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# MEMORANDUM

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Date: October 29, 2009

To: Presiding Judge, Superior Court  
Elected Officials  
Department Directors

From: C.H. Huckelberry  
County Administrator

A handwritten signature in black ink, appearing to be "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Revenue Position – Actual Versus Budget for Fiscal Year 2009/10**

The first quarter of revenues, actual versus budget, are now available. The results indicate a continuing lag in actual revenue receipts to that budgeted for fiscal year 2009/10. For the general fund, total state-shared sales tax and vehicle license tax revenues were budgeted at \$113,650,000; actual receipts for the quarter are running behind budget by approximately \$1.2 million; or extrapolated for the balance of the fiscal year, an approximate \$5 million shortfall in the general fund. Given the continual lag in actual receipts of state-shared revenues versus budget, we must continue to reduce expenditures to ensure we meet budget at the end of the year.

In addition, local revenues, such as fees collected in the Regional Wastewater Reclamation Department for sewer connections, are running 4.7 percent behind budget; Development Services building and development fees are running 5.5 percent behind budget; and Health fees are running 17.2 percent behind.

In addition, it has recently been announced that the state deficit has been revised upward to nearly \$2 billion, and there is little known about any attempts at midyear budget reconciliation; hence, the need to continue to be very cautious about County spending.

As you know, I have indicated that the base general fund budget support of all County departments and agencies will be reduced by two percent over the amount of revenues received this year as a point of beginning the budget process for next year. Given the continuing lag in state-shared revenues and other potential budget impacts, it is likely this two percent adjustment will be the minimum necessary.

Presiding Judge, Elected Officials, Department Directors  
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I will advise departments and agencies in January if midyear budget adjustments will be necessary to accommodate existing conditions with regard to the state of the economy, the receipt of state-shared revenues, and any midyear budget balancing actions of the State Legislature that shift costs or programs to the County.

CHH/mjk

- c: The Honorable Chairman and Members, Pima County Board of Supervisors  
Martin Willett, Chief Deputy County Administrator  
Hank Atha, Deputy County Administrator for Community & Economic Development  
John Bernal, Deputy County Administrator for Public Works  
Dennis Douglas, Deputy County Administrator for Medical & Health Services