

Pinal County Tentative Budget Fiscal Year 2022 – 2023

Office of Budget and Finance
June 8, 2022



PINAL COUNTY

WIDE OPEN OPPORTUNITY

FY 2022 – 2023

Budget Guidance & Priorities

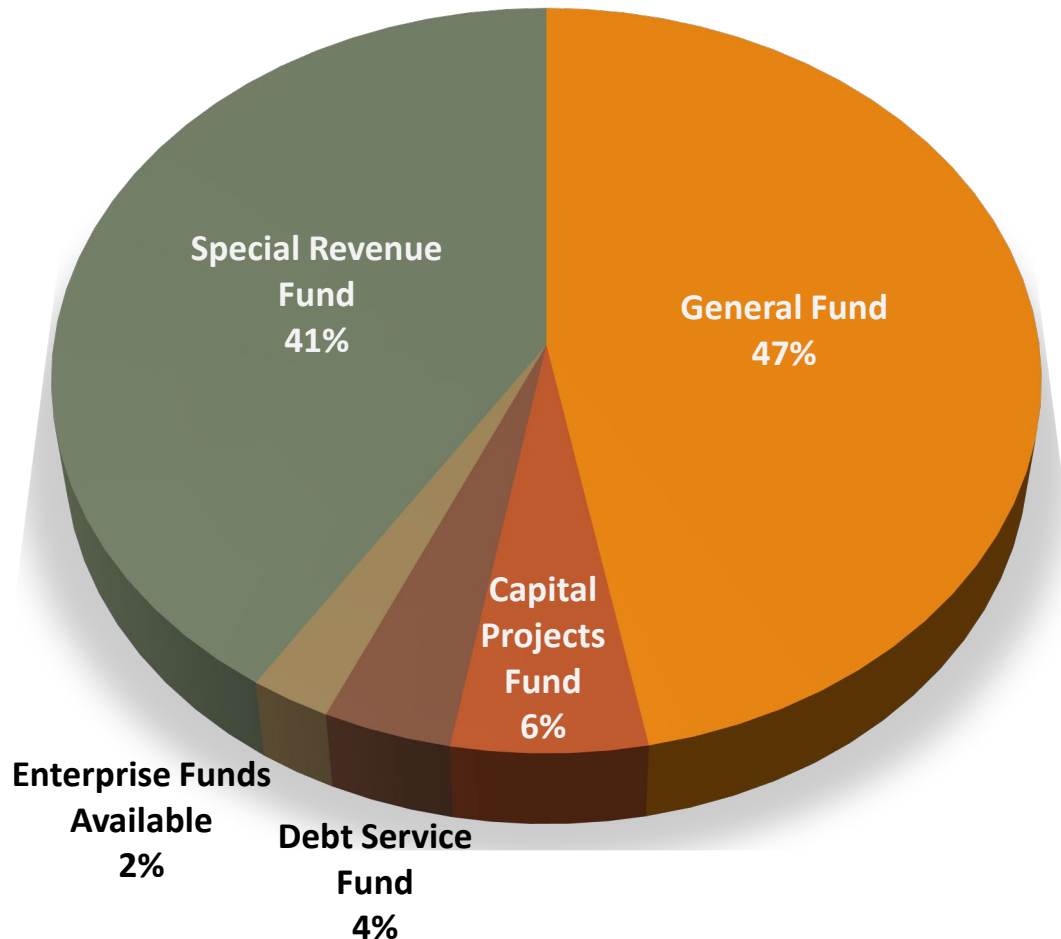


- Countywide Strategic Priorities
 - Maintain a 20% unrestricted general fund financial stability reserve
 - Reduce the primary property tax rate
- Structurally Balanced Budget
 - Department requests not to exceed ongoing revenues
 - Use one time revenues to fund one time expenditures
- Employee Compensation
- Medical Benefits Trust – No cost increases to employees



