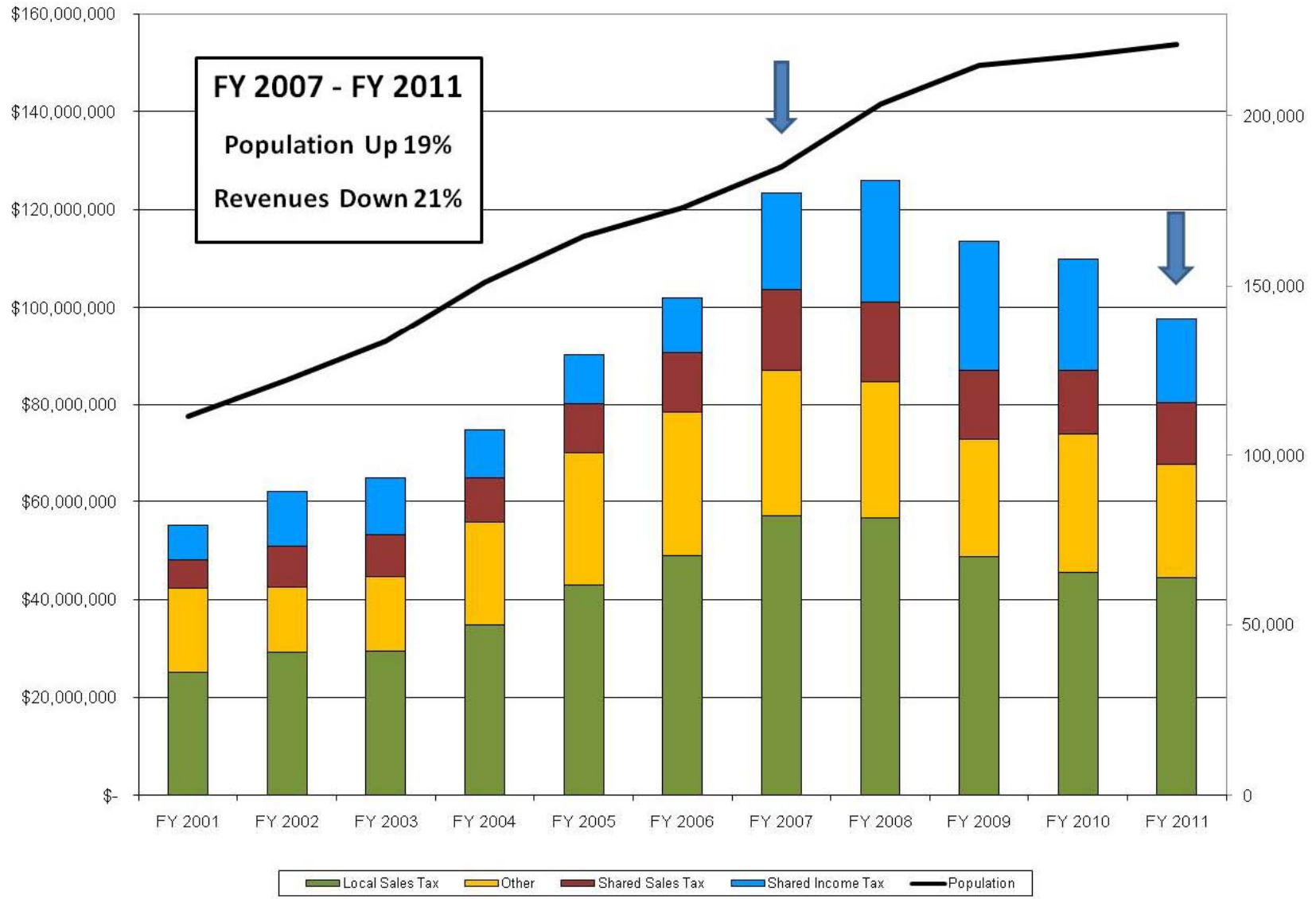


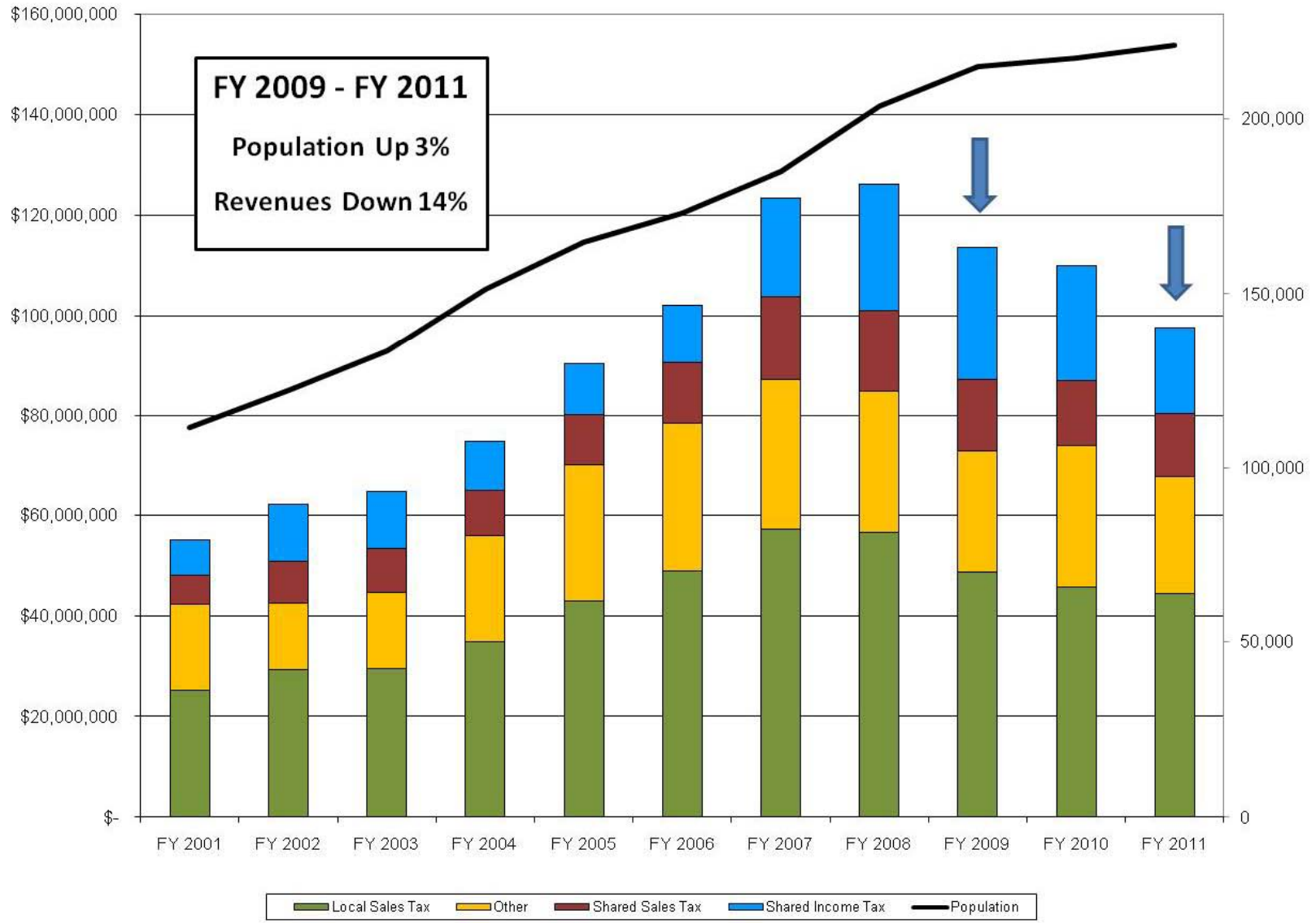
