

ADDENDUM MATERIAL

DATE 5/7/24

ITEM NO. ADD17

Inside the Pima County FY 2024/25 Recommended Budget



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Budget Focus Area

Core functions & excellent service

- Goal 1:** Maintain fiscal strength and stability
- Goal 2:** Provide quality government operations



Improve the quality of life

- Goal 1:** Enhance the safety of communities
- Goal 2:** Create opportunities for economic advancement and wealth creation among Pima County families



BUDGET PILLARS & GOALS

Critical infrastructure & economic growth

- Goal 1:** Construct and maintain critical infrastructure
- Goal 2:** Promote economic growth in Pima County



Conservation, sustainability & climate resiliency

- Goal 1:** Create policies that balance land conservation and development
- Goal 2:** Enhance environmental sustainability and climate resilience in Pima County



FY2024/25: Moderate to high headwinds

Pima County Finance & Risk Management Department has been putting out a quarterly economic report since February of 2023 that is based on the tracking and analysis of impactful economic indicators.

Economic Indicator	Current Stage	Trending
Inflation	2	Unfavorable
Housing	0	Unfavorable
Retail Sales	0	Unfavorable
Gasoline sales	2	Unfavorable
Federal Funds Rate	2	Unfavorable
Unemployment	1	Unfavorable

