MARICOPA COUNTY

BUDGET

FY 2022

Executive Summary

Steve Chucri
District 2

Bill Gates
District 3

Jack Sellers
District 1
Chairman

Clint Hickman
District 4

Steve Gallardo
District 5

Board of Supervisors

FY 2021 Presented New Challenges

- Unchartered waters
  - Modeling not beneficial
  - Too many unknowns
- Uncertain economic fall out from pandemic
  - Duration
  - Decline and delay in revenues
  - High Unemployment
- Timing
  - Sales and Jail Excise Tax - 2 month lag
  - VLT – 1 month lag
- FY 2021 Budget Development Timeline
  - Budget recommendation had been largely developed
  - Lack of time for analysis prior to budget adoption

Why We Were Prepared

- Conservative Revenue Estimates
  - FY 2020 based on early *Most Likely*
  - FY 2021 had been based on *Pessimistic*
- Future Impact Funding
  - Annualization of mid-year projects in initial year
  - Future year known investment funding
  - Future operating maintenance
  - State Issues
- Operating transfer for capital
- Operating contingency separate from reserves
- Reserves at 2 months of operating in major funds
- Compensation decisions at discretion of Board

How We Planned for a Potential Economic Downturn in FY 2021

- Revenue reduced based on updated *Recession* scenarios for both FY 2020 and FY 2021

- Department operating budget reduced 2% and pay-for-performance removed - $81.9 Million

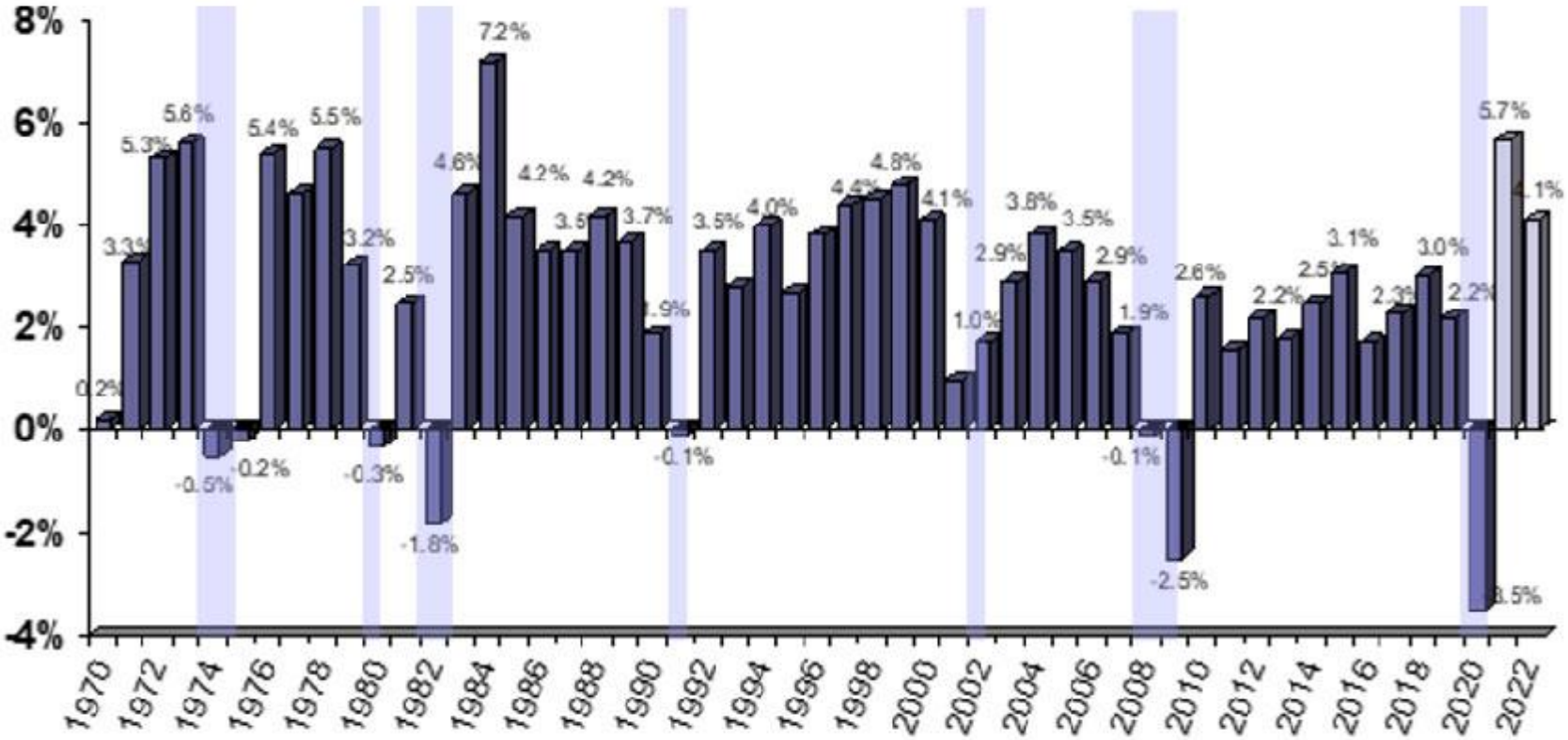
- Removed new capital projects, eliminated future year projects and reduced equipment reserves - $124.5 Million

- Prepared for further reductions of 3% to 5%

United States Real Gross Domestic Product*

Annual Growth 1970 – 2022**

Source: U.S. Bureau of Economic Analysis and Blue Chip Economic Indicators***



*Based on chained 2012 dollars
**2021 and 2022 are a forecast from the Blue Chip Economic Indicators, March 2021
***Information from Elliot D. Pollack and Company

Budget Guidelines and Priorities

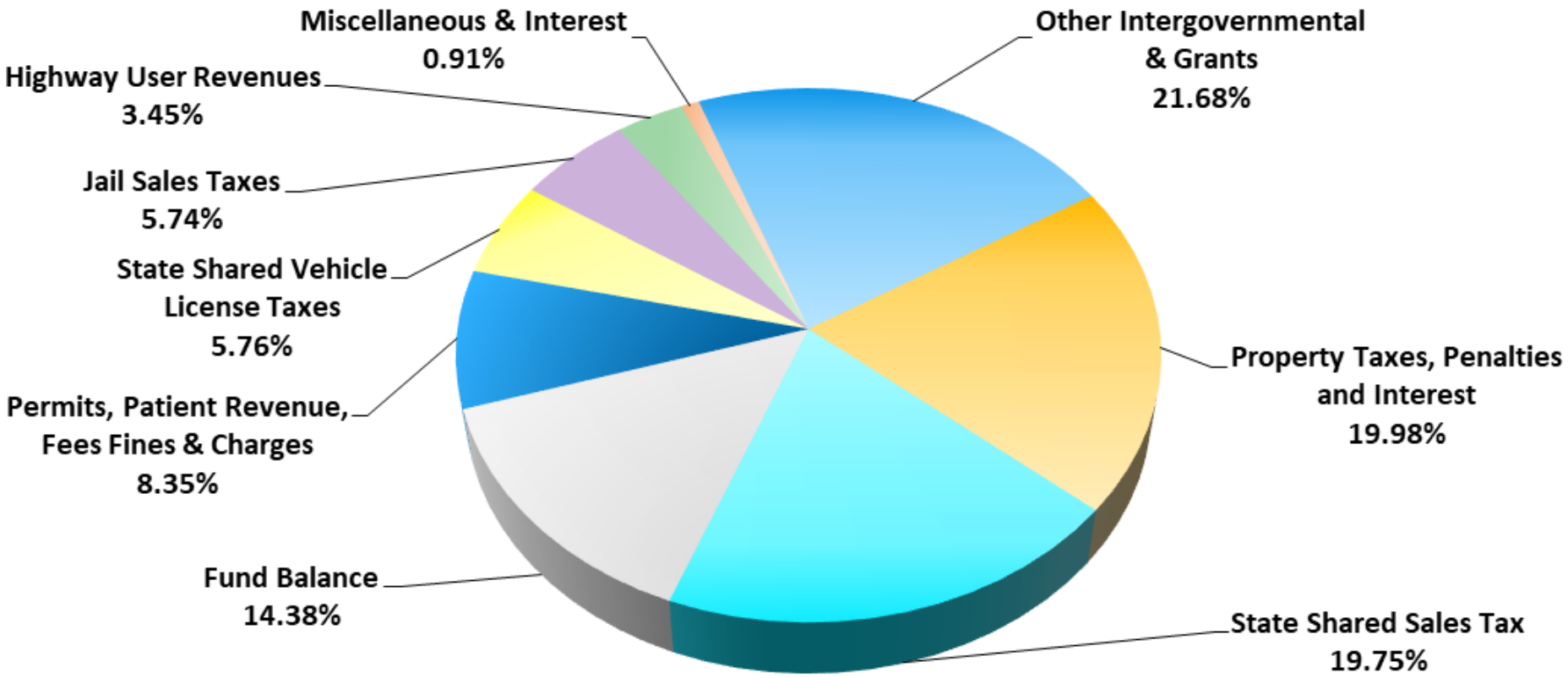
Adopted by the Board of Supervisors on January 13, 2021

