

Maricopa County Budget Development Process



Budget and Accountability Policy



- Structural Balance
 - Operating
 - Non Recurring
- Lump Sum
 - Appropriated Level
 - Detail Budget
- Budget Guidelines
- Fully Funded Position
 - Full Year
 - Personnel Savings

MARICOPA COUNTYAZ

- Baselines/ZBB
- Non Departmental
- Reserves/Contingencies
- Fund Balances
- Major Maintenance
- Capital Improvement
- Budget Adjustments
- On-going Monitoring/Review
- Forecasts

Budget Development Process



Forecasts

- 5-year Forecast
- Economic Forecast and Revenue Update
- Current Year Forecast

Budget System/Submissions

- Internal Service Budgets
- ZBB's
- Departments
- Capital Projects

Calendar Development

- Timeline
- Submission Due Dates
- Presentations

Presentations

- Elected/Judicial Officials
- Staff Presentations (ZBB and other requests)

Budget Guidelines

- Strategic Priorities
- Economy



Forecasts



- 5-year Forecast for Major Funds
 - Final Step in Budget Development
 - Revenue Assumptions
 - Growth Assumptions
- Initial Current Year
 - Economic Update
 - Major Revenue Forecast
 - Quarterly
 - State Shared Sales/State Shared VLT/Jail Excise
 - No County General Sales Tax



Budget Calendar



- Start drafting in late August/early September
- System Preparation and Rollout
- Guideline Adoption
- Department Due Dates
- Presentations

- Review Timeframe
- Non Recurring/Capital Review Dates
- Consolidation
- Tentative Adoption
- Final Adoption
- Tax Levy/Rate Setting



Budget System



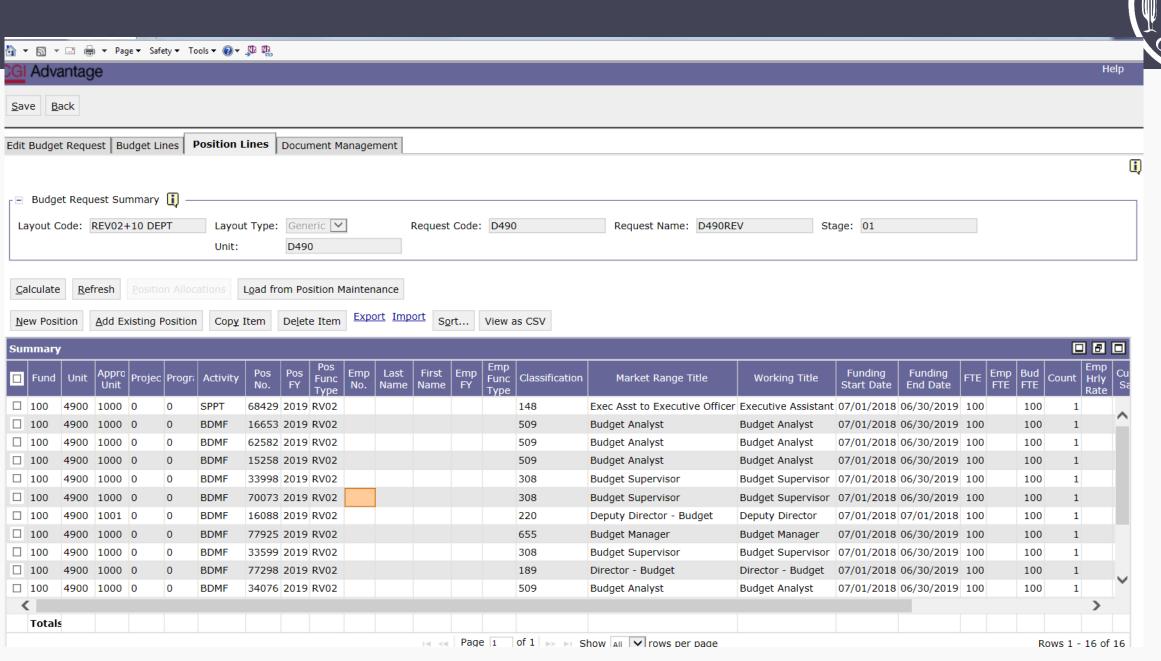
Department/Unit/Fund/Activity/Appropriation Unit/Object/Program

- Personnel budget is by position
 - Salary incumbent rate/vacant at midpoint
 - Taxes
 - Retirement by plan
 - Other (Life Insurance)
 - Health/Dental weighted average rates based on plans/tiers
 - Personnel Savings
- Supplies
- Services
- Capital