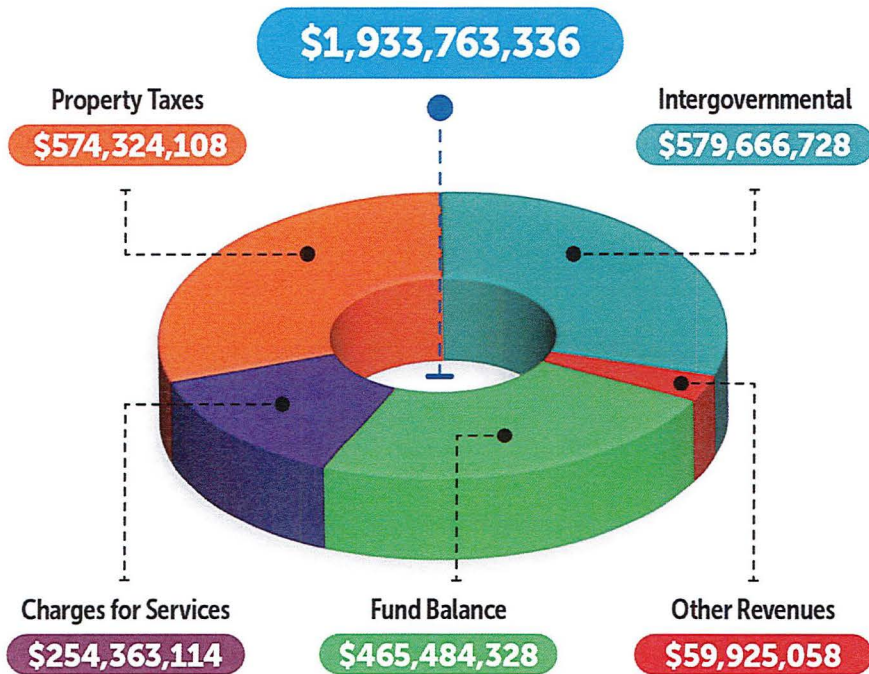
FY2024/25: Moderate to high headwinds

Factors impacting the FY 2025 Recommended Budget

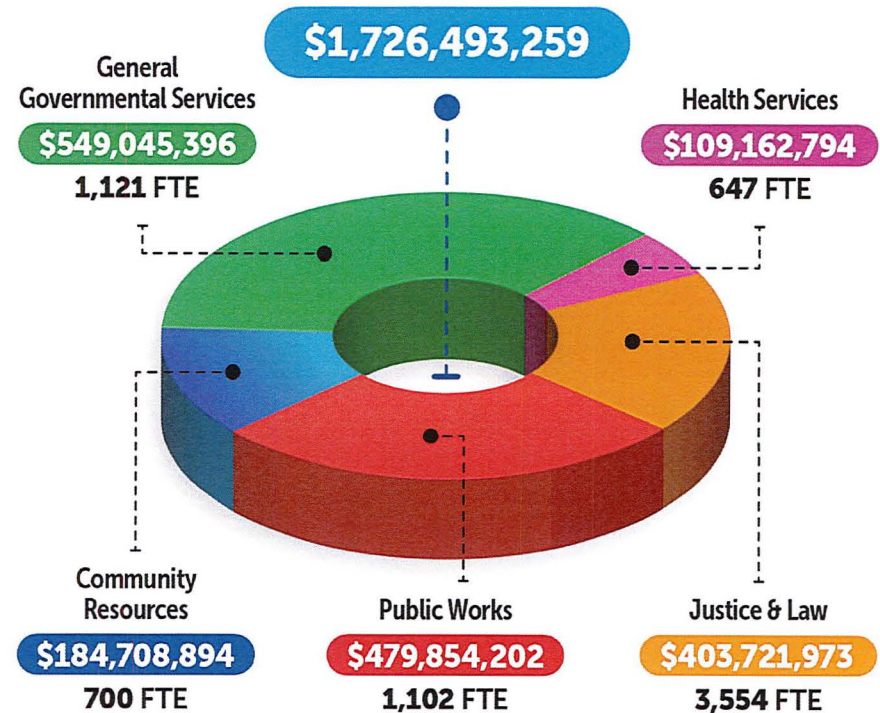
- State budget uncertainties
 - Shared-tax revenue
 - State Cost Shifts
- Inflation

The Fiscal Year 2024-2025 Budget

REVENUES BY SOURCE & FUND BALANCE



EXPENDITURES BY FUNCTIONAL AREA



Budget Breakdown by Fund

GENERAL FUND

Beginning Fund Balance	\$ 125,335,198
FY2025 Revenues	756,822,108
FY2025 Transfers In	17,455,388
(Less)	
FY2025 Expenditures (this includes the \$98M Reserve)	775,279,759
FY2025 Transfers Out	124,332,935
Balance	\$ -

SPECIAL REVENUE FUNDS

Beginning Fund Balance	\$ 124,209,027
FY2025 Revenues	481,552,351
FY2025 Transfers In	72,744,009
Other Financing Sources	4,000,000
(Less)	
FY2025 Expenditures	505,680,700
FY2025 Transfers Out	148,100,244
Balance	\$ 28,724,443

DEBT SERVICE FUND

Beginning Fund Balance	\$ 5,313,056
FY2025 Revenues	14,266,869
FY2025 Transfers In	87,614,756
(Less)	
FY2025 Expenditures	103,851,301
FY2025 Transfers Out	-
Balance	\$ 3,343,380

CAPITAL PROJECTS FUND

Beginning Fund Balance	\$ 52,303,232
FY2025 Revenues	15,237,429
FY2025 Transfers In	116,054,904
Other Financing Sources	40,000,000
(Less)	
FY2025 Expenditures	146,552,105
FY2025 Transfers Out	17,258,354
Balance	\$ 59,785,106

ENTERPRISE FUNDS

Beginning Fund Balance	\$ 158,323,815
FY2025 Revenues	200,400,251
FY2025 Transfers In	-
(Less)	
FY2025 Expenditures	195,129,394
FY2025 Transfers Out	3,912,351
Balance	\$ 159,682,321