Gilbert Budget Discussion Slides

March 23, 2010

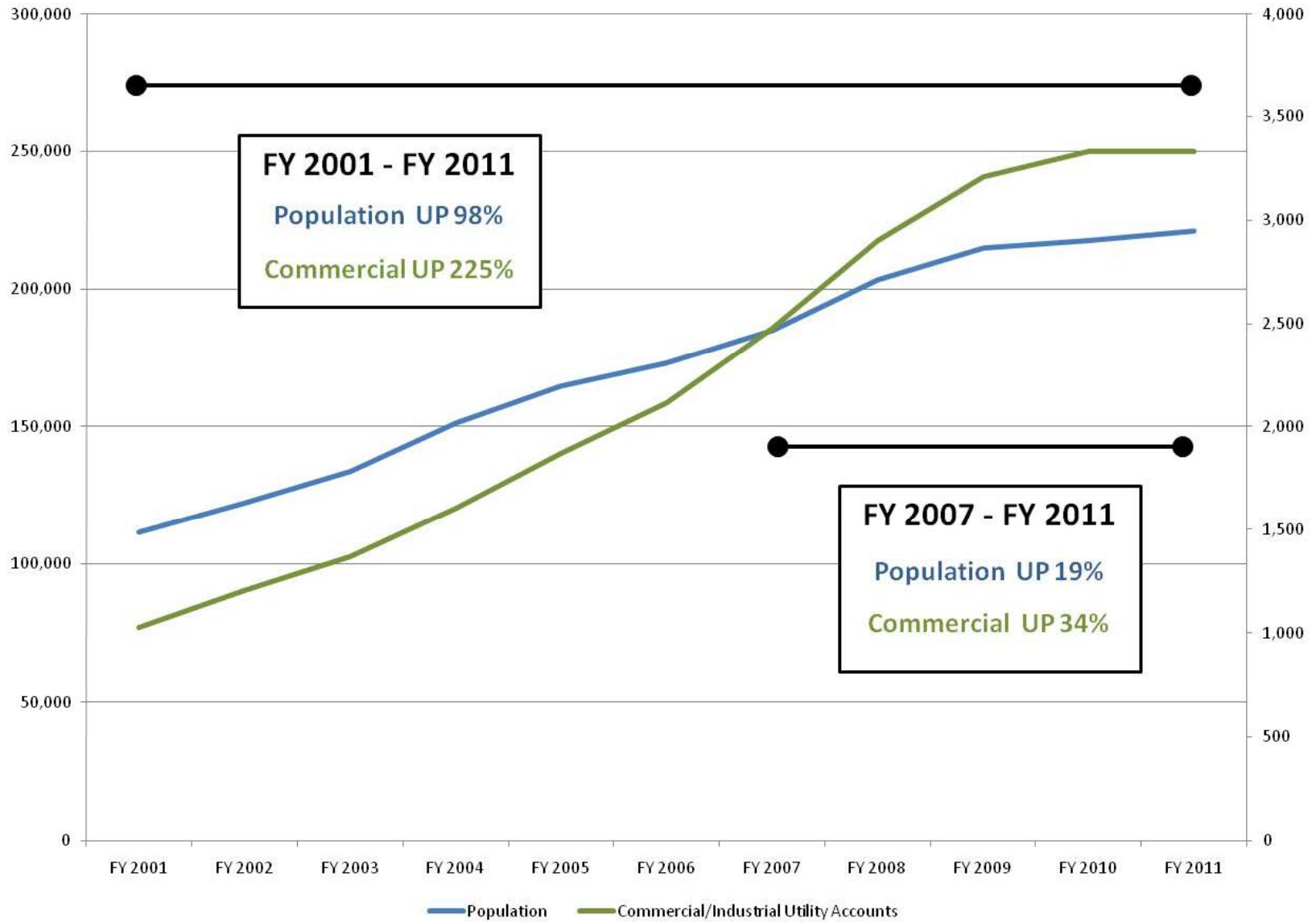
Gilbert - Population and General Fund Revenue Growth