- Develop a sustainable budget that advances the County's mission and strategic goals
- Leave the property tax rate unchanged
- Direct Human Resources to develop a targeted employee compensation strategy
- Require all departments to allocate resources to fulfill their mandates and submit budgets within their baseline with no requests for new or expanded programs in the General and Detention funds unless presented publically to the Board
- Review new capital or technology requests after reserve decisions are made
- Evaluate all increases for their impact on the County's Expenditure Limitation

Assumptions

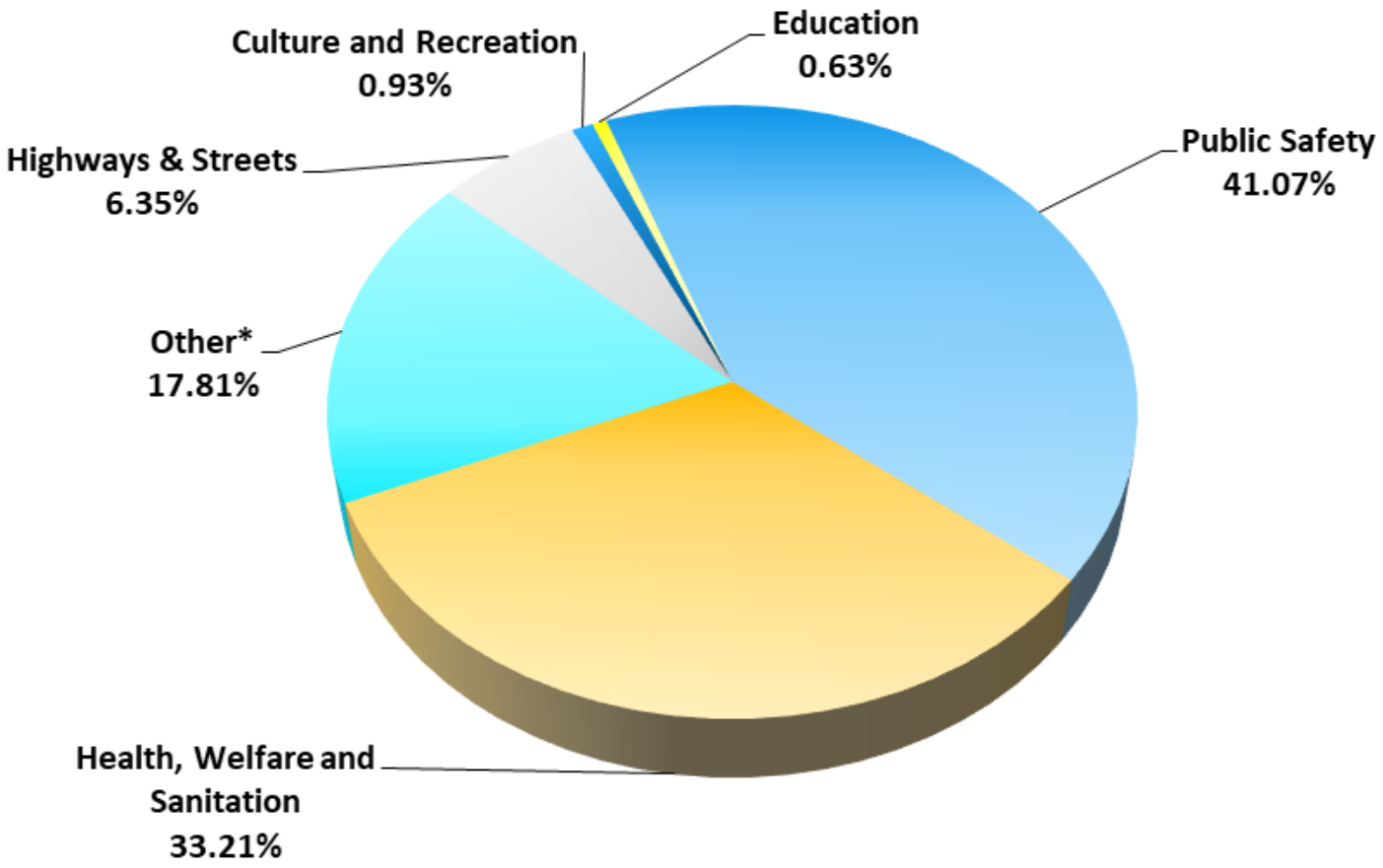
- Structural balance in operating funds
  - Recurring revenues meet or exceed recurring expenditures
- *Recession* scenario for major revenue streams
- Contingency based on historical utilization, revenue risks and unanticipated economic shocks
- General and Detention Fund reserve levels based on two-months of prior year operating budget

Sources of Funds: $3,423,769,966



Uses of Funds: $3,423,769,966

**Other = Assessor, Recorder, Elections, Treasurer, Internal Audit, County Manager, Assistant and Deputy County Managers, Clerk of the Board, Board of Supervisors, Finance, Budget, Procurement, Human Resources, Risk Management, Real Estate, Equipment Services, Facilities Management, Enterprise Technology, Non Departmental*



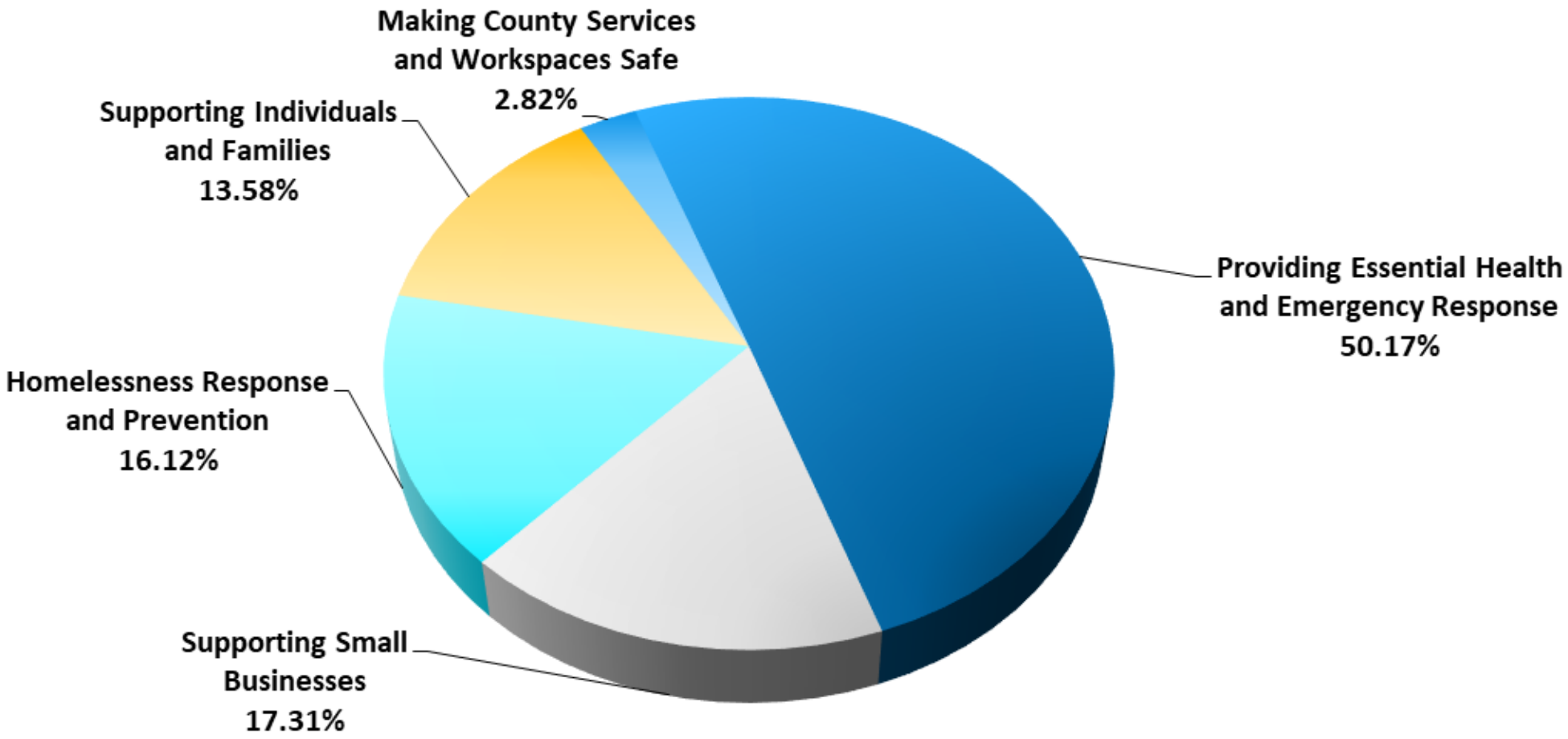
FY 2022 Net Variance to the FY 2021 Revised Budget (Millions)