Pinal County – Total Budget

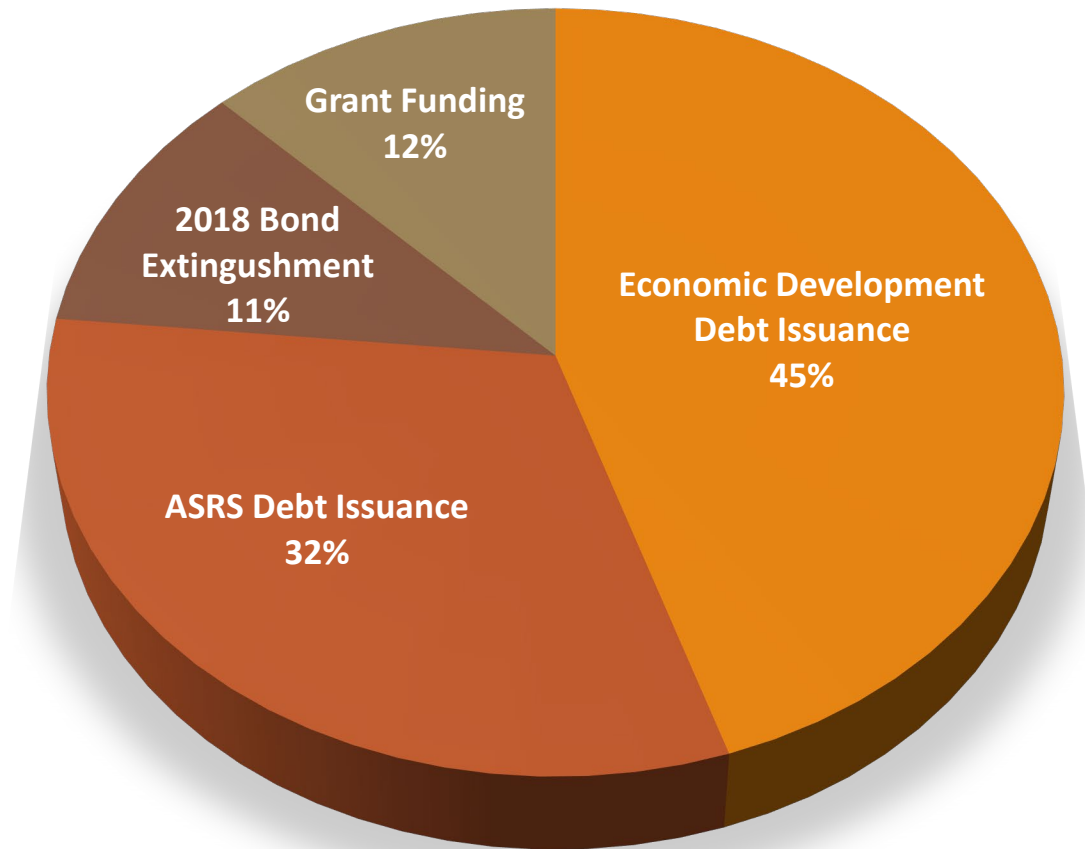
\$1,017,055,235





FY 22/23 Increase to Budget

\$282,553,471





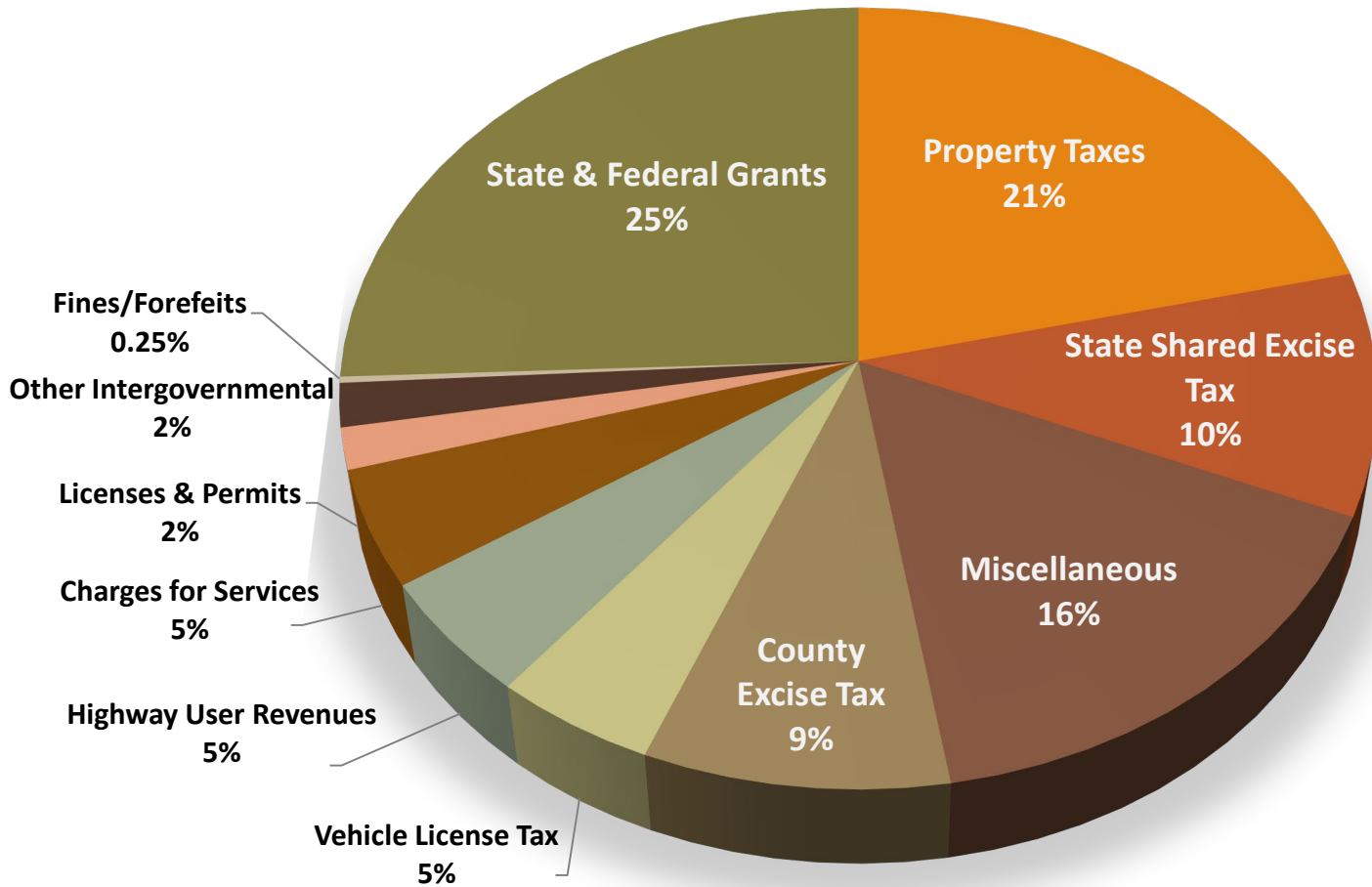
FY 2022 – 2023 Highlights

- Pinal County continues its commitment to financial strength while reducing the primary property tax rate and increasing service quality. The budget includes a 13 cent primary property tax rate reduction from \$3.69 to \$3.56
- New construction valuation is \$103M (3.59% growth). The increase in existing property valuation is \$280M (5.40%)
- Local excise tax and state shared tax revenue is included at a slight increase due to uncharacteristically high collections in FY 21/22 and changing economic circumstances
- Reallocations and budgetary increases in GF funding to enhance ongoing services
- Investment of one time revenues in capital replacements or improvements
- Strategic compensation increases & increased employee medical benefits contributions



FY 2022-2023 Total Revenues (All Funds)