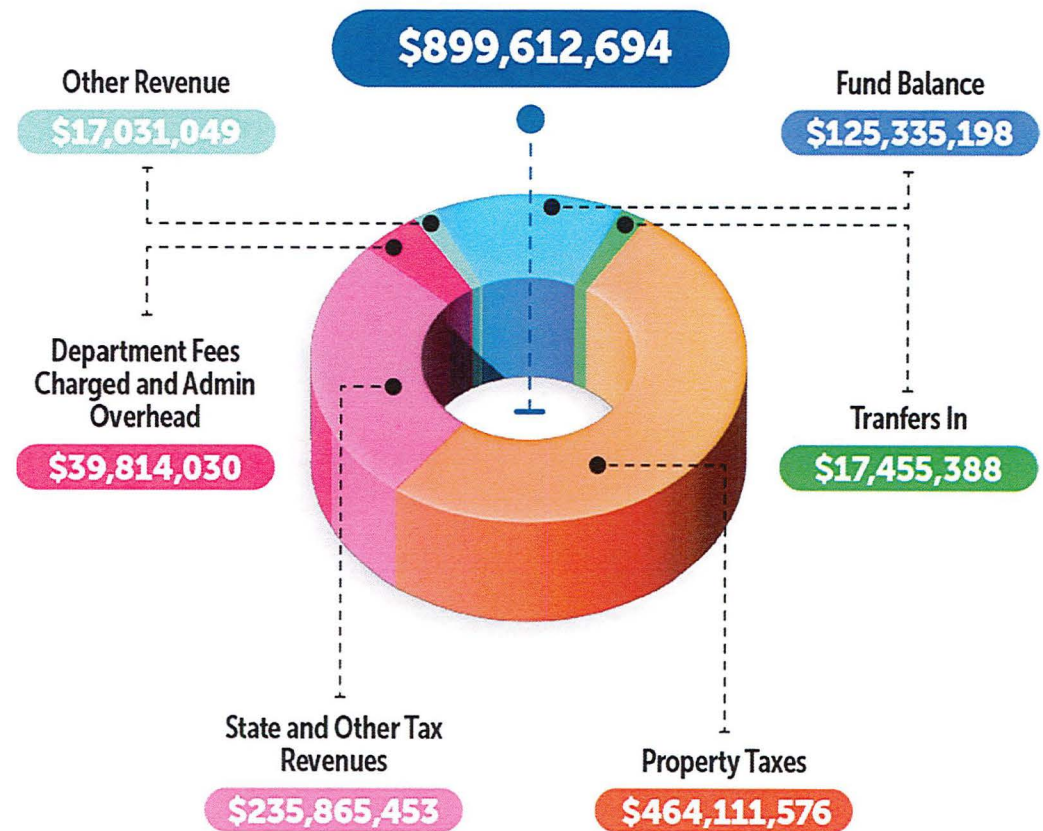
General Fund: Pays for most county services not included in the other funds.
Enterprise Funds: Services that are funded by their own fees, such as Wastewater.
Special Revenue Funds: Programs with funding streams other than the general fund or enterprise fund.
Capital Projects Fund: Used for construction of infrastructure and facilities.
Debt Service Fund: Pays for County debt.

What is the General Fund?

REVENUES

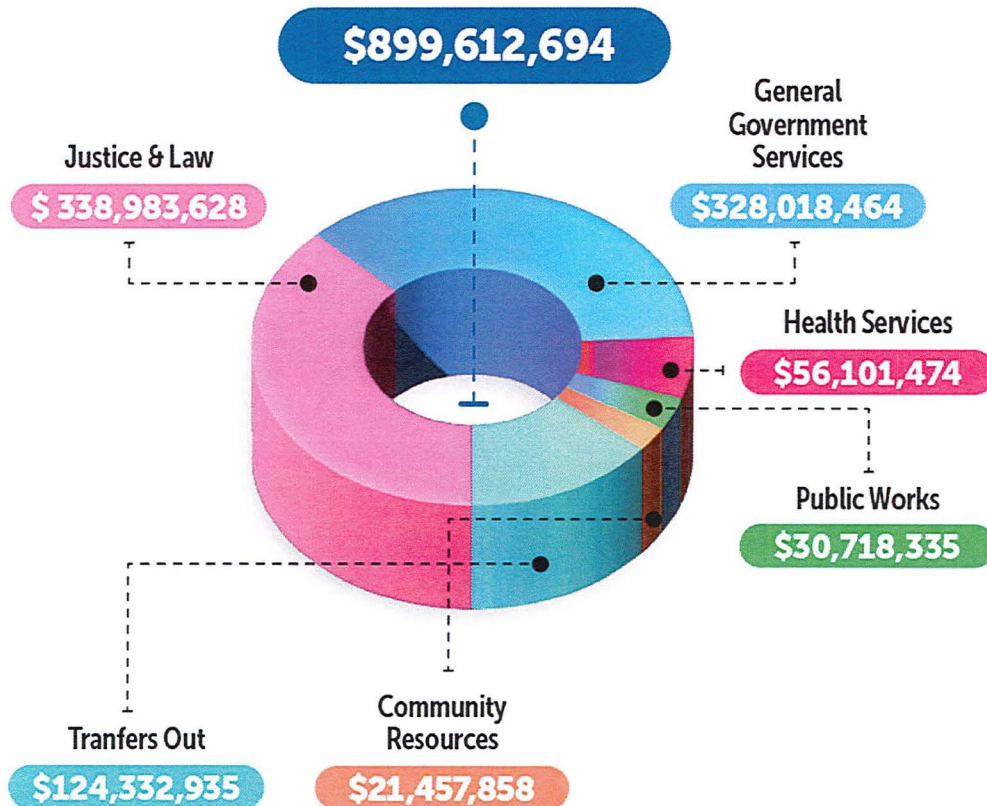
The General Fund are the discretionary funds the Board of Supervisors use to fund most County services. These funds can be used for critical County programs and services and other issues.

