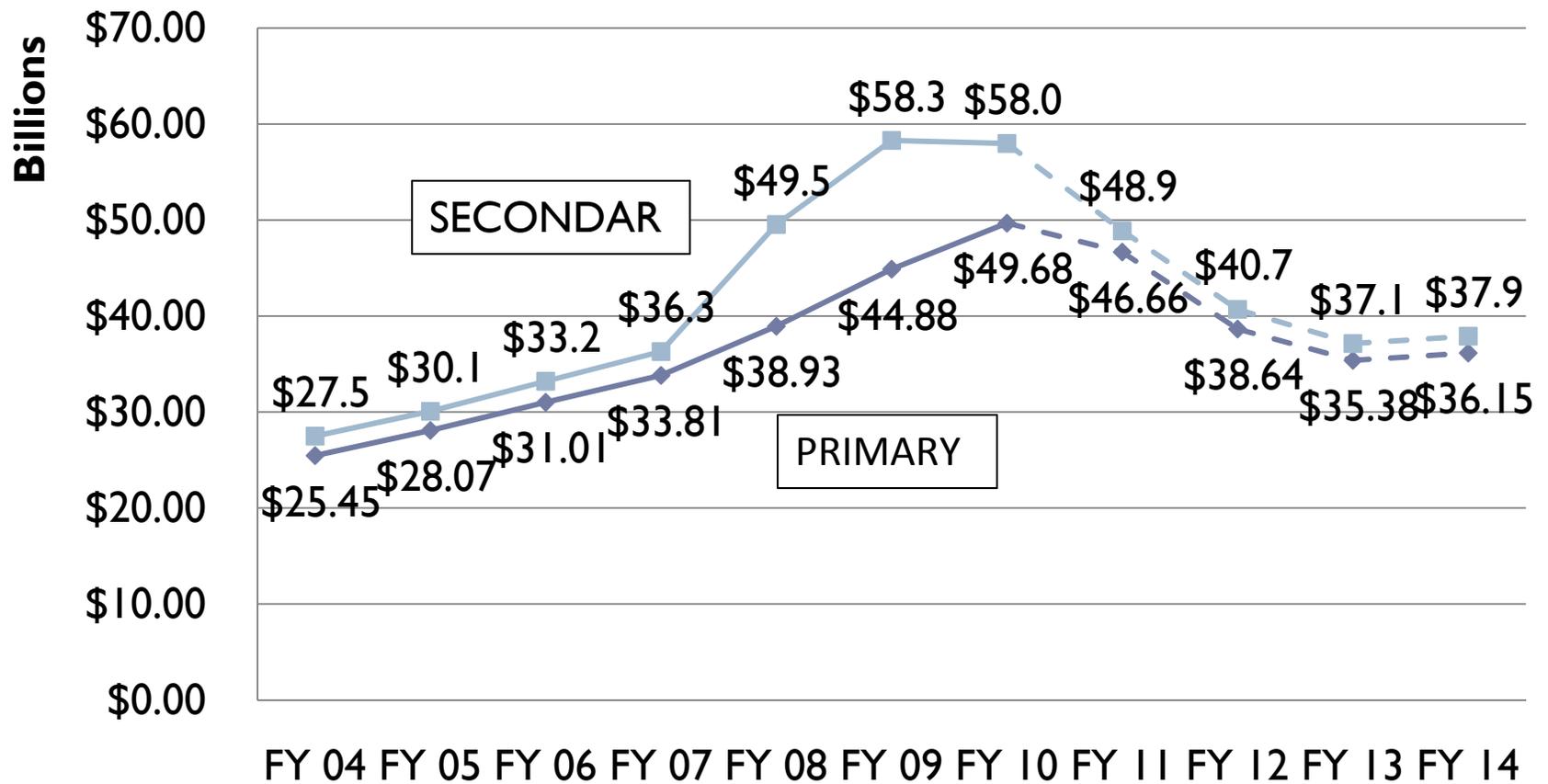
Jail Tax Forecast



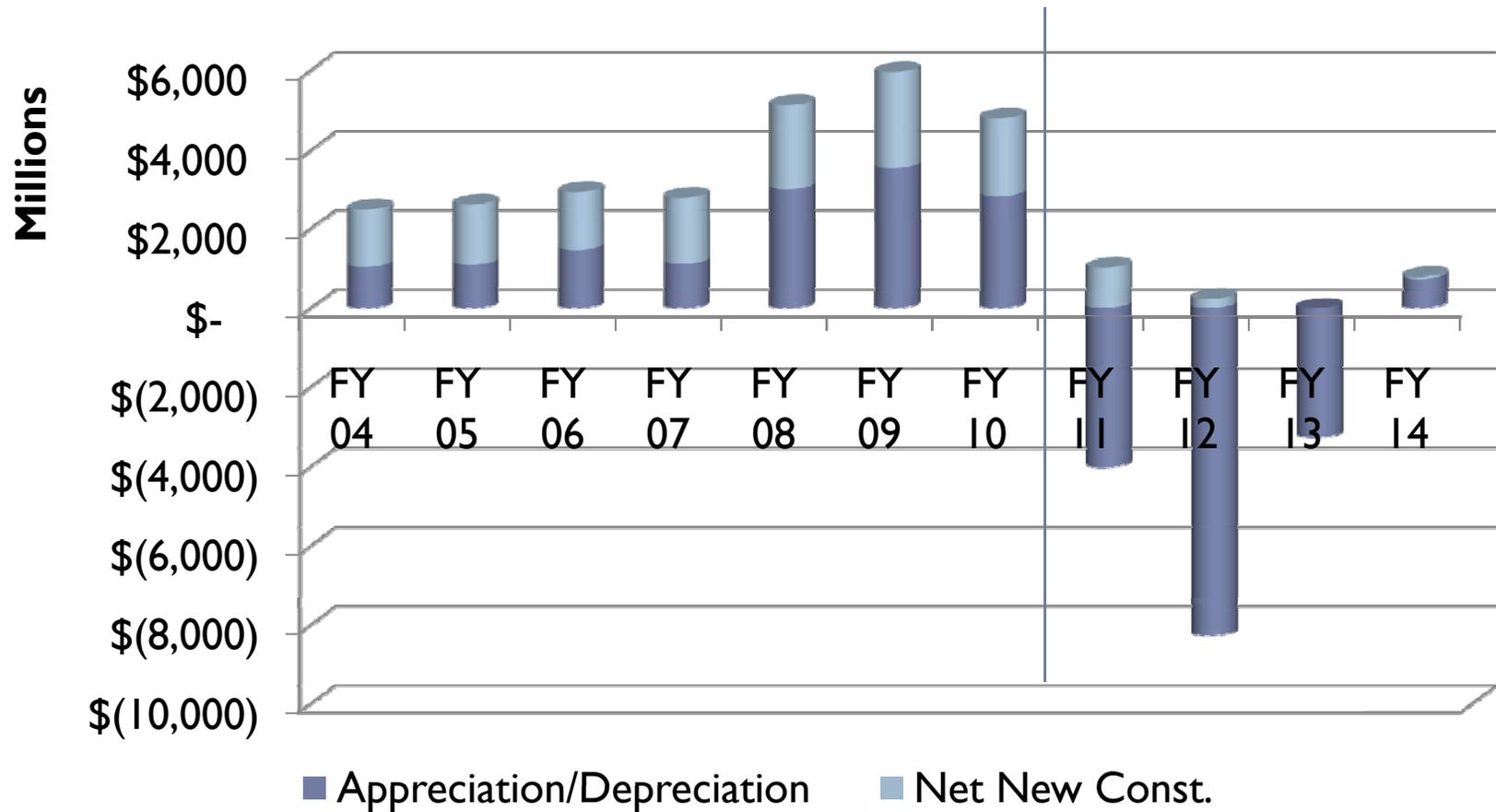
Highway User Revenue Forecast



Primary and Secondary NAV

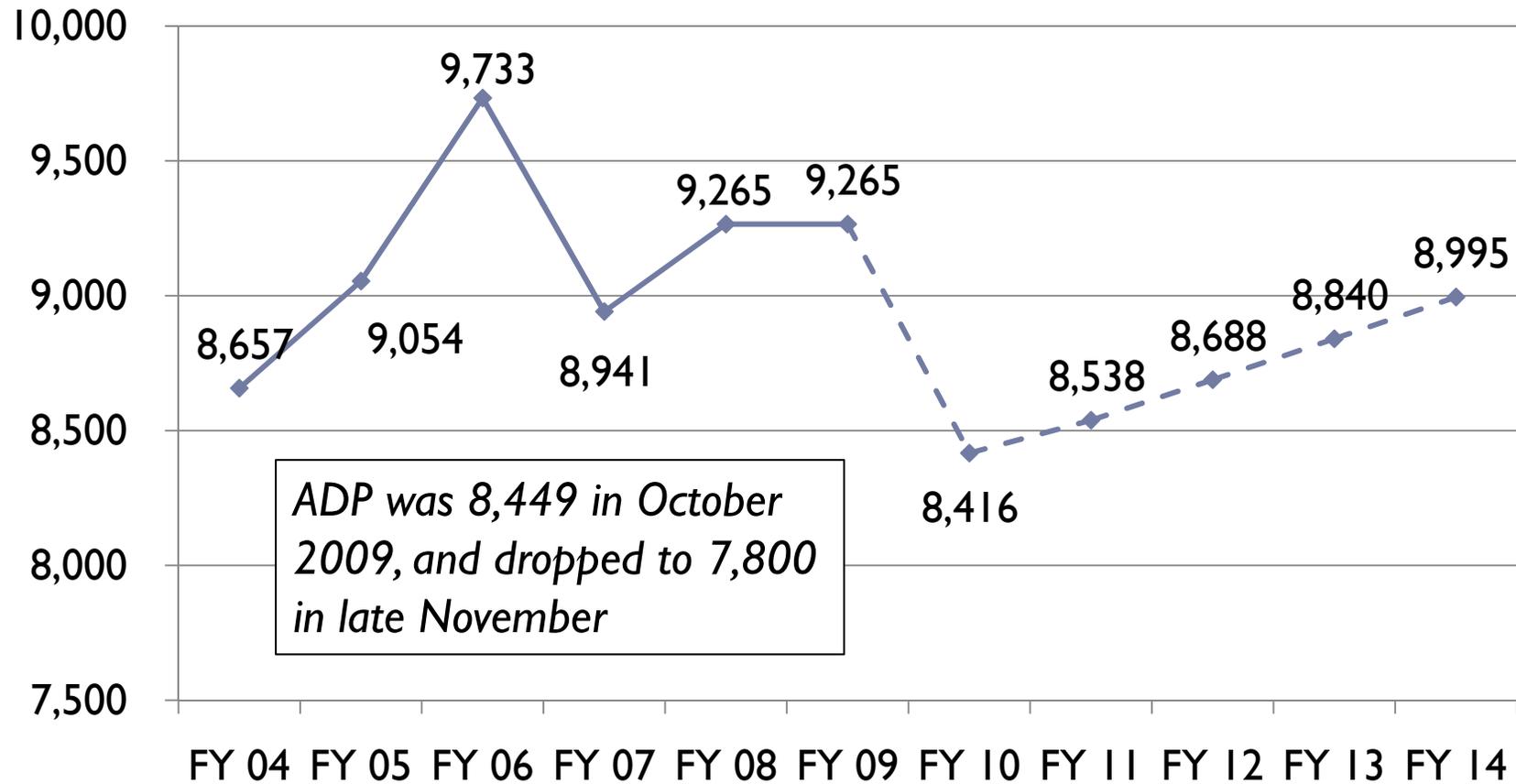


Primary Net Assessed Value: Appreciation/Depreciation vs. New Construction



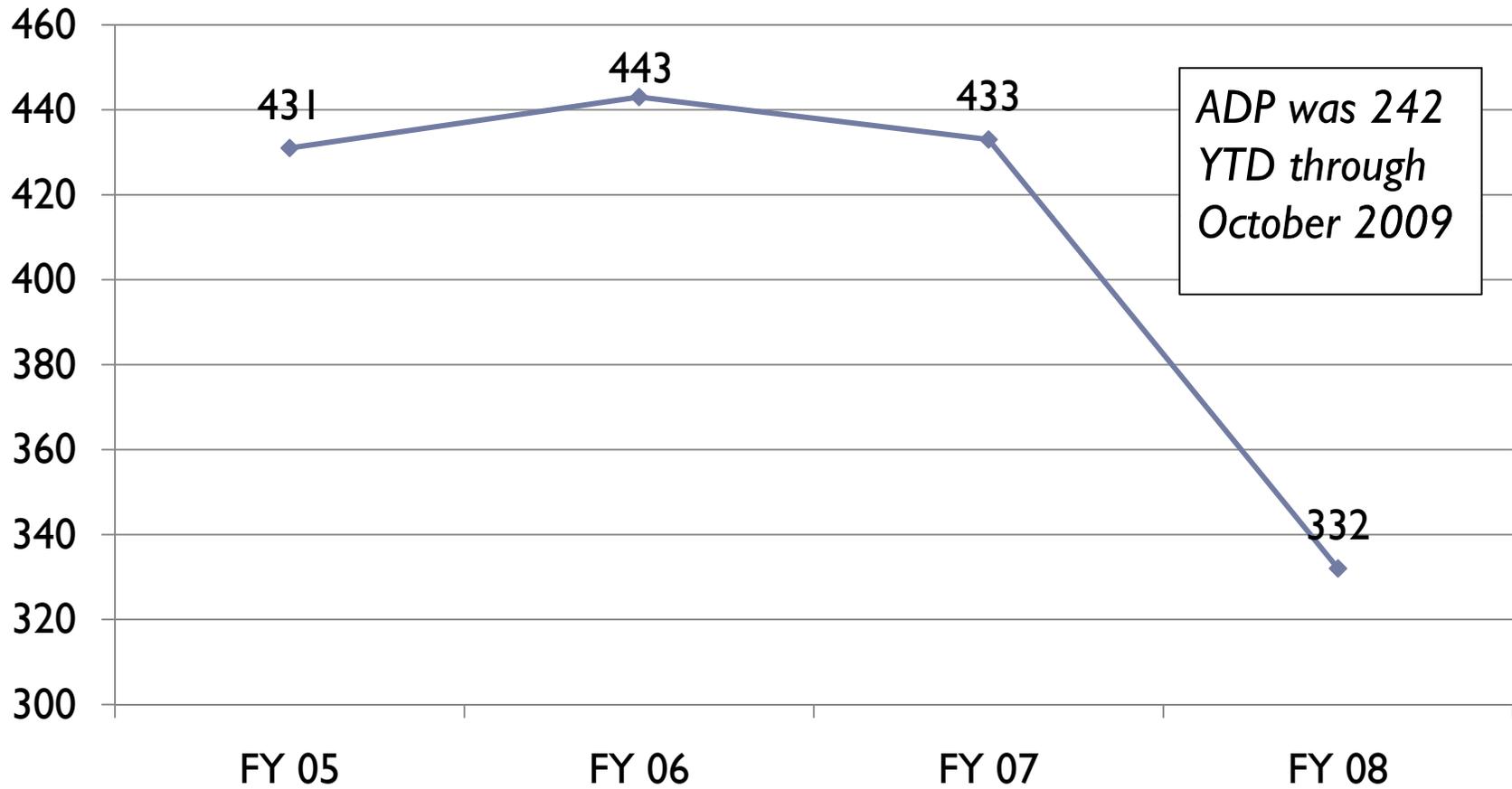
Jail Population

Average Daily Jail Population

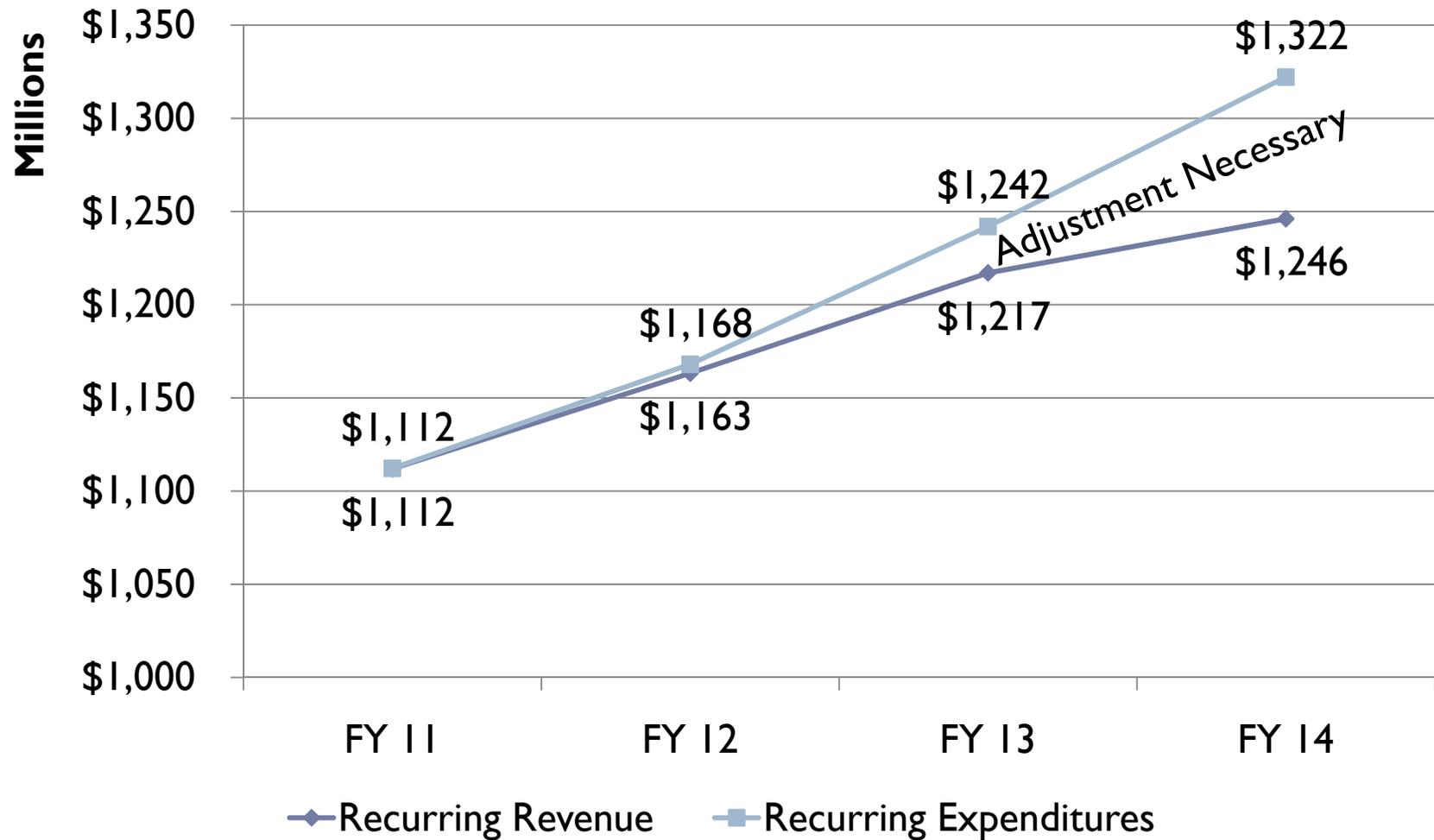


Juvenile Detention Population

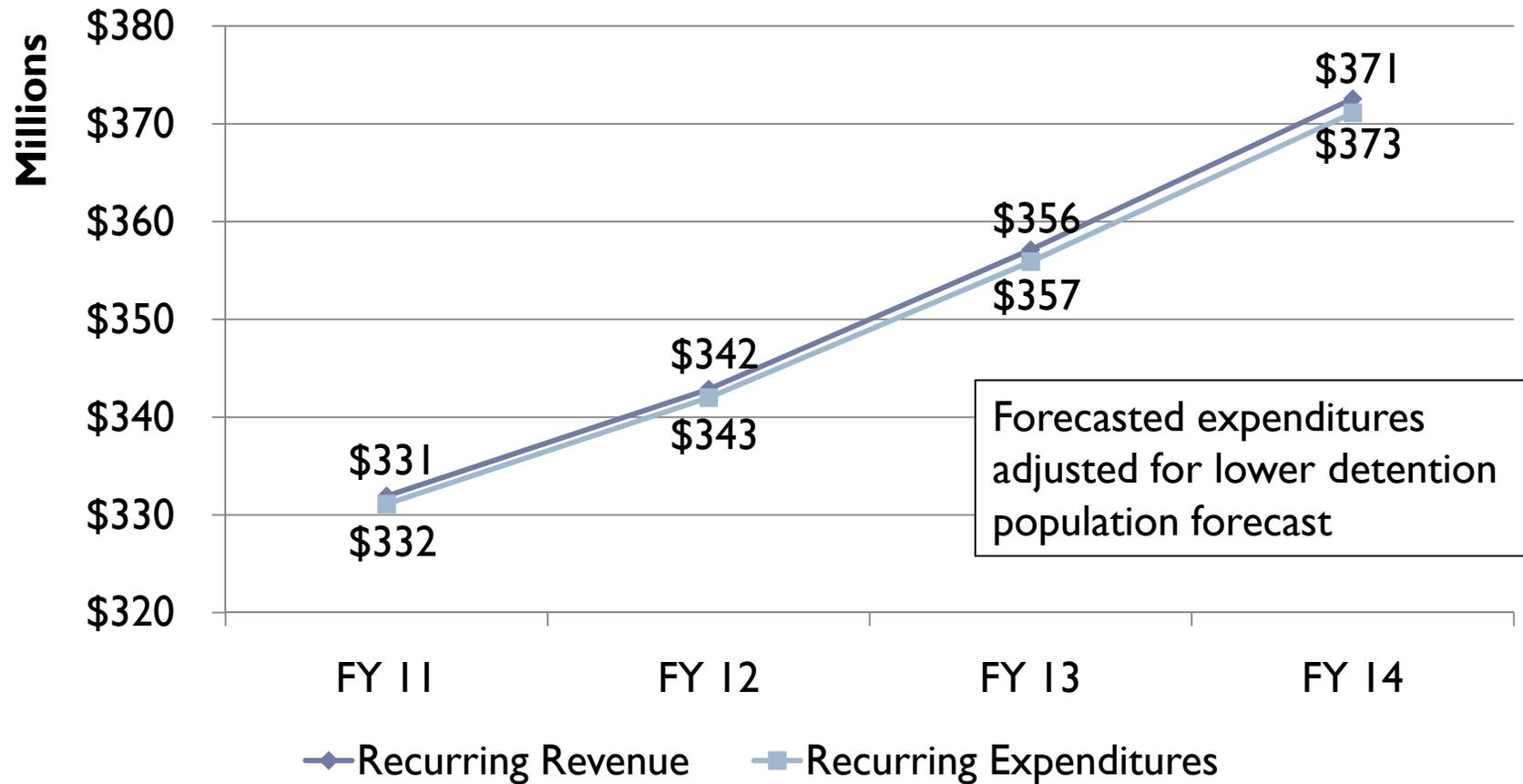