\$553,106,651

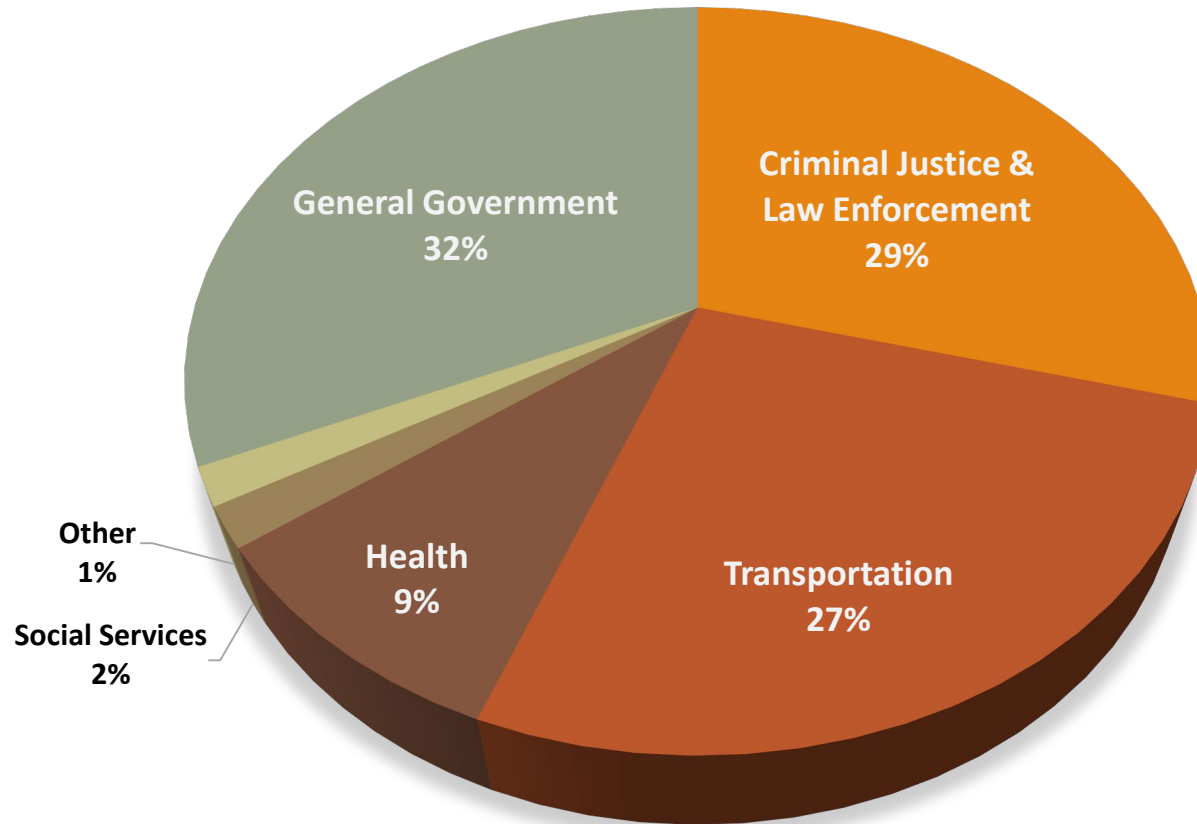


*Excludes Transfers, Debt Issuance and Fund Balance



Distribution of All Funds

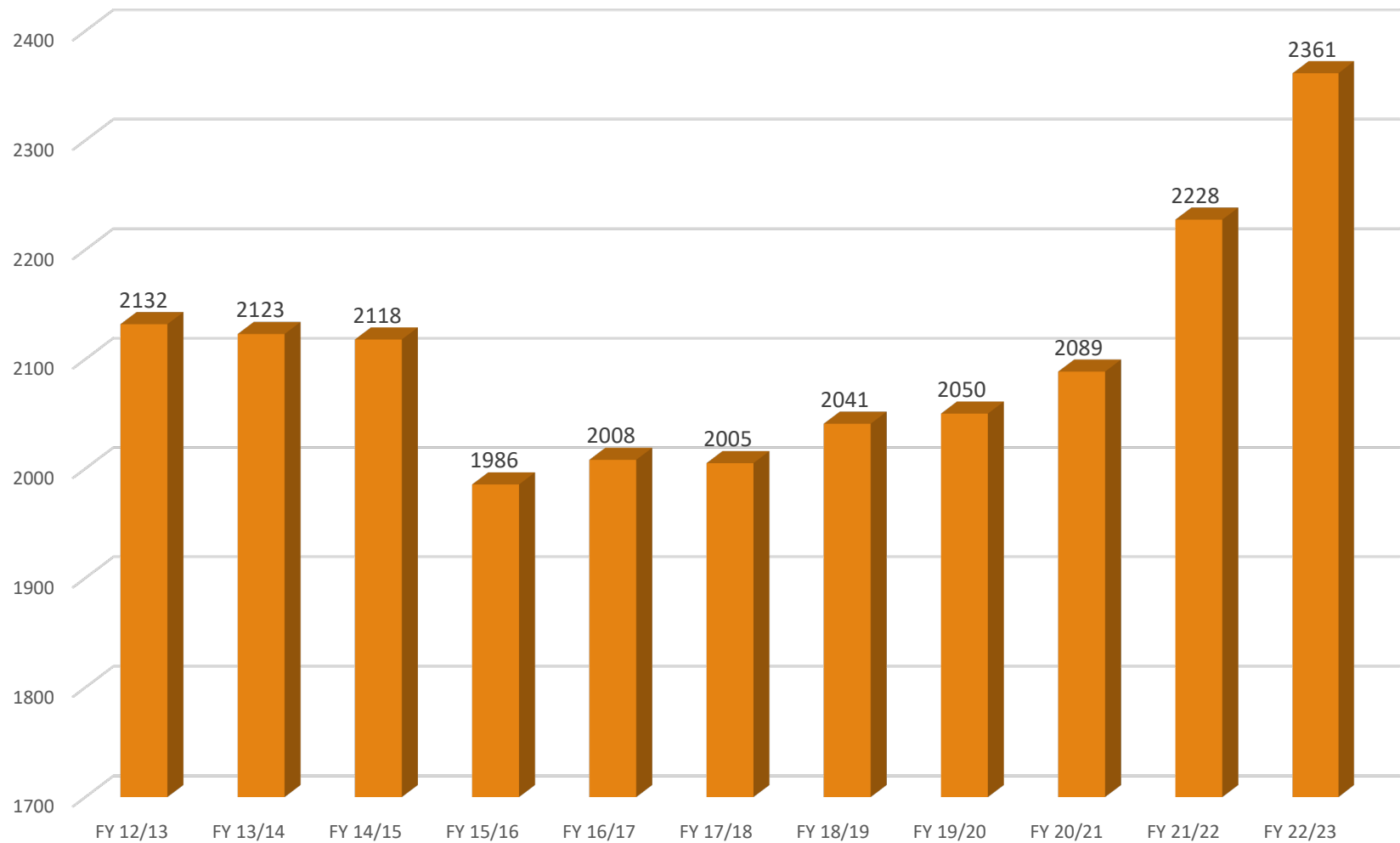