System Opens for Department Budget Development in October

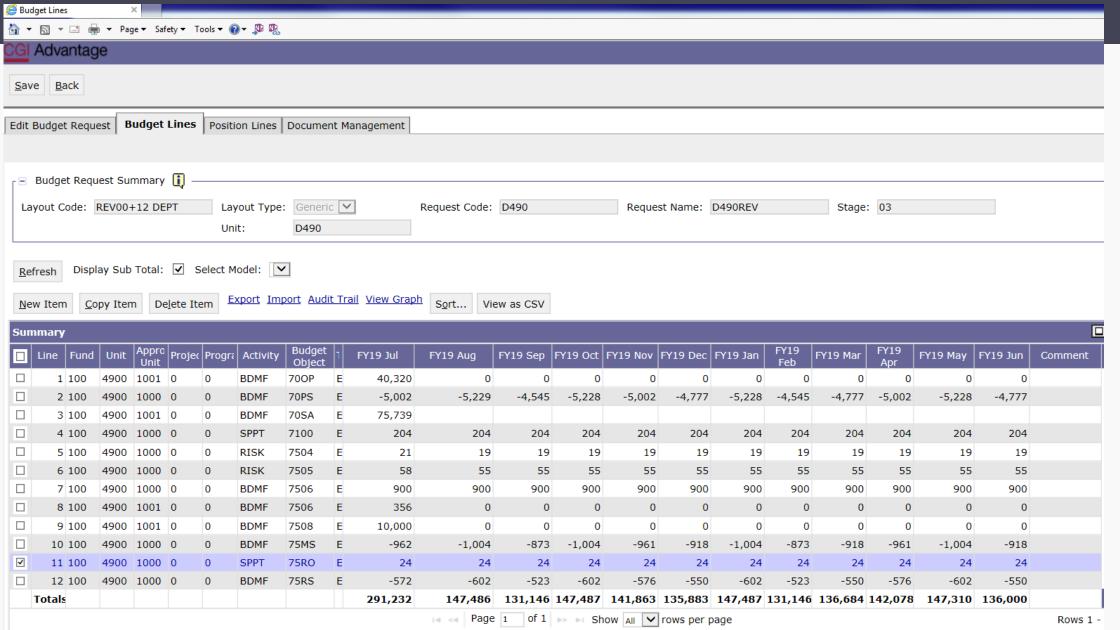


Personnel Forms



Supplies/Services/Capital Forms





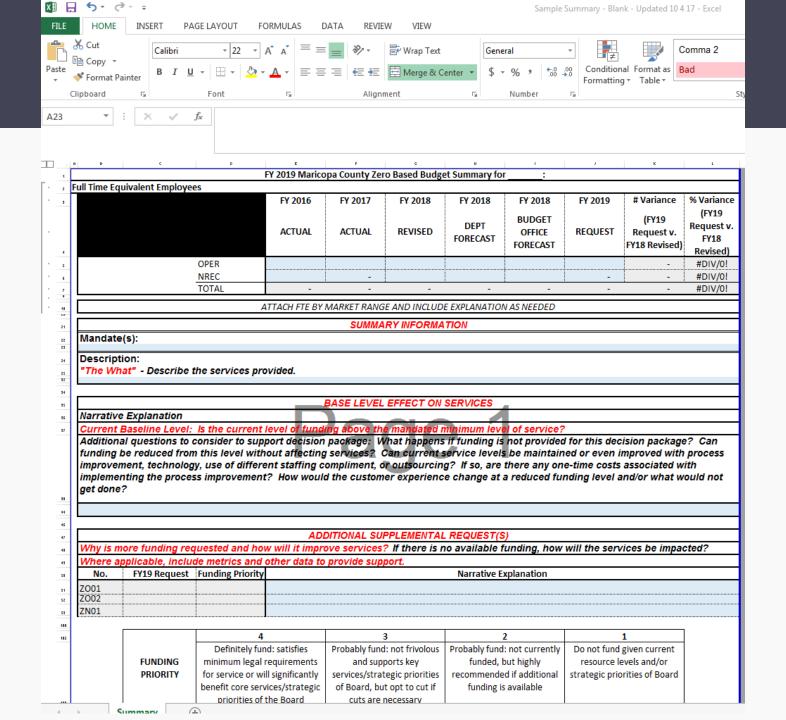
First Phase Department Budgets



- Internal Service Budgets due first (early December)
- ZBB Budgets due in mid-December
- Budget system allows for comments
 - ZBB submissions must provide comments for all lines
- Other forms
 - Grants detail forms
 - ZBB submissions also require additional details regarding services/FTE's



