



Mid-Year Budget Presentation

January 17, 2012

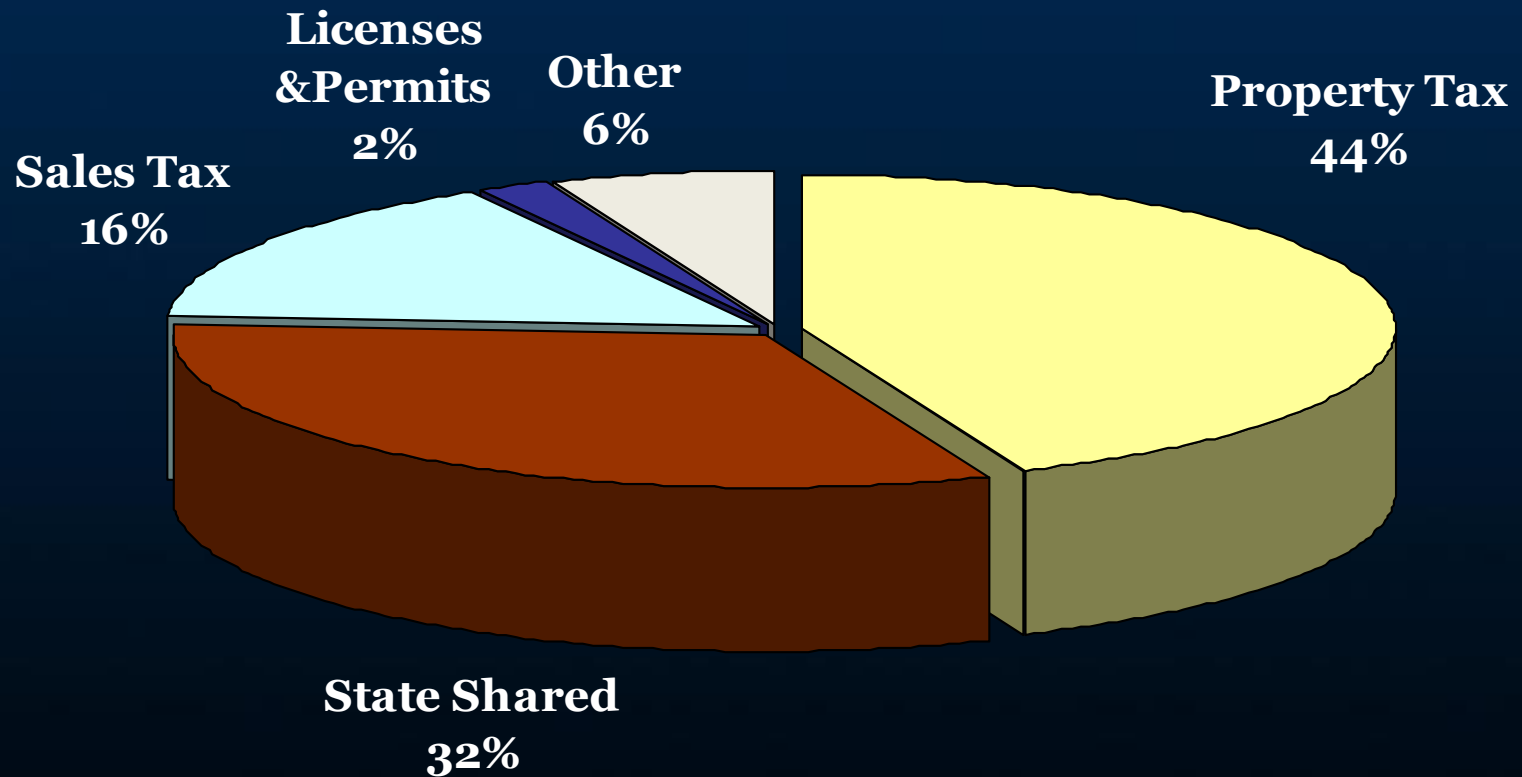
Mid-Year Budget Review: FY11-12

- First time for City of Maricopa, in this format
- Best practice in municipal government
- Identifies a structural deficit that's manageable
- Presents options to the City Council
- Kicks off the FY12-13 budget season
- Review the two main operating funds (General Fund and HURF fund)
- Discuss fund balance and CIP Reserve Fund