\$520,062,737



*Excludes Transfers, Debt Issuance and Contingency

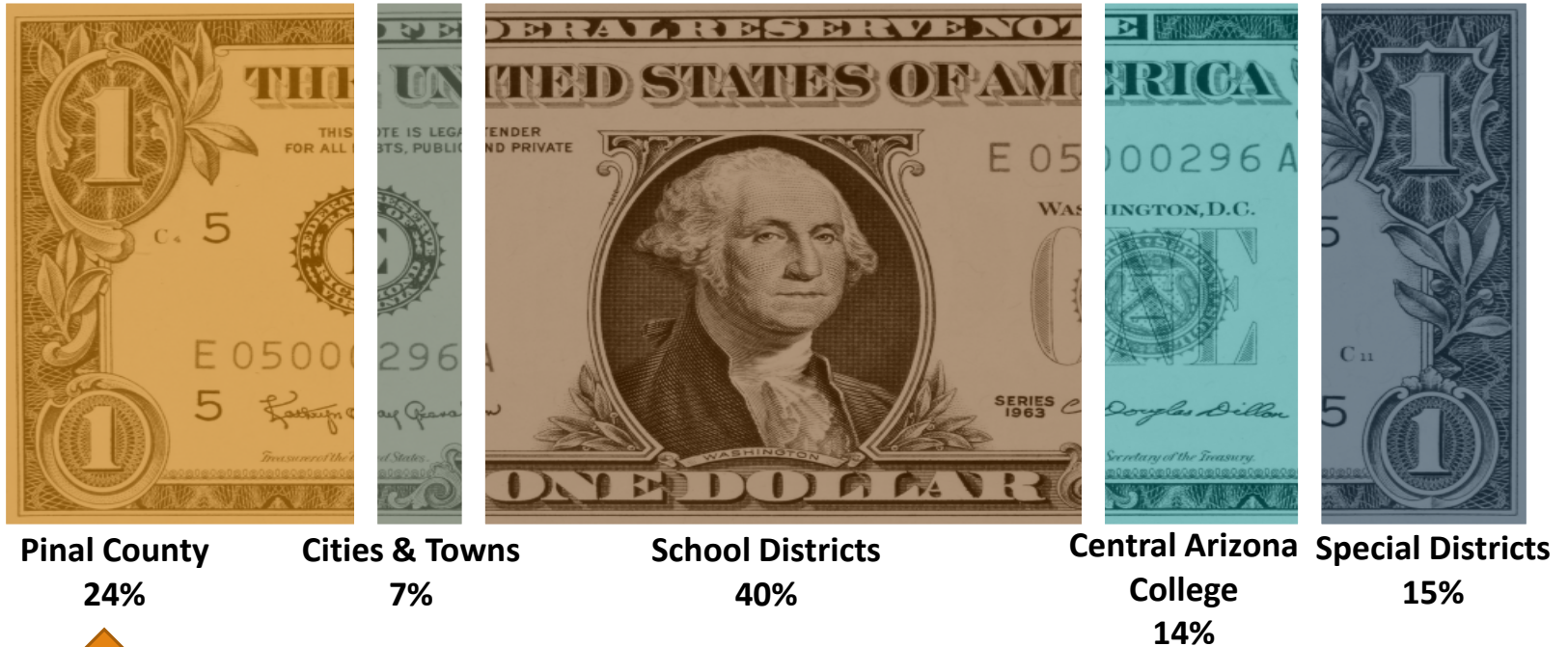


Full Time Employees (All Funds)