ZBB Form

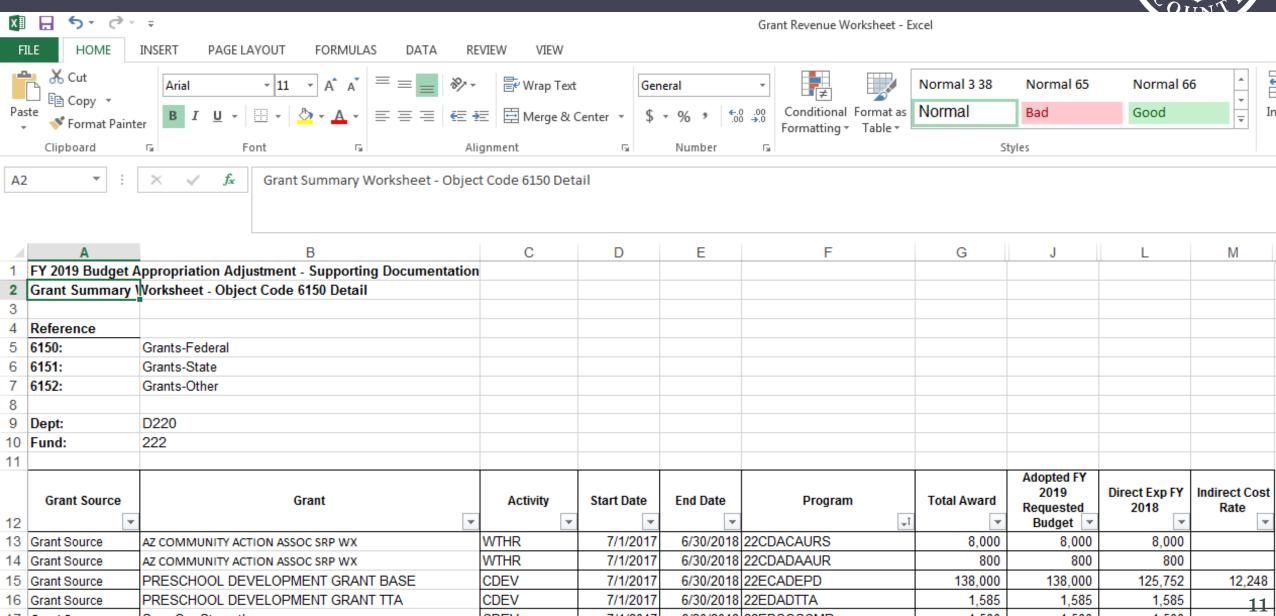






Grant Detail Form





Presentations



- Elected/Judicial Officials Presentations to the Board of Supervisors
 - December/early January
 - Ideally prior to adoption of budget guidelines
 - Identify pressing issues/needs for the next year



Budget Guidelines



- Structural Balance
- Property Taxes
- Revenue Assumptions
- Compensation Assumptions
- Retirement Funding
- Baseline Adjustments
 - Items required by state law
 - Annualization of current year changes
- Initiatives/Reductions
- ZBB

 MARICOPA
 COUNTYAZ

Budget Guidelines (continued)



- Contingency and Reserve Requirements
- Non Recurring/Capital Project Direction
- Expenditure Limitation
- Requests that do not meet guidelines must have prior approval of Board to allow for review



Department Budget Submission



- Personnel budget is by position
- Supplies
- Services
- Capital
- Non Recurring Requests
 - Carryforward
 - New
- Business case to support change to resources



Department Budgets



- Internal service charges are centrally loaded into department budget requests
- Central Service Cost Allocation charges are centrally loaded into department budget requests
- Interdepartmental allocations are centrally loaded into department budget requests



Presentations and Analysis



- Staff Level Presentations to Board Chiefs of Staff
 - ZBB's/Elected and Judicial/New Requests
 - Discuss submission
 - Present business case/additional information for requests
- Budget Office Analysis
 - Review historical trends
 - Economic considerations
 - Business case review



Current Year Forecast



- Quarterly Major Revenue Forecast from Economist
- Departmental and Budget Office Forecasts
 - In Budget System and same forms/format as budget
- Monthly (Budget and Forecasts are calendarized)
- Forecast determines funding for non recurring items, capital improvements, technology projects and reserves for future projects
 - Based on forecast after January close (7+5)



Change to Budgeting Philosophy



Previous Philosophy

- Pessimistic Revenues
- Large Contingencies
- Conservative Current Year Forecasts

Current Philosophy

- Most Likely Revenues
- Contingencies based on Historical Utilization and Risk Exposure
- Tighter Forecasts

Modified Pay-As-You-Go Capital

MARICOPA COUNTYAZ Modified Pay-As-You-Go Capital AND Capital Project Financing (within current operating budget)

Non Recurring/CIP Budgets



Sources of Non Recurring Funding

- Current year revenues in excess of budget
- Current year expenditures below budget
- Prior year fund balance in excess of estimate

Utilization of Non Recurring Funding

- Departmental Non Recurring items
- Capital Improvements
- Technology Improvements
- Reserves for Future Projects



CIP Process



- Resources Identified
- Presentation of Prioritized Projects from CIP Departments to Leadership
- Determine Projects Able to Fund With Non Recurring Resources
 - One-time Purchases
 - Full Funding for CIP Project CIP is a 5-year plan
- CIP Departments Presentation to Chiefs of Staff
- Staff Recommendation of Utilization of Non Recurring Funding



Final Steps



- Consolidation
- Presentation to Board
- Tentative Adoption
- Notice Publication
- Public Hearing/TNT Hearing if needed
- Final Adoption
- Tax Rate Setting
- Document Publication
 - Citizens' Budget Brief
 - Complete Budget Document
 - Link to expanded department section



Questions ??



Thank you!