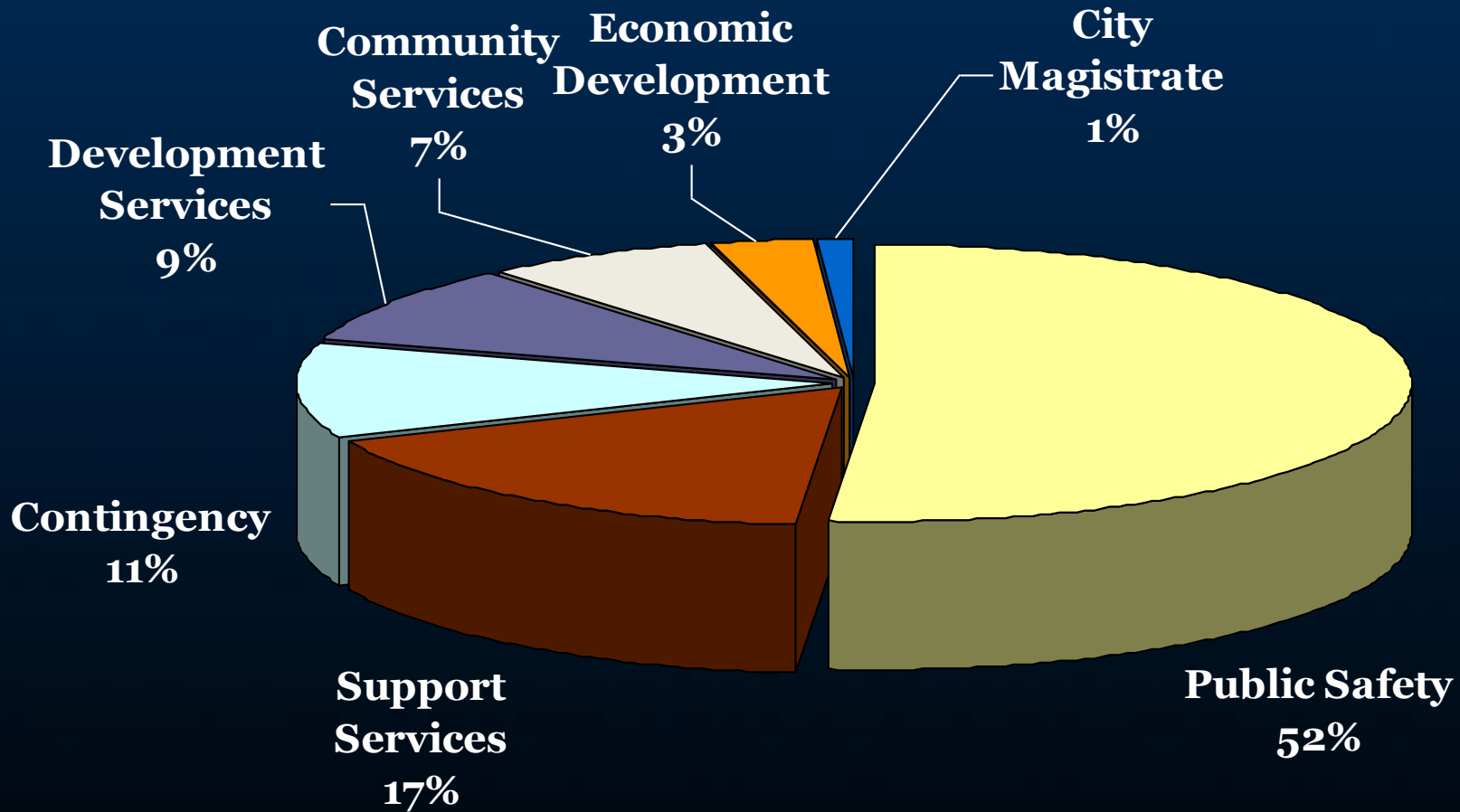
General Fund

- Main operating fund, largest fund
- Facing manageable structural deficit
- FY11-12 General Fund budget is \$28 million, excluding CIP and debt service budgets