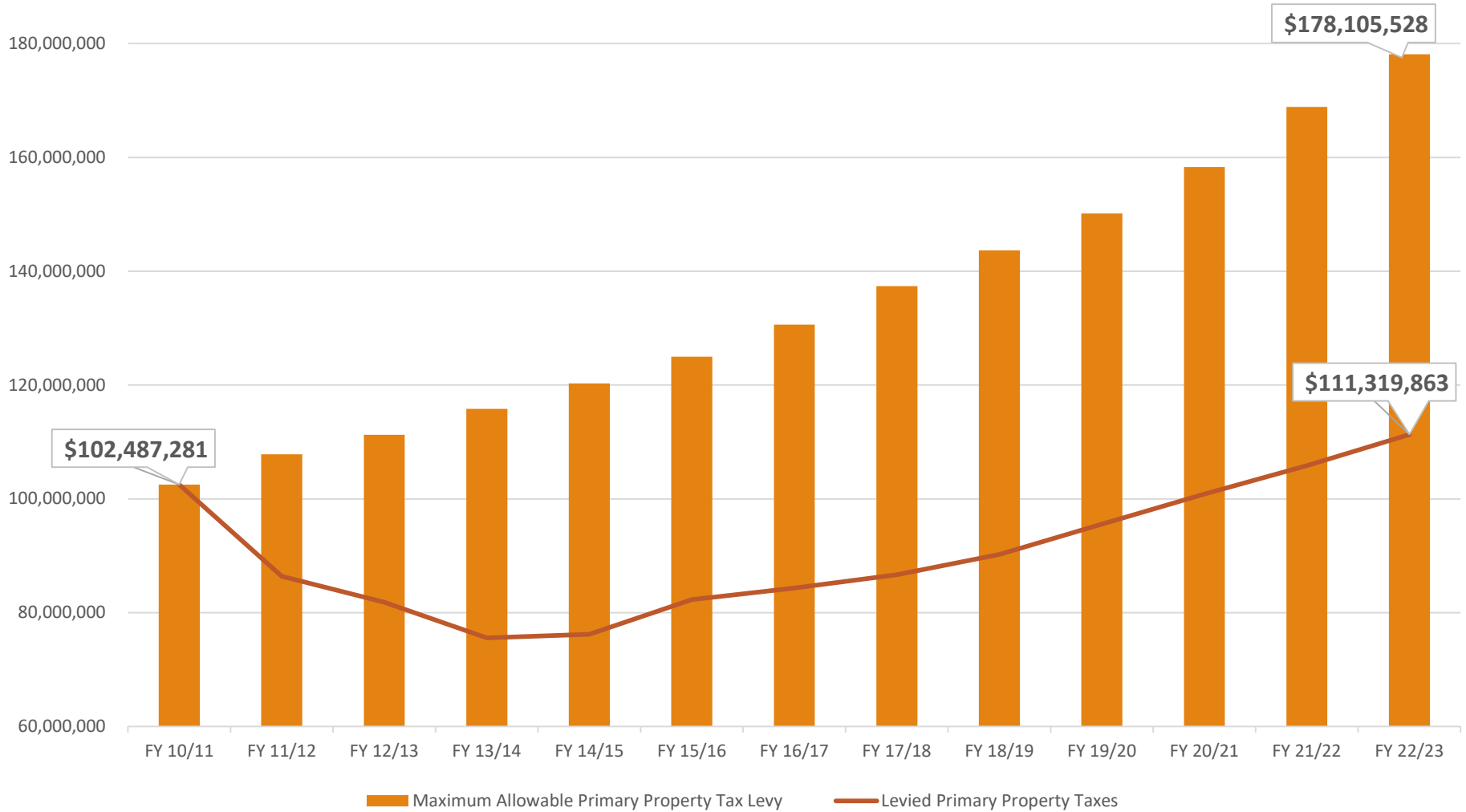


Property Tax Dollar



On average, the FY 2021-2022 Pinal County portion of the tax levy is roughly 24 cents of your tax dollar. This is down from 31 cents in FY 2010-2011.