Gilbert - Population and General Fund Revenue Growth



Gilbert - Population and Commercial Growth



Greater Phoenix Single Family Permit Activity

	2008					2009					2010	
	Q1	Q2	Q3	Q4	TOTAL	Q1	Q2	Q3	Q4	TOTAL	JAN	FEB
Phoenix	618	742	522	278	2,160	175	443	388	326	1,332	101	163
Pinal County	589	698	404	227	1,918	200	382	464	258	1,304	67	103
Gilbert	158	413	389	147	1,107	143	351	448	336	1,278	128	132
Goodyear	158	201	168	57	584	68	212	146	148	574	35	48
Chandler	116	111	102	29	358	22	210	152	168	552	63	59
Buckeye	636	482	266	104	1,488	52	181	165	90	488	37	27
Mesa	180	197	138	71	586	52	145	117	156	470	39	53
Maricopa County	334	301	172	84	891	75	112	143	117	447	24	37
Maricopa	320	347	191	55	913	41	115	116	128	400	50	8
Peoria	168	363	222	34	787	39	88	95	75	297	23	37
Surprise	163	266	174	54	657	49	76	82	78	285	25	25
Queen Creek	43	91	59	31	224	27	61	83	45	216	31	6
Casa Grande	163	145	89	27	424	51	70	39	42	202	11	22
Florence	145	155	126	41	467	4	84	61	52	201	24	23
Scottsdale	72	75	88	29	264	20	25	31	42	118	11	10
Avondale	53	44	45	18	160	8	30	35	37	110	12	6
Glendale	24	33	20	6	83	6	14	20	10	50	3	5
Apache Junction	18	9	3	6	36	1	1	13	21	36	13	13
Paradise Valley	12	17	12	7	48	4	7	5	9	25	1	1
Coolidge	56	27	17	1	101	2	1	0	0	3	n/a	n/a
Total	4,026	4,717	3,207	1,306	13,256	1,039	2,608	2,603	2,138	8,388	698	778
% of Metro	3.9%	8.8%	12.1%	11.3%	8.4%	13.8%	13.5%	17.2%	15.7%	15.2%	18.3%	17.0%
% of East Valley	27.8%	46.6%	50.1%	47.9%	43.6%	54.2%	44.3%	53.9%	45.0%	48.5%	47.1%	50.8%

EMPLOYEE PER CAPITA COMPARISONS

GILBERT COMPARISON CITIES

City	Population	FY09	Employees per Capita	Staffing Difference
Gilbert	203,800	1,236	6.1	-
Chandler	250,700	1,766	7.0	200
Glendale	236,500	2,025	8.6	509
Mesa	462,800	4,037	8.7	542
Peoria	154,000	1,257	8.2	427
Phoenix	1,575,300	17,297	11.0	1,002
Scottsdale	244,100	2,808	11.5	1,108
Tempe	166,000	2,097	12.6	1,339
City	Population	FY10	Employees per Capita	Staffing Difference
Gilbert	221,000	1,209	5.5	-
Chandler	252,500	1,716	6.8	293
Glendale	250,970	2,183	8.7	713
Mesa	462,800	3,762	8.1	588
Peoria	158,230	1,196	7.6	462
Phoenix	1,567,450	16,205	10.3	1,076
Scottsdale	244,100	2,597	10.6	1,143
Tempe	169,740	1,823	10.7	1,165