	FY 2021 Revised	FY 2022 Recommended	Increase/ (Decrease)	% Change
Total Operating	2,161.9	2,256.3	94.4	4.4%
Total Non Recurring	989.6	1,167.5	177.9	18.0%
Total County	3,151.5	3,423.8	272.3	8.6%

How We Planned for a Potential Economic Downturn in FY 2021

- Revenue reduced based on updated *Recession* scenarios for both FY 2020 and FY 2021
- Department operating budget reduced 2% and pay-for-performance removed **- $81.9** Million
- Removed new capital projects, eliminated future year projects and reduced equipment reserves **- $124.5** Million
- Prepared for further reductions of 3% to 5%

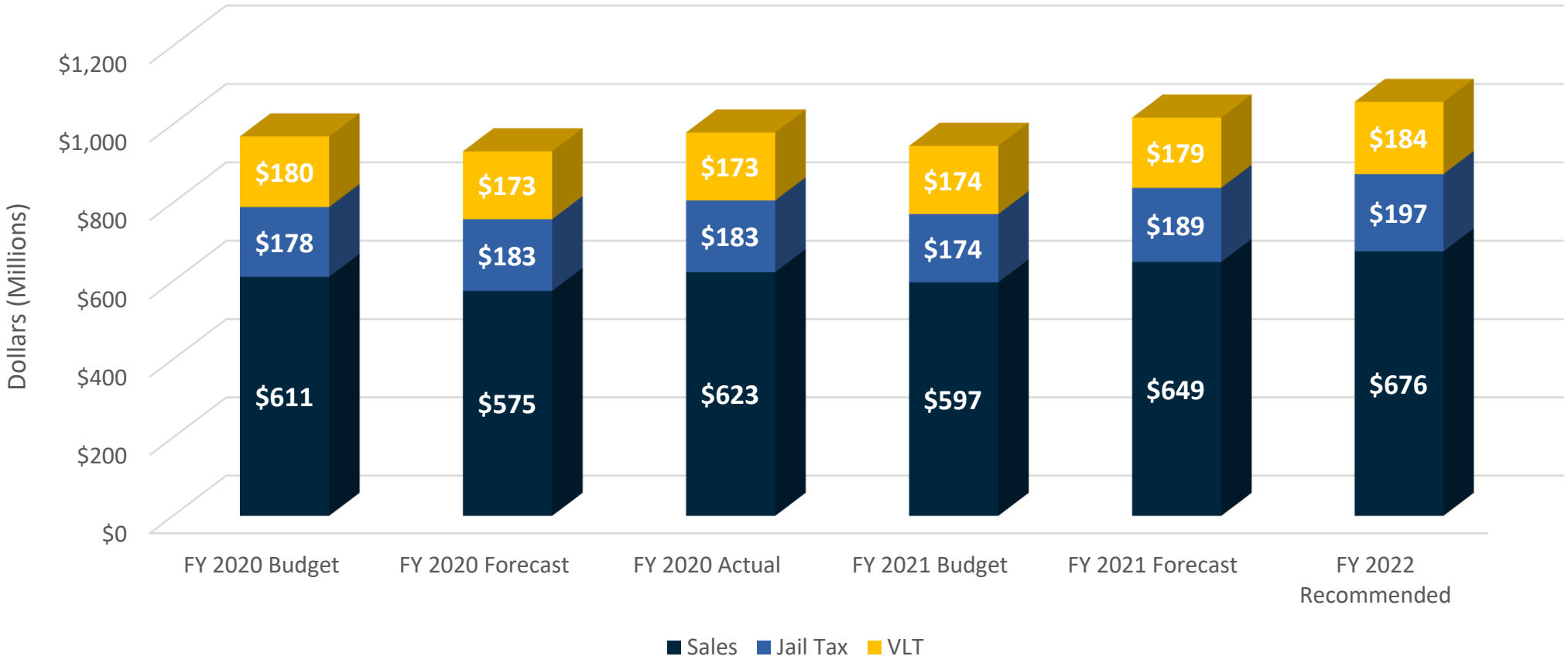
CARES Forecasted Distribution - $401 million



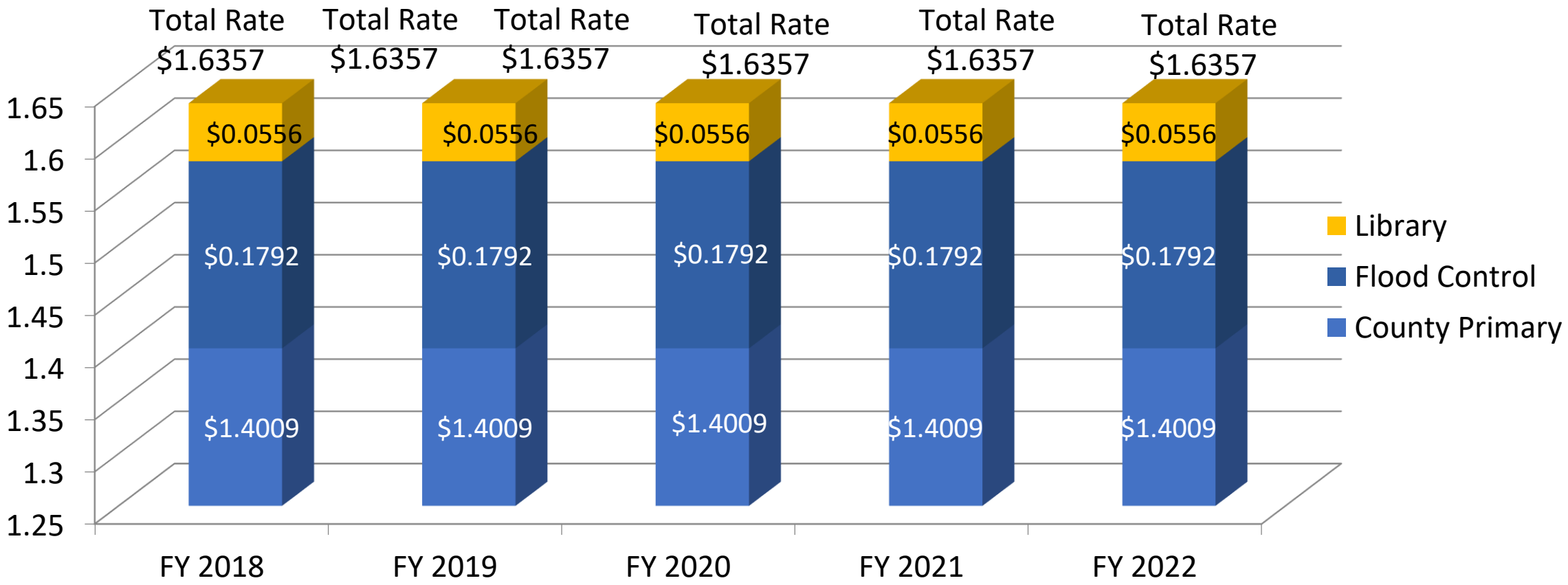
American Rescue Plan Act Funding

- FY 2022 budget includes $439M for ARPA expenditures
- Funds will be allocated via the process approved by the Board of Supervisors