General Fund Revenue Sources



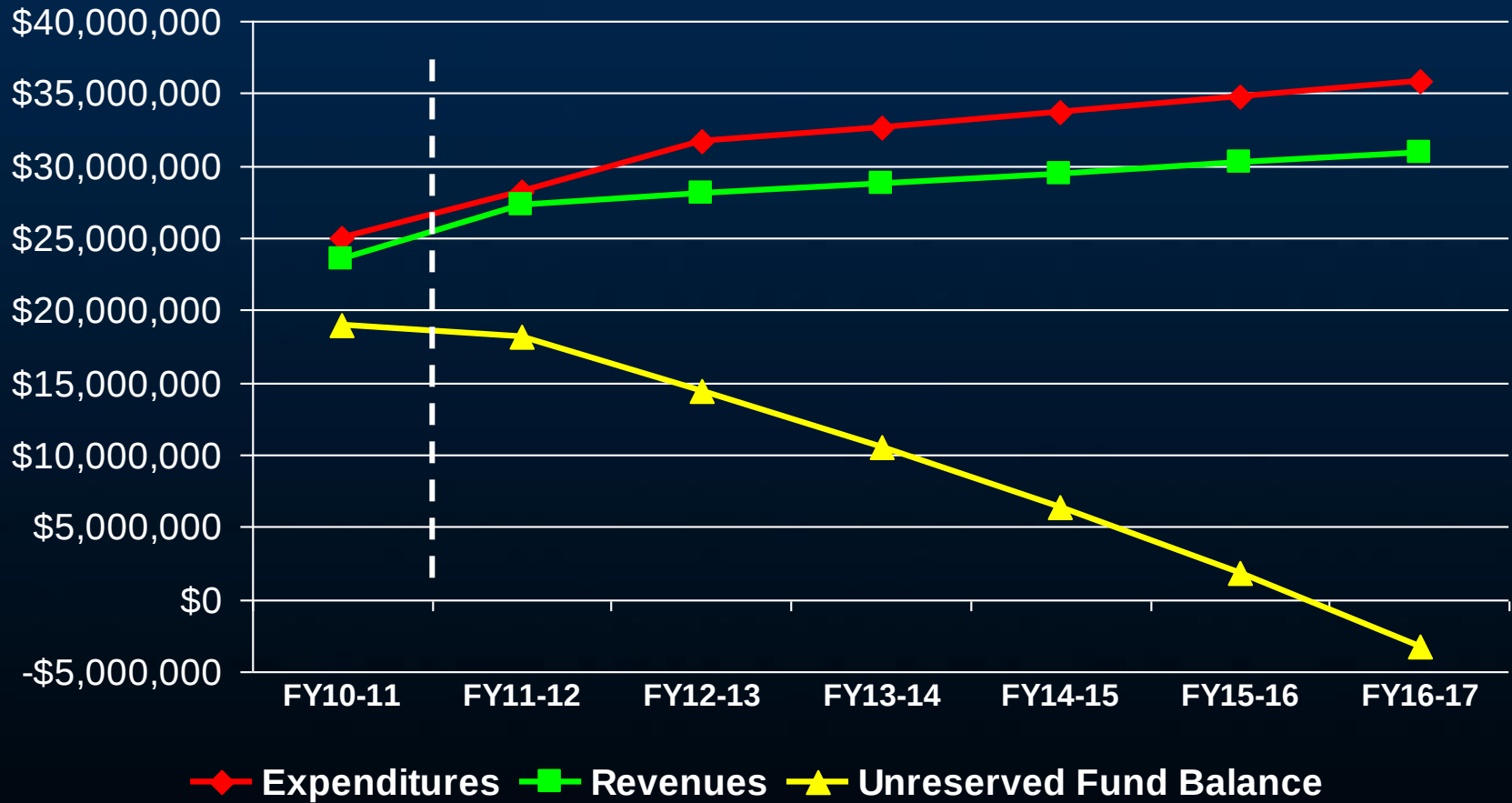
General Fund Expenditures By Function



Structural Deficit

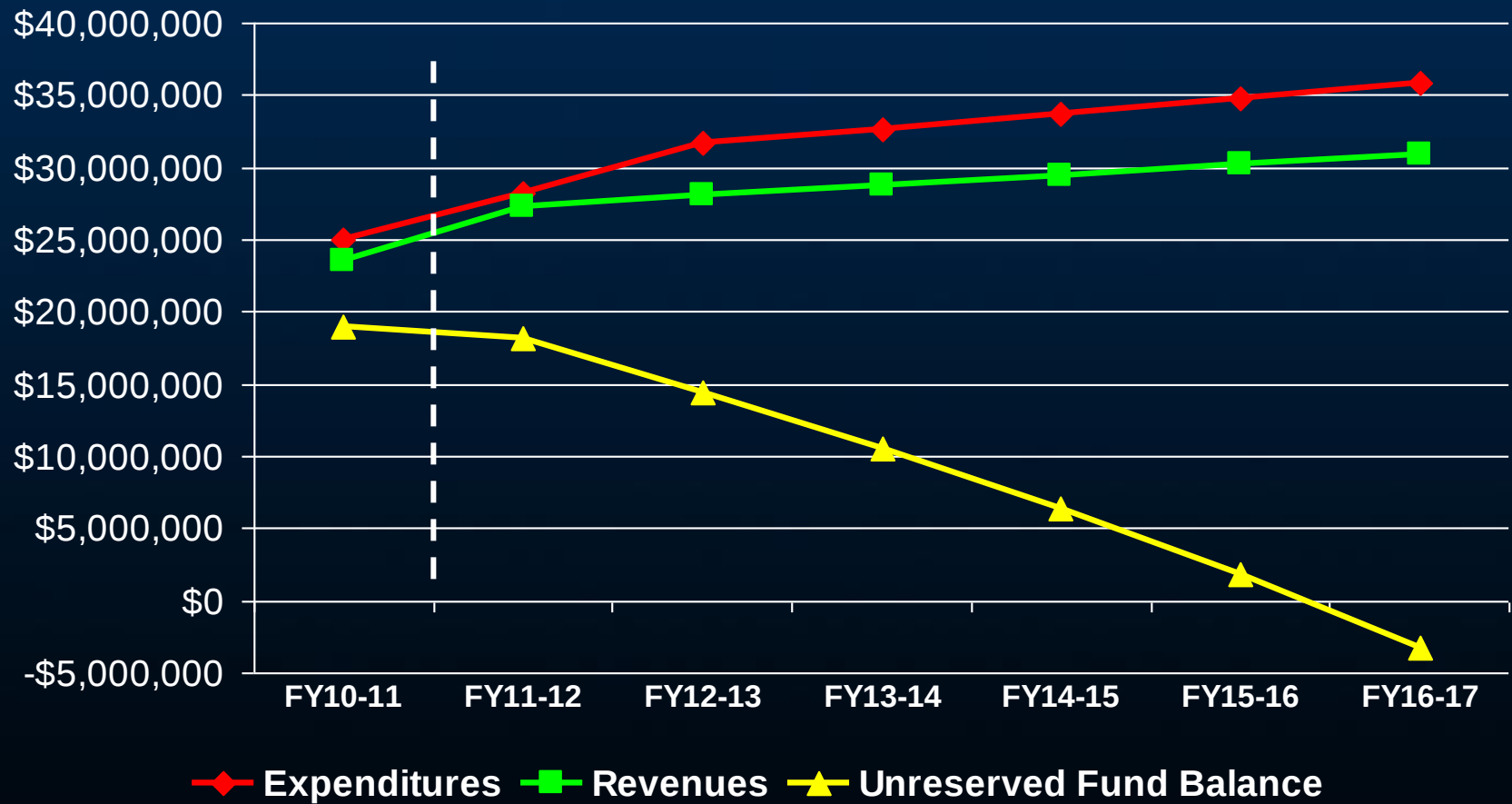
- Definition: Recurring expenditures are greater than recurring revenues
- Solutions (two-steps)
 - Short term: Unreserved fund balance for one-time alignment
 - Long term: Increase revenues or decrease expenditures
- Maricopa is experiencing a manageable structural deficit yet expenditure growth is outpacing revenue growth