ANTICIPATED IMPACT OF CHANGE IN GILBERT'S SALES TAX RATE

FY2011	
BASE	\$ 44,354,000
INCREASE*	\$ 5,569,000
TOTAL	\$ 49,923,000

** Partial year (Effective Date 9/1/10 & Construction
Tax Rate Moratorium Through 7/1/11)*

FY2012	
BASE	\$ 44,354,000
INCREASE	\$ 7,392,000
TOTAL	\$ 51,746,000

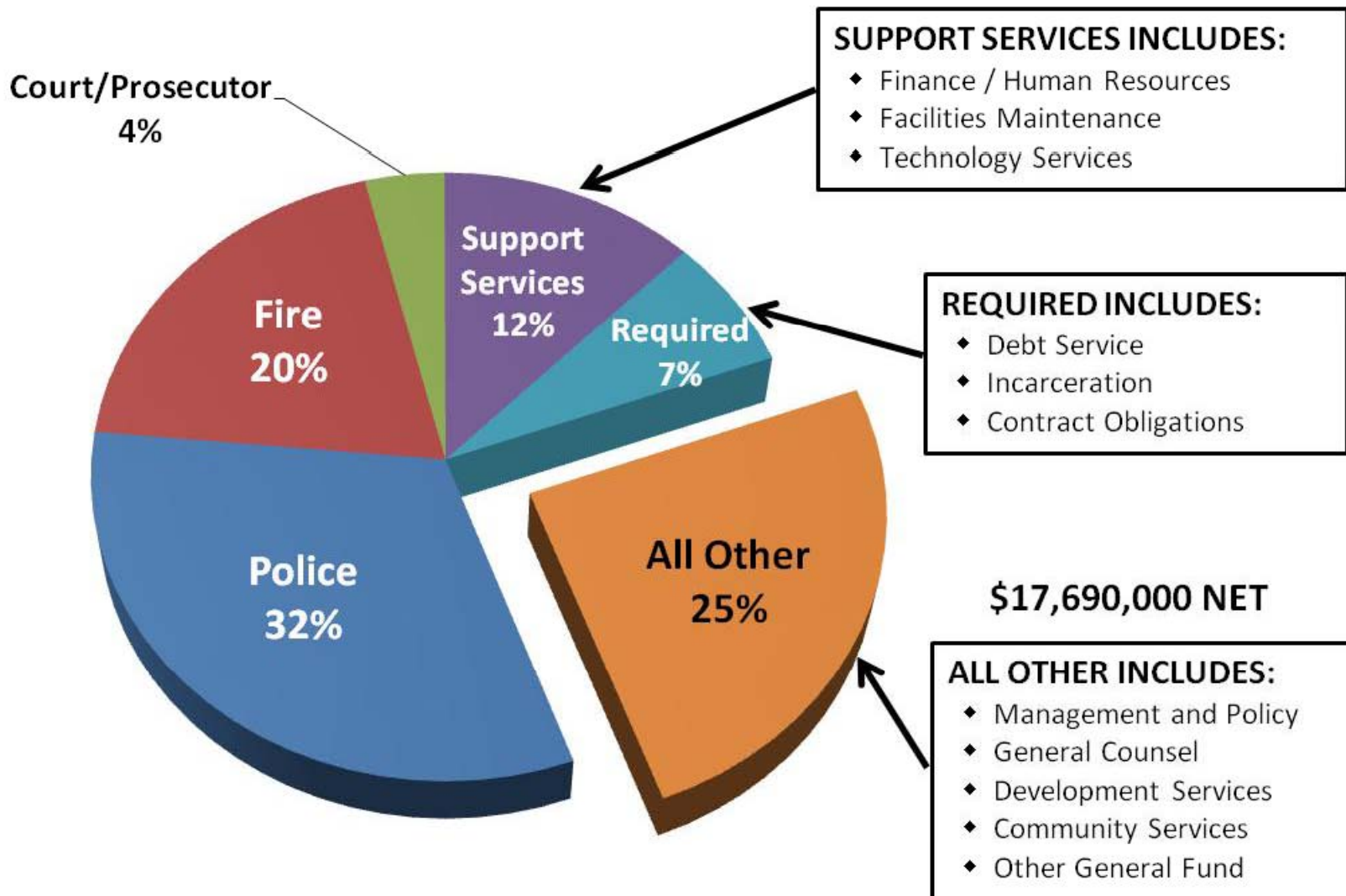
Local General Fund Revenue Source Comparison Chart