Primary Property Tax: Max Levy vs. Actual Levy





Primary Property Tax & Inflation

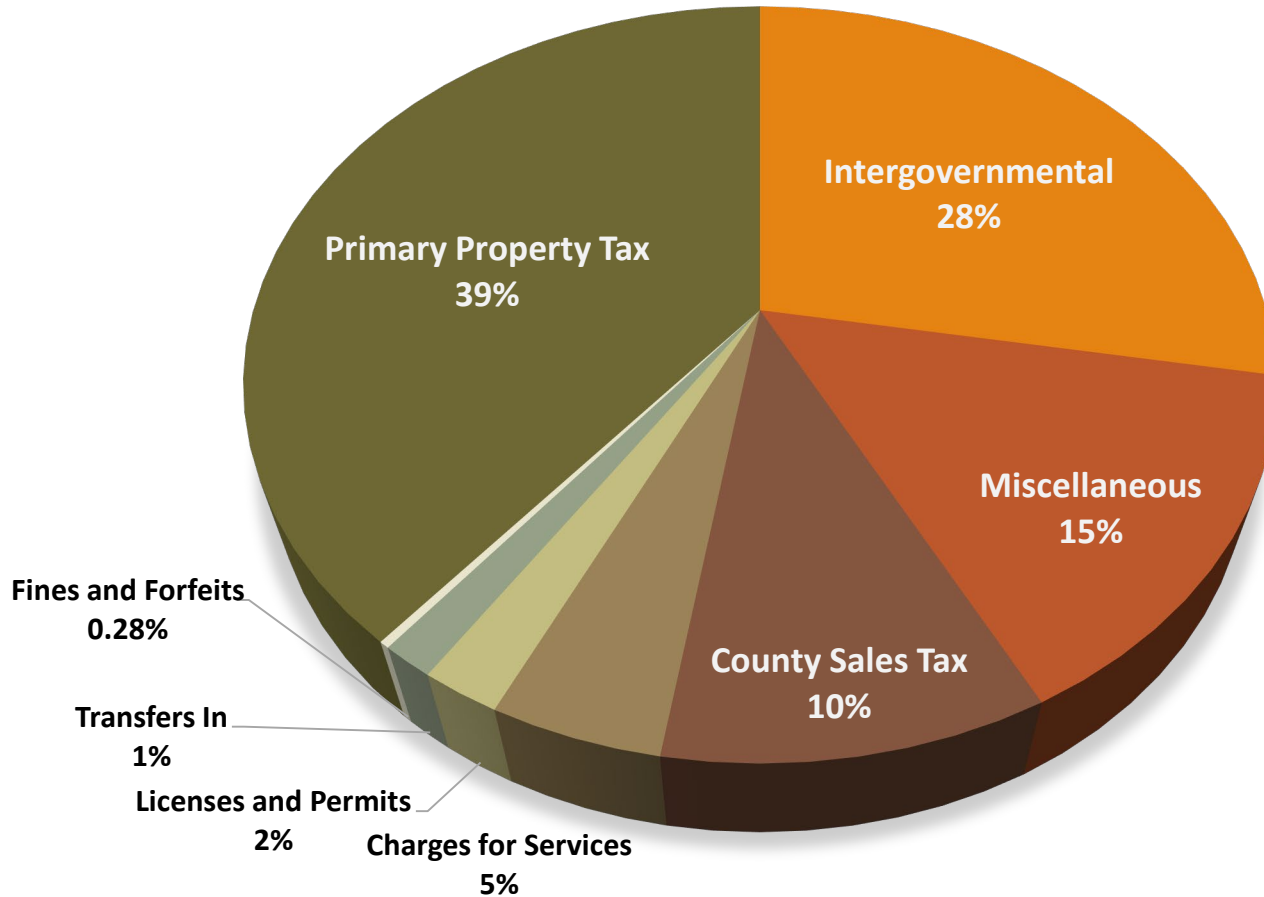
FY 10/11 Levy \$102,487,281 is equal to \$131,724,580 in 2022

- National Average inflation rate of 2.31% per year between 2011 and 2022, producing a cumulative price increase of 28.53%.
- According to the Bureau of Labor Statistics consumer price index, today's prices are 1.29 times higher than average prices in 2011.
- An estimated 3.16% increase in inflation for 2023 means that \$111,319,863 in 2022 will be equivalent to \$114,834,571 in 2023.