General Fund Structural Deficit Status Quo Five-Year Projection



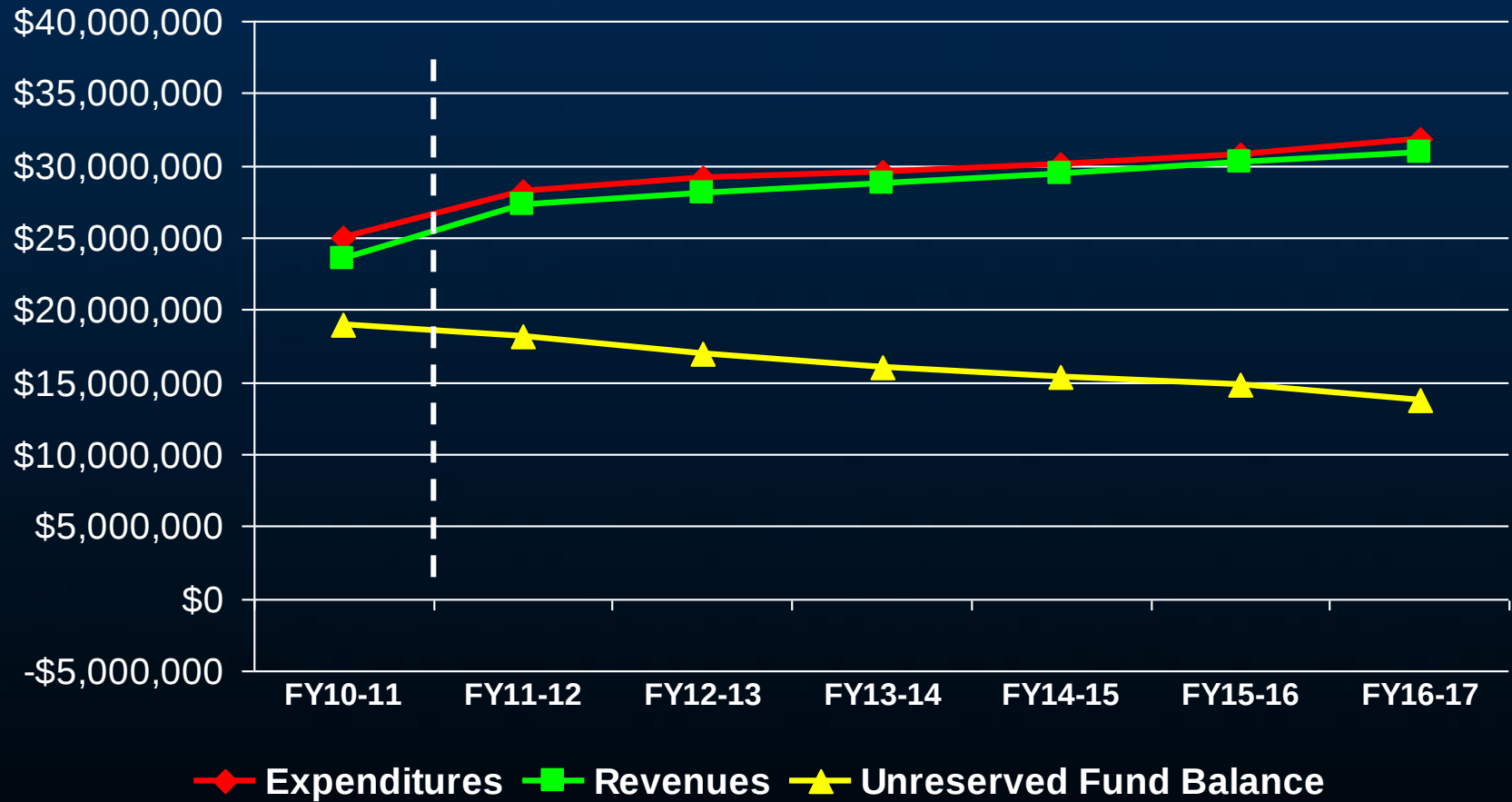
General Fund Structural Deficit

Option 1: No adjustments



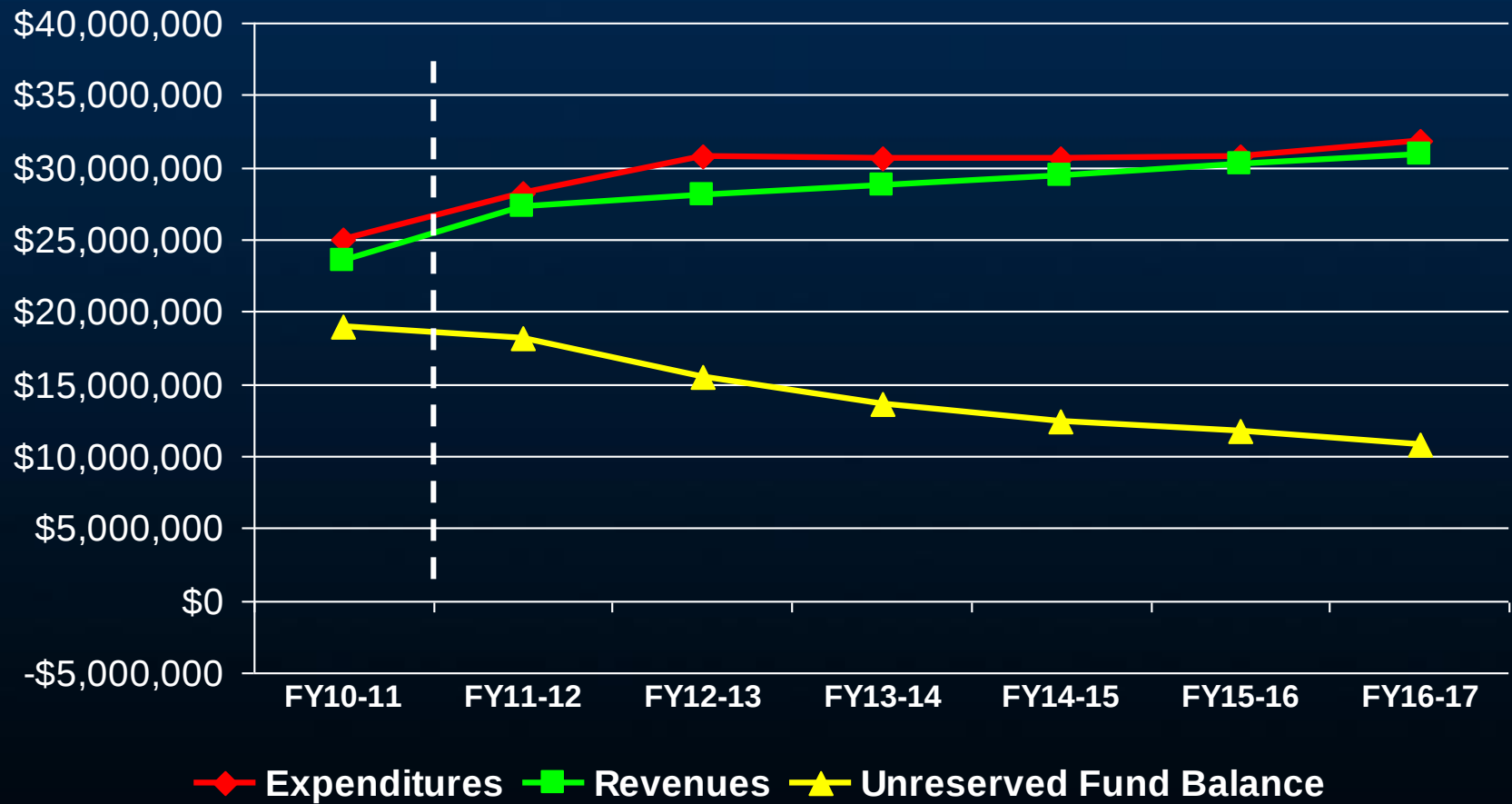
General Fund Structural Deficit

Option 2: Address it early



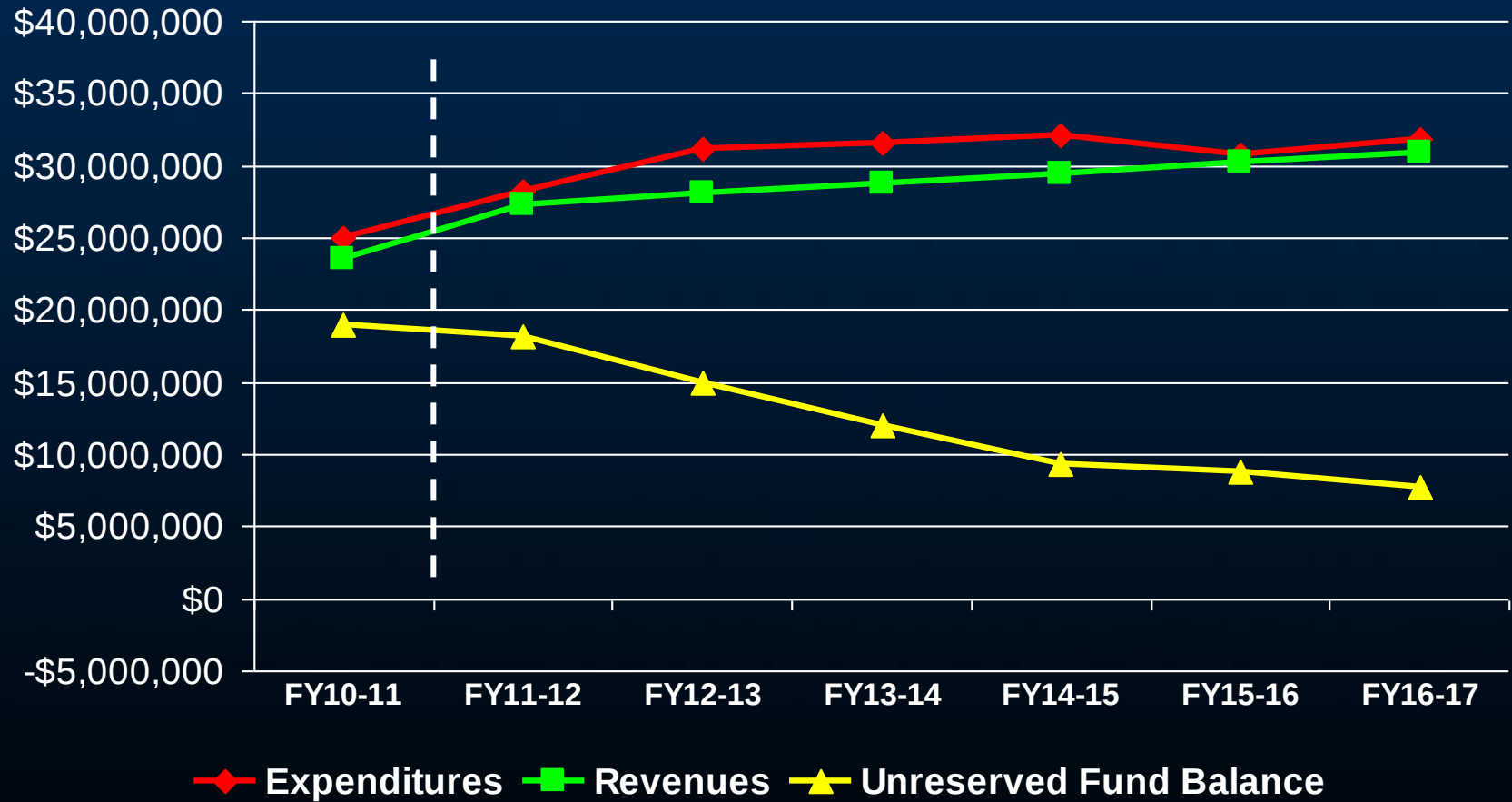
General Fund Structural Deficit

Option 3: Address it evenly