<u>Source</u>	<u>Gilbert</u>	<u>Chandler</u>	<u>Mesa</u>	<u>Scottsdale</u>	
Sales Tax Rate	1.50%	1.50%	1.75%	1.65%	
Undedicated Rate	1.50%	1.50%	1.20%	1.00%	
Public Safety Reserve	0.00%	0.00%	0.00%	0.10%	
Other Reserved	0.00%	0.00%	0.55%	0.55%	
Property Tax Rate	\$ 1.1500	\$ 1.1814	\$ 0.2977	\$ 0.7432	
Primary	\$ -	\$ 0.3292	\$ -	\$ 0.3650	
Secondary	\$ 1.1500	\$ 0.8522	\$ 0.2977	\$ 0.3782	
Use Tax	None	1.50%	1.75%	1.45%	
Restaurant Sales Tax	1.50%	1.80%	1.75%	1.65%	
Utilities Sales Tax	1.50%	2.75%	1.75%	1.65%	
Telecommunications	1.50%	2.75%	1.75%	1.65%	
Hotel/Motel (Additional)	3.00%	2.90%	3.00%	3.00%	
	<u>Phoenix</u>	<u>Q Creek</u>	<u>Tempe</u>	<u>Peoria</u>	<u>Glendale</u>
Sales Tax Rate	2.00%	2.25%	1.80%	1.80%	2.20%
Undedicated Rate	1.20%	2.25%	1.20%	1.00%	1.20%
Public Safety Reserve	0.30%	0.00%	0.00%	0.00%	0.50%
Other Reserved	0.50%	0.00%	0.60%	0.80%	0.50%
Property Tax Rate	\$ 1.8200	\$ 1.9500	\$ 1.4000	\$ 1.4400	\$ 1.5951
Primary	\$ 0.7664	\$ 1.9500	\$ 0.4897	\$ 0.1900	\$ 0.2252
Secondary	\$ 1.0536	\$ -	\$ 0.9103	\$ 1.2500	\$ 1.3699
Use Tax	2.00%	2.25%	1.80%	1.80%	2.20%
Restaurant Sales Tax	2.00%	2.25%	1.80%	2.80%	3.20%
Utilities Sales Tax	2.70%	2.25%	1.80%	3.30%	2.20%
Telecommunications	4.70%	2.25%	1.80%	1.80%	5.40%
Hotel/Motel (Additional)	3.00%	1.00%	3.00%	3.80%	3.40%

CHANGE IN FUND BALANCE
(OPERATING RESULTS)

FUND	FY2010		RESULT
	ADOPTED	PROJECTED	
GENERAL	\$ (2,316,000)	\$ (215,590)	\$ 2,100,410
WATER	\$ (89,000)	\$ 3,657,000	\$ 3,746,000
WASTEWATER	\$ (1,801,000)	\$ (171,000)	\$ 1,630,000
SOLID WASTE - RESIDENTIAL	\$ 179,000	\$ 1,234,000	\$ 1,055,000
SOLID WASTE - COMMERCIAL	\$ 176,000	\$ 338,000	\$ 162,000
STREETS	\$ 11,000	\$ 992,000	\$ 981,000