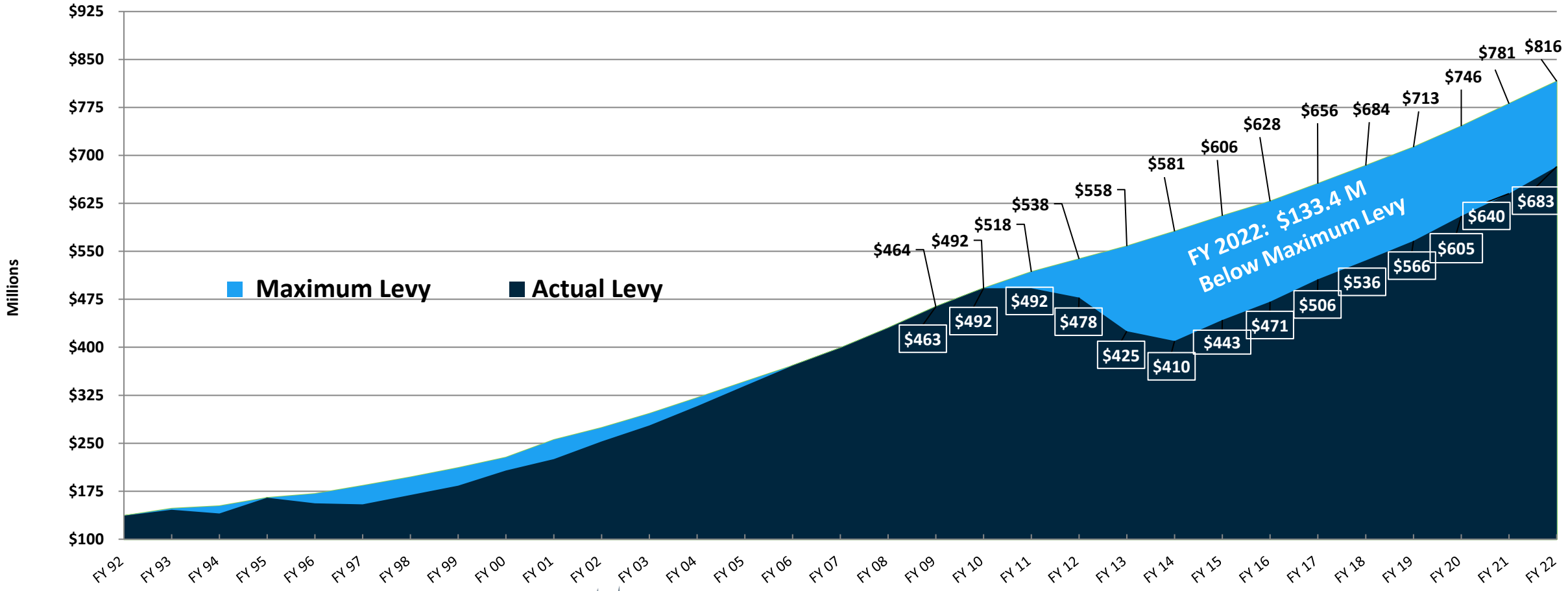
Major Operating Revenues



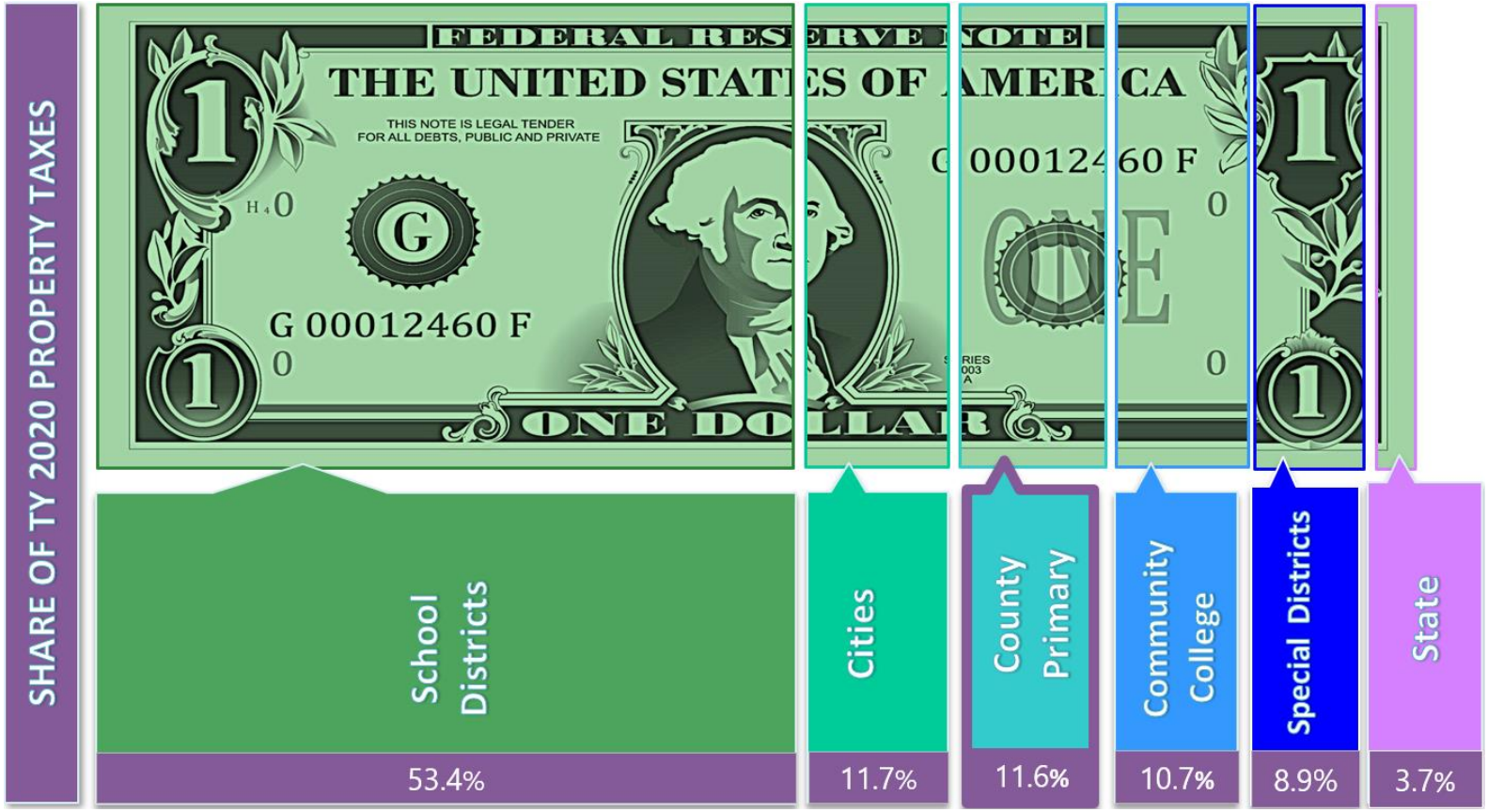
No Change to Combined Tax Rate



Maximum Levy vs. Actual Levy - General Fund



In FY 2021, County Primary Property Taxes were only 11.6% of Total Property Taxes