Juvenile ADP



Structural Balance: General Fund

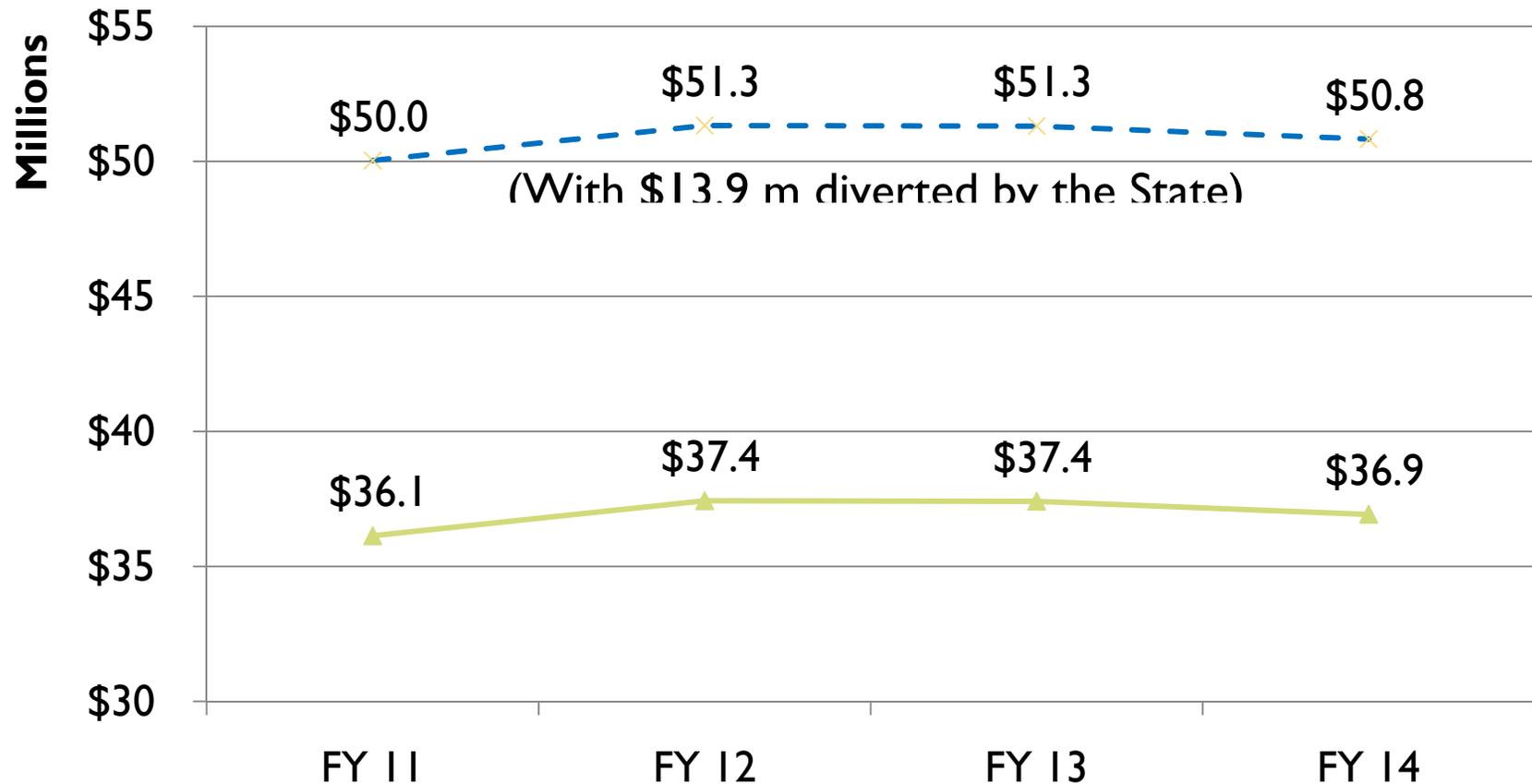


Structural Balance: Detention Fund



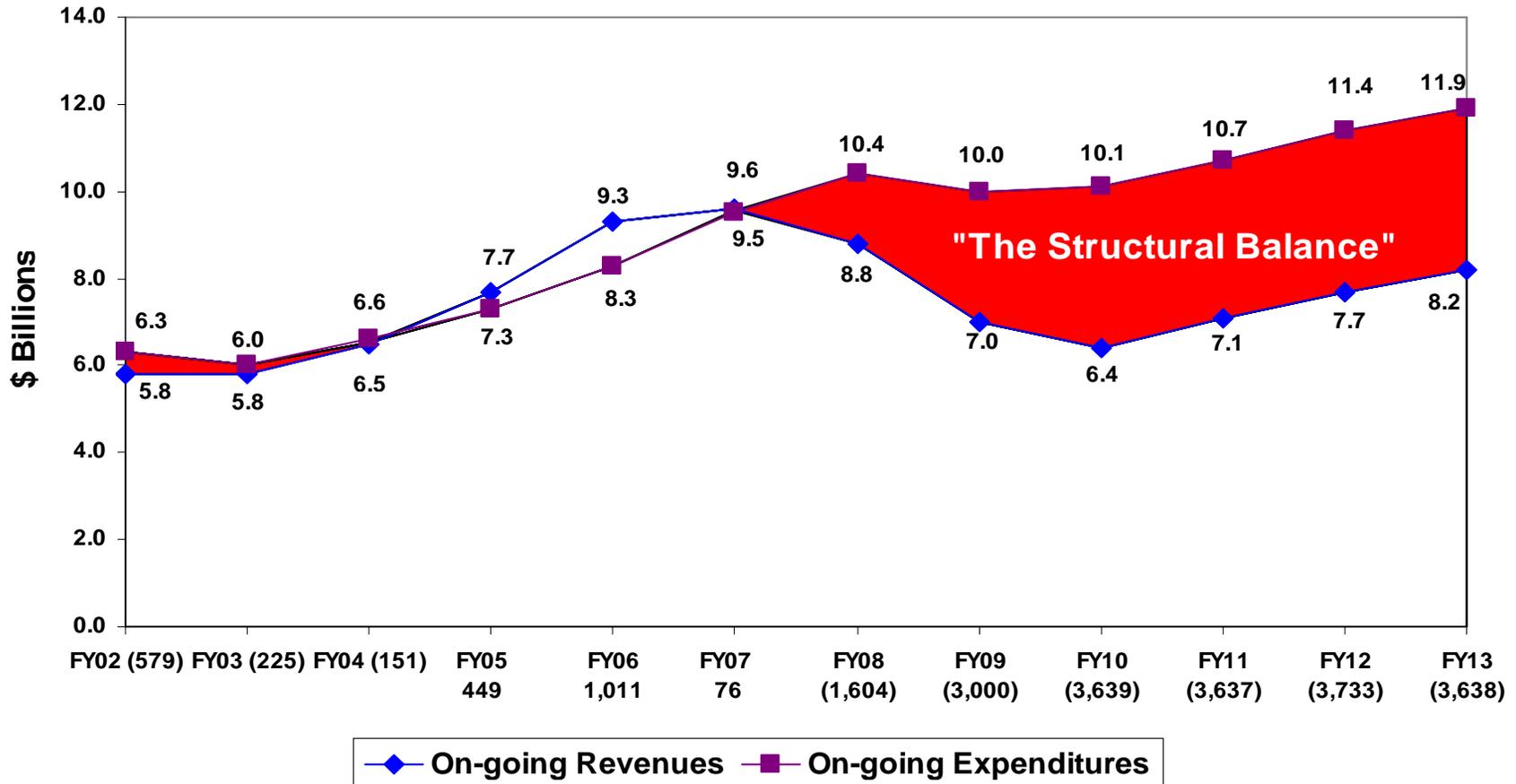
Transportation Fund: Net Recurring Revenue

Funding generated each year for transportation projects.



Fiscal Condition Also Measured by On-Going Revenues vs. Spending

-Gap is Filled by One-Time Solutions



*JLBC: Based on current FY '10 estimates.

Newest State Cash Flow and Borrowing Issues

- ▶ The state Treasurer signed a contract with Bank of America to purchase up to \$700 m of Treasurer Warrant Notes (TWNs) on November 24, 2009
- ▶ As of December 2, 2009 the State's spending exceeded the \$700 million credit
- ▶ Additional TWNS of \$73 million had to be issued from internal sources in order to make the Arizona schools payment on December 1st

▶ *Source: Office of the State Treasurer*

Conclusions

- ▶ Without further State cost-shifts or revenue diversions, Maricopa County will be challenged to maintain structural balance in the General Fund
- ▶ Structural balance may be maintained in the Detention Fund, but only if expenditures can be reduced to meet declining detention populations
- ▶ Expenditure increases will need to be restrained while overall revenue growth is weak
- ▶ Significant impacts from the State would require:
 - ▶ further deep spending cuts, and/or
 - ▶ Increasing property taxes to the maximum, and/or
 - ▶ authorization of a new County revenue source