General Fund Revenue Budget

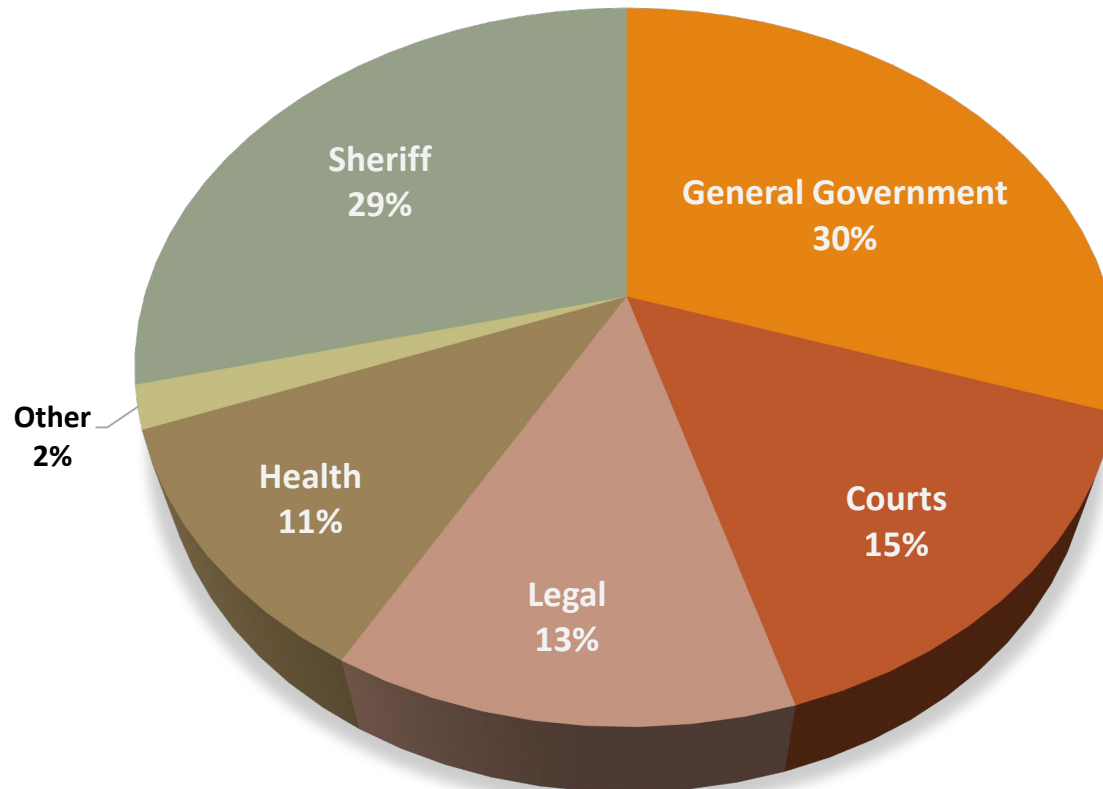
\$282,063,277



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



Distribution of General Fund



*Does not include reserves, transfers, salary increases & medical benefits

Notes: Health includes mandatory AHCCCS contributions and Behavioral Health; General Government includes Assessor, Recorder, Treasurer, Board of Supervisors/appointed, and countywide utilities and facilities; Legal includes County Attorney and Public Defense Services; Courts includes Clerk of the Court, Superior Court, Juvenile Court, Adult Probation, Conciliation Court, Constables and JP Courts, and Other includes Transportation, Education, Social Services, and Recreation.

FY 2021-2023 General Fund Forecast

	FY 20-21 Unaudited Actuals	FY 21-22 Projection	FY 22-23 Projection Primary Property \$3.56 rate (13 cent)
BEGINNING FUND BALANCE	\$37,965,204	\$61,783,190	\$68,909,648
REVENUES			
Property Taxes and Tax Lien Sales	\$101,529,891	\$106,603,078	\$112,006,665
County Sales Tax	\$24,692,328	\$27,980,213	\$28,539,817
License & Permits	\$6,047,479	\$6,207,685	\$6,238,723
Intergovernmental	\$72,327,320	\$76,608,119	\$78,140,281
Charges for Services	\$12,440,101	\$13,069,549	\$13,134,897
Fines & Forfeits	\$1,059,512	\$1,051,240	\$1,056,496
Miscellaneous	\$4,441,141	\$7,077,871	\$1,767,027
Transfers In	\$5,795,325	\$9,797,206	\$4,797,206
TOTAL REVENUE	\$228,333,097	\$248,394,961	\$245,681,113
% Annual Change	14.57%	8.79%	-1.09%
EXPENDITURES			
Personnel	\$115,462,105	\$124,302,504	\$125,621,317
Compensation			\$10,000,000
Non-Personnel	\$59,703,694	\$70,956,345	\$74,456,345
Transfers Out	\$29,349,312	\$46,009,654	\$26,679,245
Department Ongoing Requests			\$8,727,369
TOTAL EXPENDITURES	\$204,515,111	\$241,268,503	\$245,484,276
REVENUE LESS ONGOING EXPENDITURE	<u>\$23,817,986</u>	<u>\$7,126,458</u>	<u>\$196,837</u>
Department Requests One-Time			\$1,458,065
One-Time (Capital)			\$21,189,000
ENDING FUND BALANCE	\$61,783,190	\$68,909,648	\$47,917,484
Surplus/(Deficit) as a % of Revenue	10%	3%	0%
Reserve as % ongoing outflows	30%	29%	20%



Pinal County's Tentative Budget Fiscal Year 2022 – 2023:

\$1,017,055,235

The overall budget increased by \$282,553,471, which is primarily due to increases in budget capacity for debt issuance and grant funding.

Once the Tentative Budget is adopted, it can be decreased or reallocated. However, the total budget cannot be increased. State law requires counties to budget all projected sources, including all fund balance, even if the funds 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. The Truth in Taxation rate is \$3.5008