Mandated State Payments

- 17.7% of the General Fund operating budget supports $289.6M in mandated payments to the State for healthcare services including:
  - $17.6M for Arizona Health Care Cost Containment System (AHCCCS) contribution
  - $199.6M for Arizona Long Term Care System (ALTCS)
  - $72.4M for Arnold v. Sarn and mental health services
- Additional State shifts of over $9.1M equate to .6% of the General Fund operating budget:
  - Juvenile Corrections payment
  - Department of Revenue payment

for a combined total of 18.2% of General Fund operations

Potential Legislative and Other Impacts

- Additional Security Services for screenings
- Pending/Potential Legislation
  - Commercial Assessment Ratio
  - Elected Official Salary Increases
  - Election Requirements

General and Detention Fund County-wide Budget Impacts

• Net Departmental Health Benefit Increase	$10,022,040
• Net Departmental Retirement Increase	$ 4,691,604
• Telecommunications and Radio Charges	$ 452,289
• Net Risk Management Charges	$ 12,163,553

Elections

- The General Fund operating budget is recommended at $10M and includes:
  - Premium Poll Worker Training for $200K
  - Property Lease for $75K
- The Primary and General Election Cycle budget is recommended at $1.9M
- Contingency has been set aside for:
  - 10 positions for $887K
  - SiteBooks and ballot on demand printers for $1.4M

Recorder

- The General Fund operating budget is recommended at $7M and includes the following increases:
  - Two Voter Registration Staff for $131K
  - Budget Analyst for $96K
  - IT Quality Assurance Analyst for $83K
  - Part-time Recording staff for increased volume for $36K

- The General Fund non recurring budget is recommended at $796K and includes:
  - New Voter ID cards printing and mailing for $596K
  - Redistricting costs for $200K

Treasurer

- The General Fund operating budget is recommended at $7.4M

- Contingency has been set aside for:
  - Outside audit for $50K
  - Tax bill mailing for $400K

- Special Revenue Fund budgets total $125K

Maricopa County Treasurer

Assessor

- The General Fund operating budget is recommended at $27.7M and includes the following increases:
  - $380K for MARS Cloud Hosting and Maintenance
  - $362K for Digital First initiatives
- Continues General Fund operating appropriation for Legal Class Verification (LCV) Program at $187K

County School Superintendent

- The General Fund operating expenditure budget is recommended at $3.0M, which includes:
  - Personnel and supplies costs for one Communications position for $116K
- The Detention Fund operating expenditure budget is recommended at $275K, which includes:
  - Three new Transition Facilitator positions for $275K
- Contingency has been set aside for:
  - Accommodation school funding and 2 positions for $2.3M
  - 1 Communication Position for $116K
  - Detention education school funding for $1.6M

Clerk of Superior Court

- The General Fund operating budget is recommended at $39.6M
  - This includes $58K for the Maryvale Expansion
- Special Revenue Fund budgets total $13.1M

Judicial Branch – Adult Probation

- The General Fund operating budget is recommended at $70.6M and includes:
  - Net reduction of 10 positions due to a decrease in caseloads for ($1.1M)
  - Resource shift of $1.2M to support a decline in special revenue funds
  - Net change to personnel and benefits excluding base retirement and medical of ($208K)

- The Detention Fund operating budget is recommended at $42.5M.
  - Net reduction of 3 positions due to a decrease in caseloads for ($300K)
  - Net change to personnel and benefits excluding base retirement and medical of ($101K)

Judicial Branch – Juvenile Probation

- The General Fund operating budget is recommended at $22.0M and includes:
  - Net reduction of 3 positions due to a decrease in caseloads for ($240K)
  - Net change to personnel and benefits excluding base retirement and medical of ($281K)
  - Resource shift of $894K to support a decline in special revenue funds
- The Detention Fund operating budget is recommended at $36.1M and includes:
  - Net reduction of 16 positions due to a decrease in caseloads for ($1.2M)
  - Net change to personnel and benefits excluding base retirement and medical of ($1.3M)

Judicial Branch – Superior Court

- The General Fund operating budget is recommended at $98.0M and includes:
  - Maryvale expansion for $429K
- The General Fund non recurring budget includes the following one-time items:
  - Data mapping consultant for $300K
  - Security equipment for $707K

Justice Courts

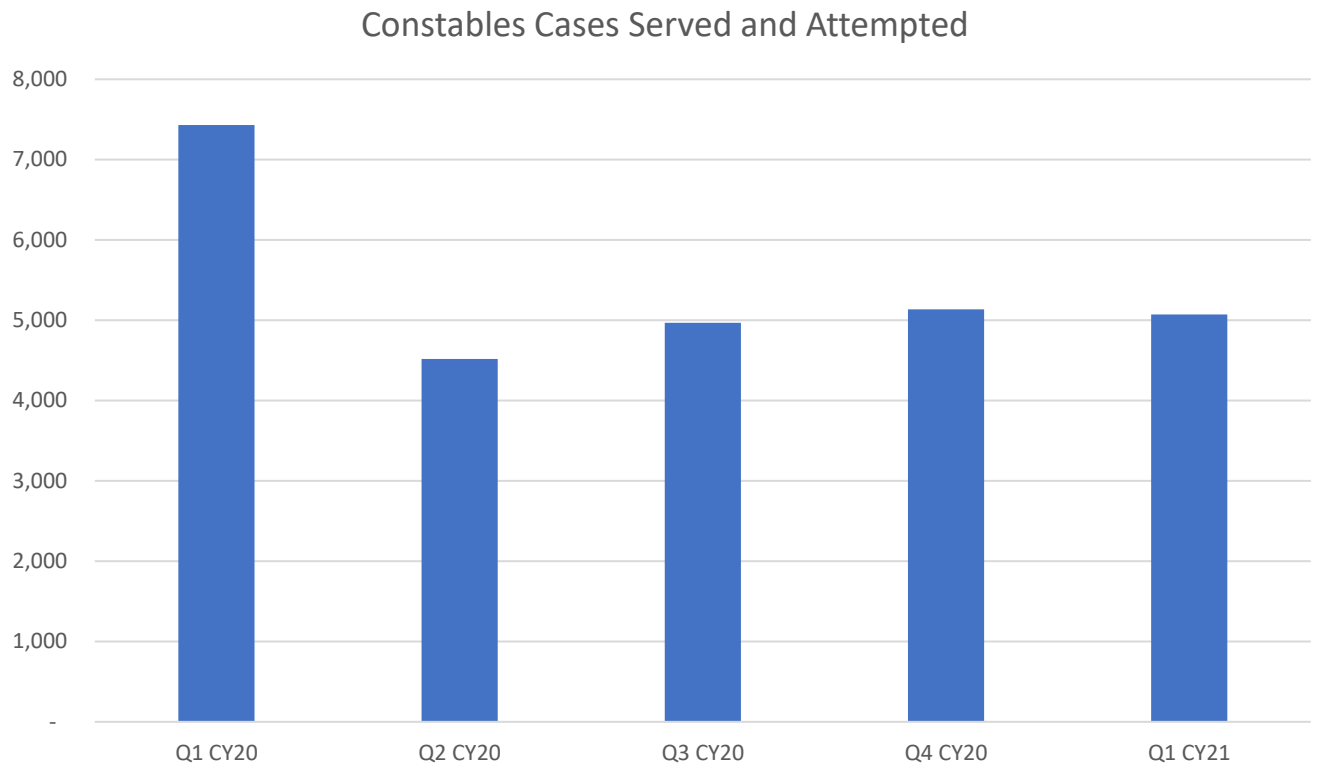
- The General Fund operating budget is recommended at $21.9M

- Special Revenue fund budgets total $7.7M

Justice Courts Case Filings			
Justice Court Filings	**April 2019 – March 2020**	**April 2020 – March 2021**	**Percent Change**
DUI	7,823	7,481	-4.4%
Civil Traffic	121,486	86,208	-29.0%
All Other Criminal Traffic	20,532	14,714	-28.3%
Misdemeanor	10,340	8,008	-22.6%
Small Claims	12,068	9,476	-21.5%
Eviction Actions	71,501	32,732	-54.2%
Other Civil Filings	78,931	67,045	-15.1%
Orders of Protection	3,448	3,430	-0.5%
Injunctions	2,020	2,006	-0.7%
Totals	**328,149**	**231,100**	**-29.6%**