Revenues by Source and Fund Balance	FY 24-25 Recommended
Property Taxes	\$464,111,576
State and Other Tax Revenues	\$235,865,453
Department Fees Charged and Admin Overhead	\$39,814,030
Other Revenue	\$17,031,049
Fund Balance	\$125,335,198
Transfers In	\$17,455,388
TOTAL	\$899,612,694



General Fund cont'd

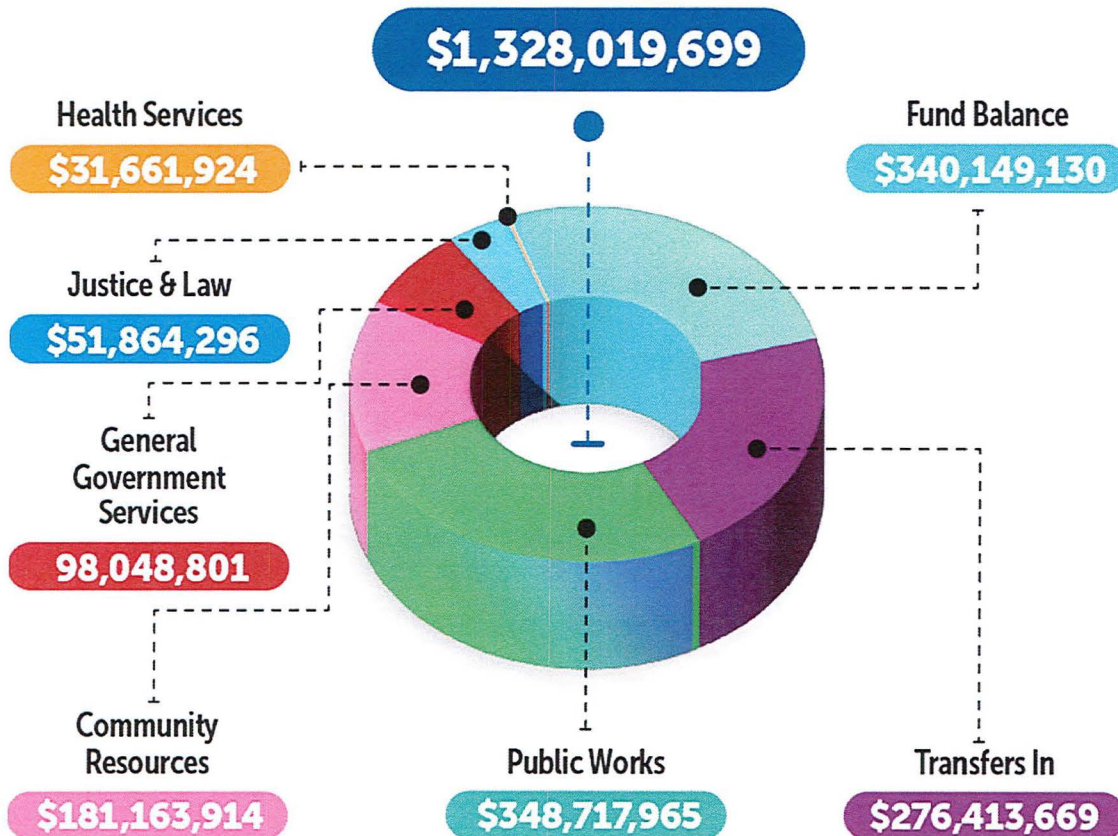
EXPENDITURES



Expenditures by Functional Area	FY 24-25 Recommended
Justice & Law	\$338,983,628
General Government Services	\$328,018,464
Health Services	\$56,101,474
Public Works	\$30,718,335
Community Resources	\$21,457,858
Transfers Out	\$124,332,935
TOTAL	\$899,612,694