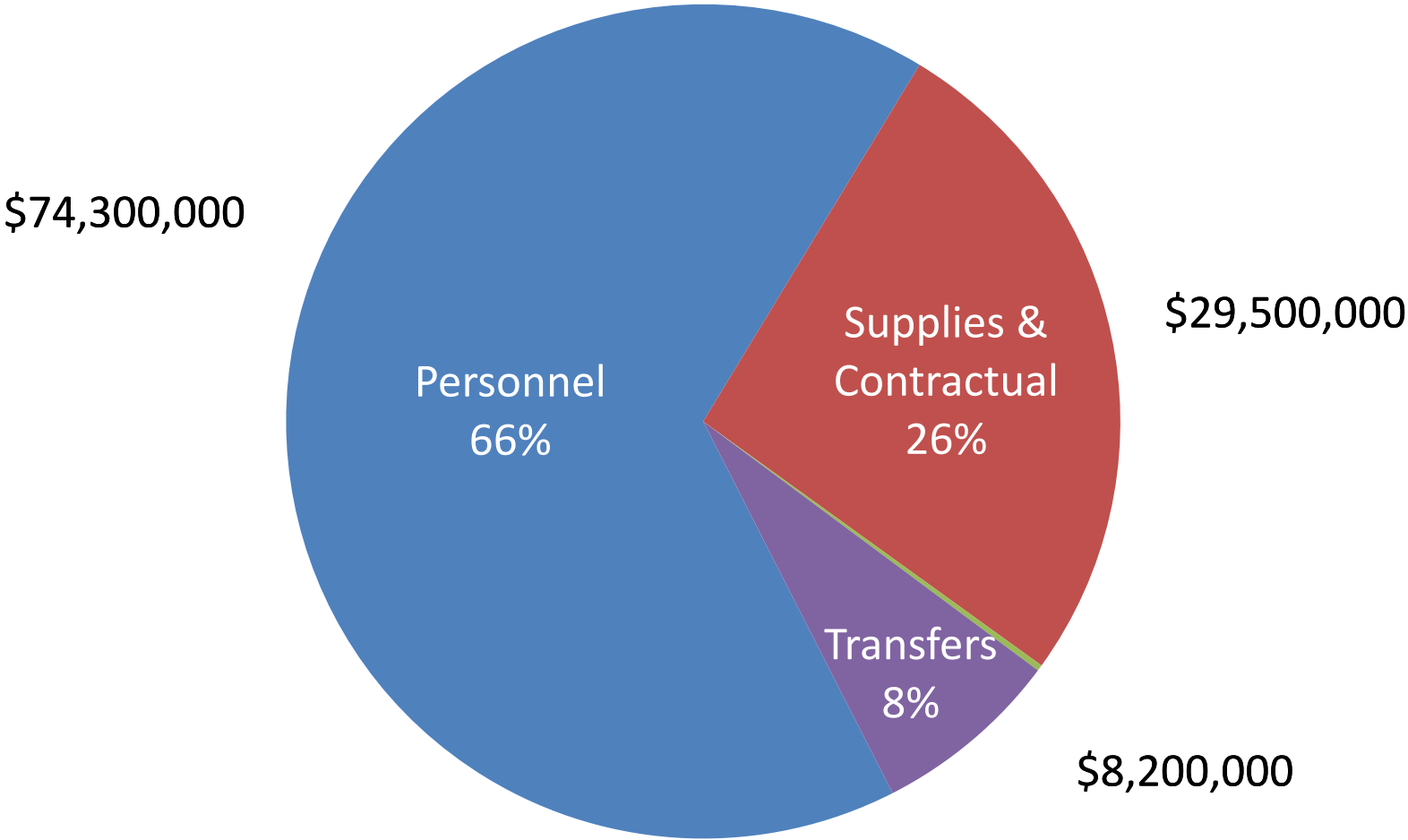
GENERAL FUND BUDGET IMPACTS



FUND BALANCE DISCUSSION

- General Fund Balance Consideration
 - What is the Appropriate Level of Fund Balance?
 - Policy Questions Related to:
 - Managing for Budget Stabilization
 - Planned Use of a One-Time Source
 - Managing for Uncertainty
 - External Factors that Impact Expenses and/or Revenues
 - Emergency Expenses / Continuity of Operations
 - Natural Disasters and Other Unforeseen Events
 - Next Steps - Establishing a Fund Balance Policy

General Fund Expense Breakdown



UNEXPENDED APPROPRIATIONS

- Generally a Misunderstood Concept
- Difficult to Simply Explain or Comprehend
- Implement a More Direct Budgeting Approach
 - Budget for Expenditures at 100%
 - Budget for Revenues Taking into Account Historic Budget Savings
- Net Budget Result is the Same