Constables

- The General Fund operating budget is recommended at $3.9M



Sheriff's Office

- The General Fund operating budget is recommended at $132.4M and includes:
  - Decrease of $4.0M due to anticipated Queen Creek contract end date of December 31, 2021
  - $340K for IT software and maintenance costs
  - Net change to personnel and benefits excluding base retirement and medical of ($335K)

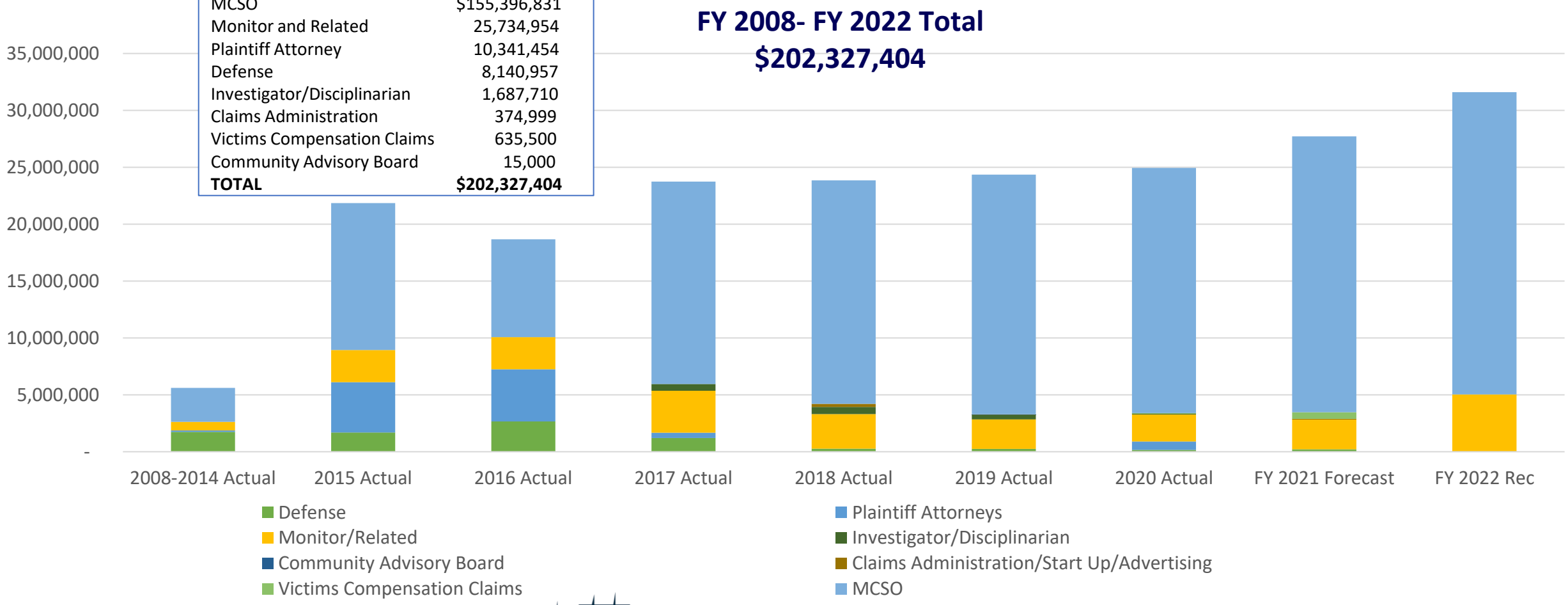
- One-time funding is recommended for:
  - VHF radio system refresh for $803K
  - EOD heavy robot for $360K
  - Buckeye Hills Range environmental remediation for $250K
  - SWAT Bomb Truck for $90K

Melendres Judgment Order

- The MCSO General Fund Compliance operating budget is recommended at $26.6M and includes:
  - Net change to personnel and benefits excluding base retirement and medical of ($62K)
  - Supplies and Services increase of $49K

Melendres Costs by Year

FY 2008-FY 2022 Total	
MCSO	$155,396,831
Monitor and Related	25,734,954
Plaintiff Attorney	10,341,454
Defense	8,140,957
Investigator/Disciplinarian	1,687,710
Claims Administration	374,999
Victims Compensation Claims	635,500
Community Advisory Board	15,000
TOTAL	**$202,327,404**



Sheriff's Office

- The Detention Fund operating budget is recommended at $240.6M and includes:
  - Sheriff's Office submission under baseline of $1.0M
  - $668K to civilianize 12 Food Services positions and 7 new Detention Sergeants
  - $139K for Shield Software ongoing costs
  - Net change to personnel and benefits excluding base retirement and medical of ($161K)

- One-time funding is recommended for:
  - Safety Equipment for new Detention Sergeant positions for $31K
  - Shield Software costs of $1M

County Attorney

- The General Fund operating budget is recommended at $103.9M and includes an increase for:
  - Maryvale Expansion of $483K
- Special Revenue fund budgets total $11.8M

MARICOPA COUNTY
ATTORNEY'S OFFICE

Public Defense System

- The General Fund Operating Budget is recommended at $138M and includes:
  - Maryvale Expansion $358K

- One-time funding is recommended for:
  - Capital Post Conviction Relief backlog for $1.5M

Public Defense is replacing the case management system and additional contingency has been set aside.

Public Fiduciary

- The General Fund operating budget is recommended at $4.7M and includes increases for:
  - Case Management System subscription of $150K
  - Maryvale Expansion $56K

- The General Fund Non Recurring budget includes $300,000 for the new Case Management System implementation.

Animal Care and Control

- The General Fund operating budget is recommended at $945K and includes:
  - Increase of $13K funding for additional field operations
- The Shelter Fund operating budget is recommended at $17.3M and includes:
  - Transfer from General Fund to cover revenue shortfall and increased Risk charges of $3.6M
- The Shelter Fund non recurring budget includes vehicle replacements of $171k and Other IT costs of $16K.

Equipment Services

- The General and Detention vehicle replacement operating budget is recommended at $7.5M and includes:
  - Increase of $624K for MCSO vehicles request
- One-time funding is recommended for:
  - $4.6M for prior year vehicle delays
  - $2.7M for MCSO vehicles request
  - $300K for total loss vehicle replacements
  - $50K for Sheriff inmate transport buses

Enterprise Technology

- The General Fund operating budget is recommended at $13.6M and includes a $194K submission under baseline
- The General Fund Major Maintenance operating budget is recommended at $26.8M and includes an increase of:
  - $3.4M for various major maintenance projects
- The Detention Fund operating budget is recommended at $1.1M
- New one-time General and Detention funding is recommended for:
  - Digital County Initiatives at $1.5M
  - Desktop-Laptop Replacement at $4M

Integrated Criminal Justice Information System

- The Detention Fund operating budget is recommended at $1.8M and includes an increase of:
  - $123K for Hardware and Software Maintenance/Support

County Manager

- The General Fund operating budget is recommended at $2.9M, and includes the following:
  - $80K for a new Social Media Communications Officer position

Emergency Management

- The General Fund operating budget is recommended at $3.8M and includes the following increases:
  - $225K to provide additional security at Durango/ITR and the Jackson St. Garage
  - $150K for Security Guard Contract Renewal

- The Detention Fund operating budget is recommended at $49K

Medical Examiner

- The General Fund operating budget is recommended at $13.6M and includes:
  - Locum Tenens Physician Program for $225K
  - 9 new positions for $688K
  - Contract Neuropathy Services for $70K

- The General Fund non recurring budget includes:
  - One-time funding for a Forensics Digital X-Ray System for $650K

Public Health

- The General Fund operating budget is recommended at $17M and includes:
  - 30 new positions for $2.6M
  - Medical and office supplies for clinical services expansion for $48K
  - Indigent decedent program additional costs for $189K

- Public Health's Special Revenue Funds budgets total $67.9M and include:
  - $59.4M in the Public Health Grants Fund
  - $8.5M in the Public Health Fees Fund