Restricted Funds and Taxing Districts

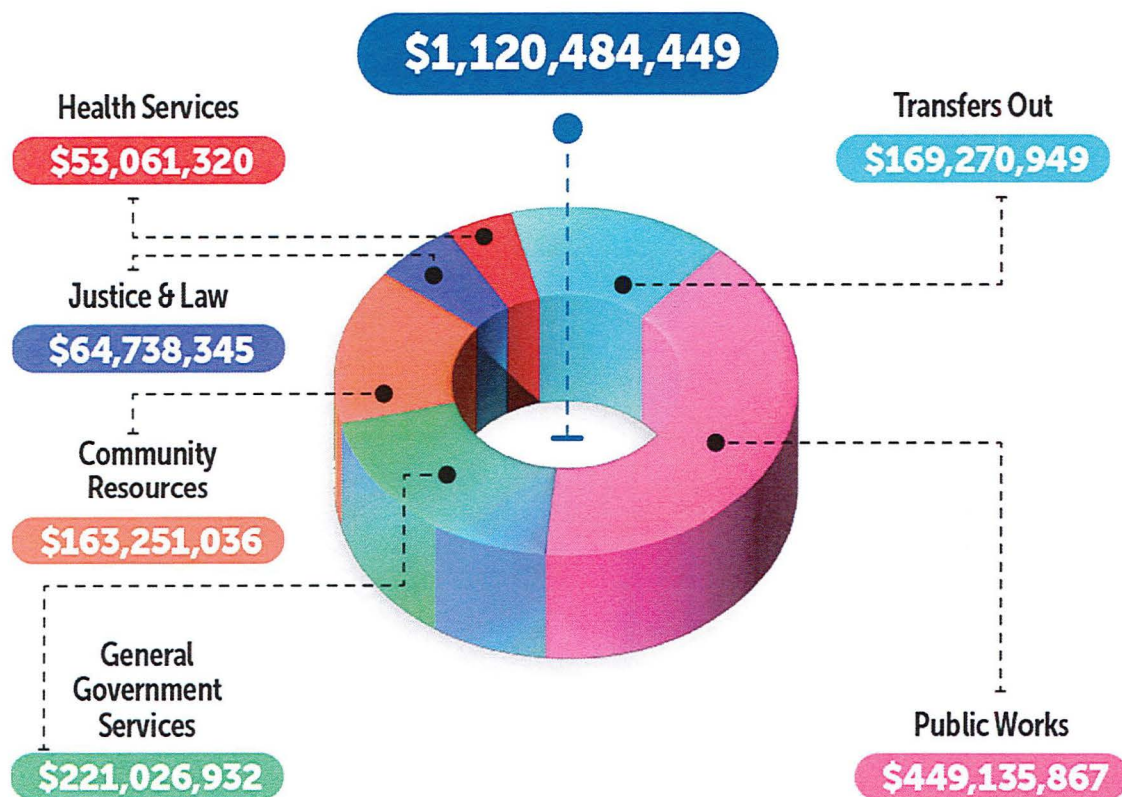
REVENUES



Revenues by Source and Fund Balance	FY 24-25 Recommended
Public Works	\$348,717,965
Community Resources	\$181,163,914
General Government Services	\$98,048,801
Justice & Law	\$51,864,296
Health Services	\$31,661,924
Fund Balance	\$340,149,130
Transfers In	\$276,413,669
TOTAL	\$1,328,019,699

Restricted Funds and Taxing Districts cont'd

EXPENDITURES



Expenditures by Functional Area	FY 24-25 Recommended
Public Works	\$449,135,867
General Government Services	\$221,026,932
Community Resources	\$163,251,036
Justice & Law	\$64,738,345
Health Services	\$53,061,320
Transfers Out	\$169,270,949
TOTAL	\$1,120,484,449

FY2024/25 Recommendations

- Property Tax
 - Keep the overall Pima County Tax rate unchanged at \$5.1048
- Expenses
 - Increases:
 - General Fund Supplementals = \$15.8 million
 - Class and Comp Phase 3 Implementation = \$1 million
 - Reductions:
 - ARPA Reallocation = \$10.2 million
 - 2% General Fund Department Reductions = \$11.5 million
 - Outside Agency Reduction = \$300 thousand

Additional Information

- Expenditure Reductions
 - 1 percent reduction to the General Fund = \$5.7 million
- Increase Primary Property Tax Rate
 - 1 Penny on the tax rate = \$1.1 million in Revenue
 - 1 Penny on the tax rate = \$2.24 cost to the Average Homeowner

Questions?

Thank You



PIMA COUNTY