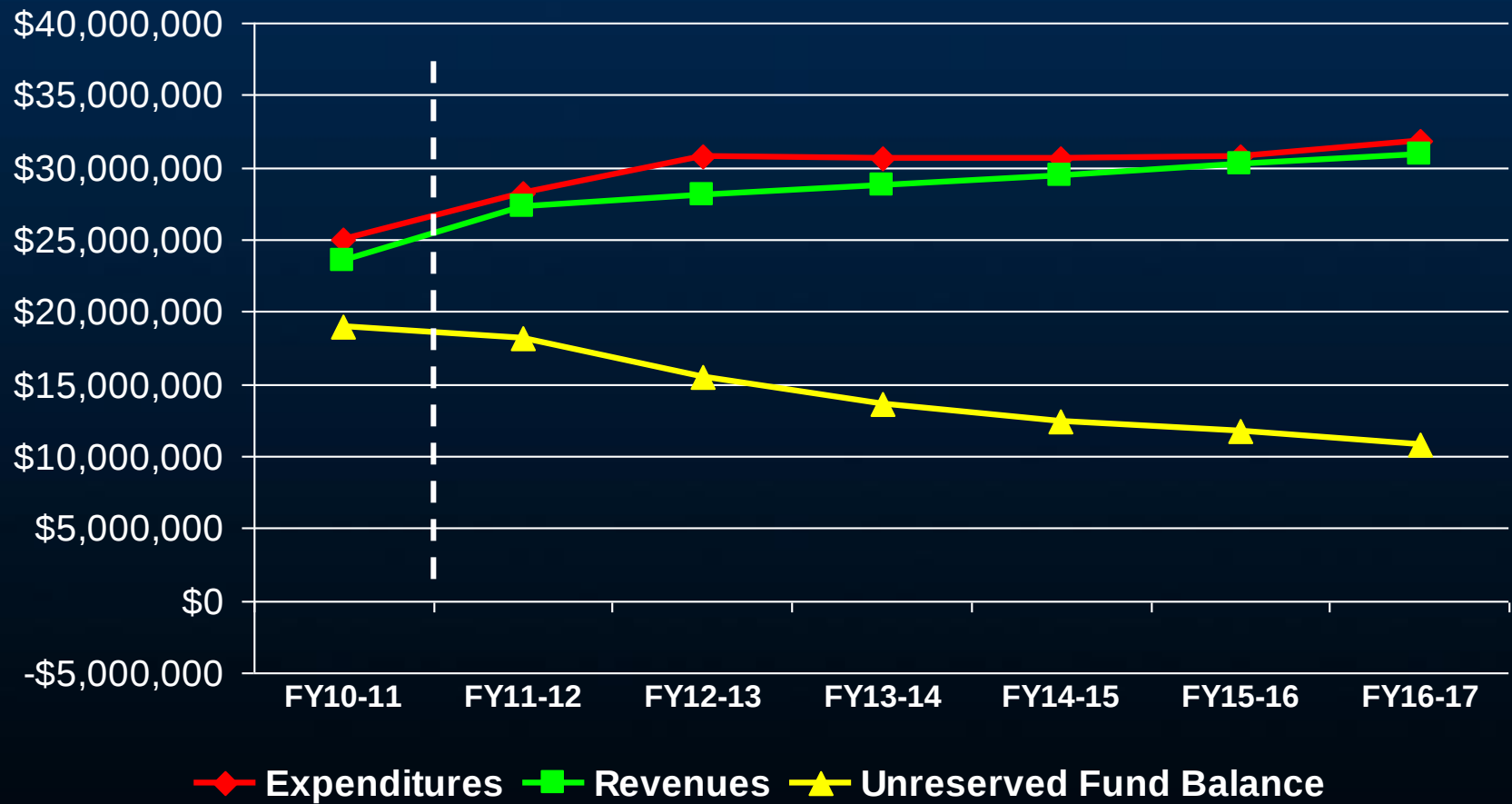
General Fund Structural Deficit

Option 4: Address it in later years



General Fund Structural Deficit

Option 3: Address it evenly



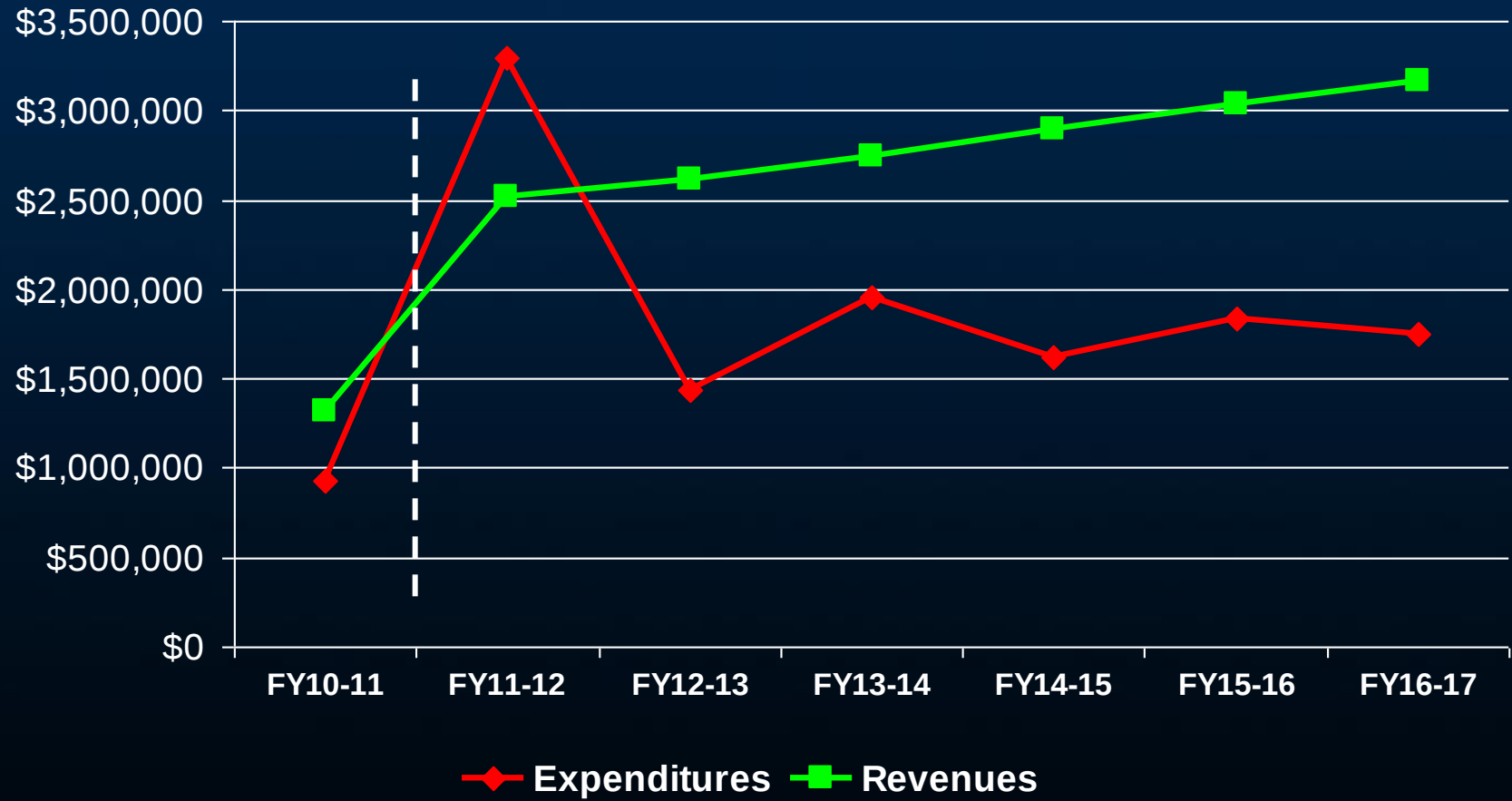
Pause for discussion on General Fund

- Staff seeks Council's feedback on the preferred option for addressing the structural deficit
- Then, we'll continue the presentation and discuss the HURF fund and CIP

HURF Fund

- Revenue comes from state-imposed “gasoline taxes” and other transportation fees
- Expenditures restricted to street and highway purposes (repair, maintenance, and construction)
- Expenditures include personnel and related equipment costs for street repair and maintenance in the City

HURF Fund Five Year Projection



Capital Improvement Program

General Fund CIP Reserves

- Currently comingled with General Fund
- Staff recommends creating a separate CIP fund
 - Common practice in municipal financing
 - Improves tracking of operating vs. CIP activity
 - Prevents mixing CIP and non-CIP activity, therefore reducing opportunity for error
- Bringing to Council in the next couple months



Questions? Comments?