Maricopa County Public Health
WeArePublicHealth.org

Human Services

- The General Fund operating budgets are recommended at $4.3M and include:
  - A Mental Health Liaison for $150K
  - A Senior and Adult Services Case Manager for $150K

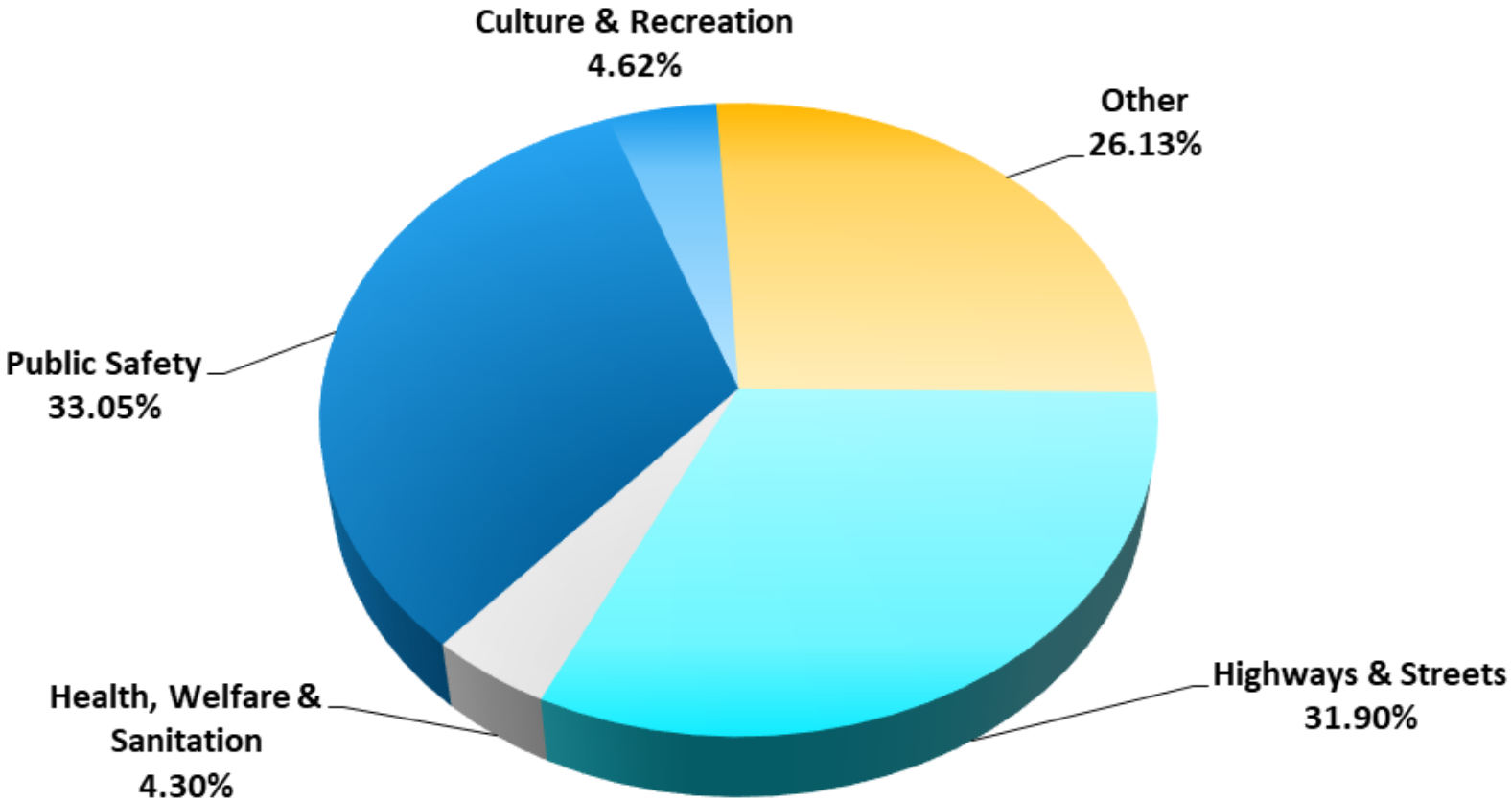
- The Human Services Grants budgets total $98.7M and include:
  - Coronavirus Relief Funds for the Emergency Rental Assistance Program for $38.7M
  - Increase to transfer in from the General Fund for administrative sustainability for $550K

Homelessness Initiative

- New initial funding of $4 million for potential:
  - Start-up costs for programs and services
  - Time-limited services to meet current needs, such as short term "bridge" housing

- Ongoing funding of $1 million for potential:
  - Support for small to mid-size shelters
  - Bridge housing for people transitioning from street homelessness to housing

FY 2022 Use of Capital Funds $349,092,810



**Other = Assessor (CAMA), Treasurer (TTSU & DYUP), Budget/Finance/Procurement (ERPS), Equipment Services , Enterprise Technology (TIR2), Human Resources (HRIS), Facilities (ADBR), Treasurer (PRSC)*

Continuing Parks Capital Projects - $13.3M in FY 2022

Project	FY 2022	Total Project
• Entry Station and Maintenance Buildings	$ 1.1M	$ 1.2M
• Estrella Ramada Renovations	$ 250K	$ 1.6M
• Goldmine Trailhead Area at San Tan Mountain Reg. Park	$ 2.1M	$ 2.2M
• Lake Pleasant Campsite Repairs and Renovations	$ 1.3M	$ 1.5M
• Lake Pleasant Water Storage Tank Upgrades	$ 382K	$ 541K
• Maricopa Regional Trail System	$ 479K	$ 5.9M
• Vulture Day Use Design/Engineering	$ 198K	$ 375K
• Vulture Mountain	$ 7.4M	$ 7.7M

FY 2022 New Parks Capital Project Expenditures - $2.9M

Project	FY 2022	Total Project
• Parking Lot Repairs	$ 1.4M	$ 1.4M
• Campground Development & Improvement	$ 1.5M	$ 1.5M

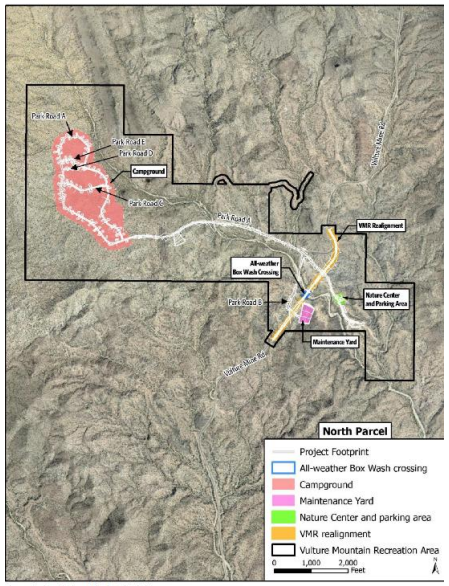


Figure 3. North Area Project Vicinity

Continuing Facilities Capital Projects - $97.4M in FY 2022

Project	FY 2022	Total Project
• 301 - Administration Building Renovation	$ 47.8M	$ 78.2M
• Equipment Services – Fuel Stations Downtown Phoenix	$ 3.2M	$ 3.7M
• Equipment Services Center Buckeye	$ 3.5M	$ 5.4M
• MCSO Substation at Avondale Campus	$ 16.4M	$ 21.0M
• Southeast Regional Justice Center at Mesa	$ 19.1M	$ 52.3M
• Superior Court Central Building 11th Floor	$ 36K	$ 7.4M
• Superior Court Central Building 12th Floor	$ 7.2M	$ 7.6M
• Superior Court Central Building	$ 50K	$ 6.9M

New Facilities Capital Projects - $48.3M in FY 2022

Project	FY 2022	Total Project
• Durango Jail Demolition	$ 7.8M	$ 7.8M
• Durango Fuel Demolition	$ 180K	$ 180K
• East Valley Animal Care and Control Facility	$ 15.0M	$ 27.5M
• Emergency Management Facility	$ 10.1M	$ 19.1M
• MCSO District 3 Surprise Station	$ 2.7M	$ 11.5M
• MCSO Security Surveillance Projects	$ 1.0M	$ 1.0M
• MCSO SWAT/Major Crimes/K-9 Kennel	$ 5.0M	$ 15.9M
• Northeast Regional Parking Lot	$ 2.0M	$ 2.0M
• Southeast Juvenile Facility Remodel	$ 4.5M	$ 4.5M

Continuing Technology Capital Projects - $76.0M in FY 2022

Project	FY 2022	Total Project
• Computer Aided Mass Appraisal	$ 3.8M	$ 28.9M
• Enterprise Resource Planning System	$ 4.0M	$ 39.1M
• Infrastructure Refresh Phase II	$ 4.6M	$ 70.0M
• Jail Management Information System	$ 1.9M	$ 25.1M
• Public Safety Radio Refresh	$ 11.1M	$ 34.3M
• Radio System	$ 2.6M	$131.4M
• Treasurer Technology System Upgrade	$ 9.5M	$ 42.4M
• Treasurer System Upgrade Project Reserve	$ 2.5M	$ 3.7M
• Electronic Court Recording System Project	$ 23.7M	$ 37.8M
• Human Resources Information System	$ 8.2M	$ 15.0M
• Dynamics 365 Upgrade	$ 4.0M	$ 4.0M

$1.29 Billion Unfunded Projects

- Animal Care and Control Facilities
- Avondale Court Addition
- Bluepoint MCSO Garage
- Central Courts Plaza Renovation
- Court Master Plan
- Elevator Upgrades
- Jail Master Plan
- MCSO - 4th Avenue Renovations
- MCSO - Security Hardening
- MCSO - Security Surveillance
- MCSO – Substations
- MCSO - Buckeye Hills Relamping
- Security Building Replacement
- South Court Tower Buildout
- Southeast Juvenile Courts Construction
- Superior Court Central Court
- Parks Master Plan

Retirement Issues

- Retirement contributions from the General and Detention funds are increasing $4.7M
- Rates are expected to increase to address funded status and market conditions

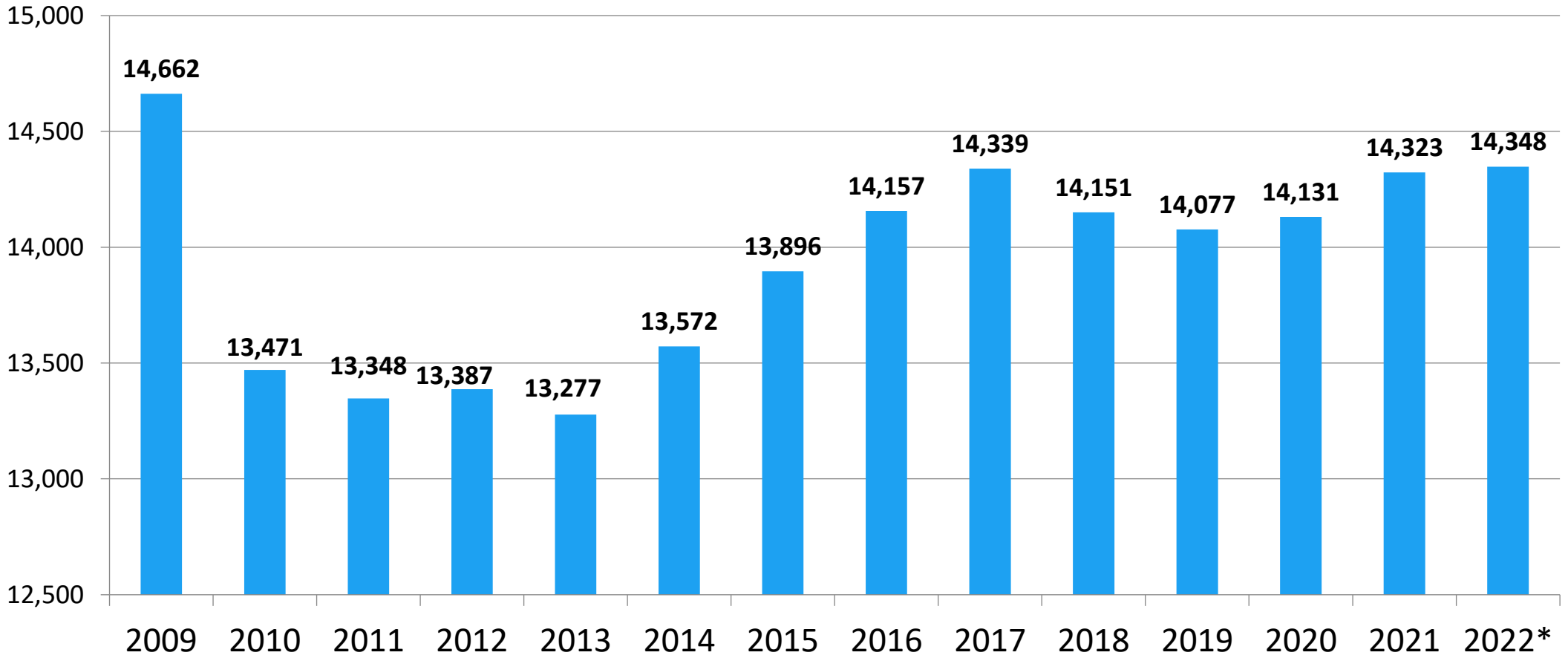
Plan	FY 2021 Employer Contribution	FY 2022 Employer Contribution	6/30/20 Unfunded Liability	6/30/20 Funded Ratio
PSPRS	65.03%	70.16%	363,676,088	44.5%
CORP	29.46%	29.27%	297,016,931	52.6%
PORP*	34.11%	35.97%	447,275,060	53.2%
EORP*	61.43%	61.43%	652,447,591	32.1%
ASRS+LTD*	12.22%	12.41%	15,856,014,344	72.8%
*State-wide plan				

Unfunded Actuarial Accrued Liability (UAAL) Payment Options

- Amortize as part of retirement contribution rate
- Lump sum contribution
- Borrow long-term
- Borrow short-term

Continue to explore options and identify risks and benefits of each

Budgeted FTE's



** Recommended Budget*

FY 2022 Highlights

- Includes a flat tax rate
- Maintains structural balance
- Retains General Fund and Detention reserves at 2 months of operating expenses
- Funds all retirement rate increases
- Investment in capital and infrastructure
- Addresses needs identified as a result of the pandemic

Moving Forward

- Continue to monitor revenue
- Review Lessons Learned from the pandemic
- Plan for the next downturn
  - Continue with Conservative Revenue Estimates
  - Continue to Identify and Fund Future Impact Funding of Current Decisions
    - Annualization of mid-year projects in initial year; Future year known investment funding; Future operating maintenance; Future State Issues
  - Continue with operating contingency separate from reserves
  - Continue with reserves at 2 months of operating budget in major funds
  - Continue annual compensation decisions at the discretion of Board

Budget Calendar – Remaining Dates

May 17	Tentative Budget Adoption
June 21	Final Budget Adoption
August 16	Property Tax Levy Adoption

MARICOPA COUNTY

BUDGET

FY 2022

MARICOPA COUNTY FLOOD CONTROL DISTRICT BUDGET

FY 2022

Flood Control District

- Overall expenditures of $137.8M
- A flat tax rate results in a levy of $80.4M
- FY 2022 CIP of $92.5M
- Five-year CIP projected to be $433.9M

MARICOPA COUNTY LIBRARY DISTRICT BUDGET

FY 2022

Library District

- Overall expenditures of $35.6M
- A flat tax rate results in a levy of $27.1M

MARICOPA COUNTY STADIUM DISTRICT BUDGET

FY 2022

Stadium District

- Overall expenditures of $12,050,000
  - Estimated distribution of $6.5M in car rental surcharge to Arizona Sports and Tourism Authority
  - Non-recurring disbursement of an estimated $5.3M in excess car rental surcharge to Arizona Sports and Tourism Authority
  - Estimated other expenditures of $250,000

MARICOPA COUNTY

BUDGET

FY 2022