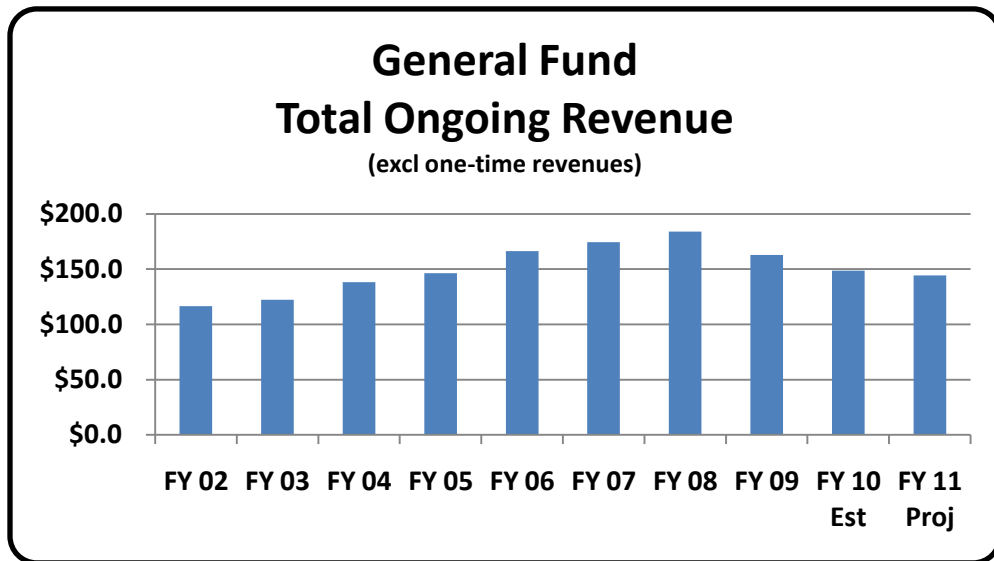


# Glendale Budget Summary

## First Signs of Economic Trouble

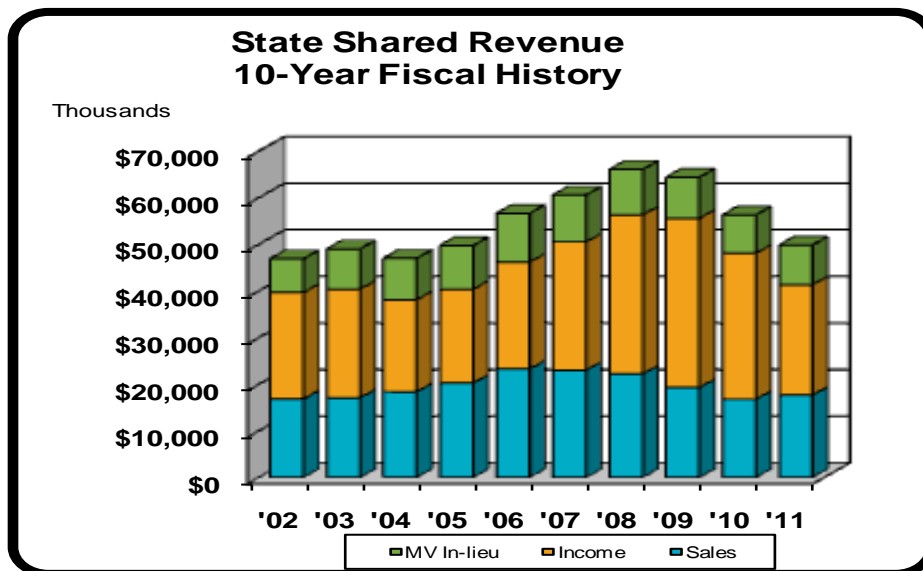
At the end of 2007 signs began appearing that revenues were not going to meet budget projections. In response the City immediately revised revenue projections and took steps to reduce expenses. Since that time Glendale has continued to adjust projections downward resulting in ongoing General Fund revenues being reduced by 22% between FY 2008 and the FY 2011. This sharp decline has left FY 2011 revenue projections at FY 2005 levels.



FY 2011 General Fund Revenue projection is comparable to FY 2005

## State and City Revenues Decline

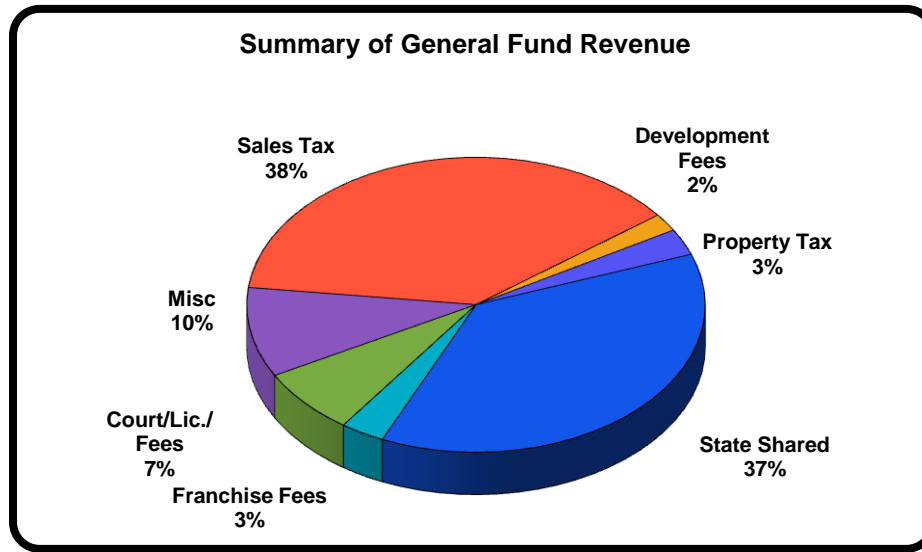
The City and the State share in the same decline in revenue as a result of the lower income and sales tax collections statewide. The FY 2011 projected revenues are at FY 2005 levels.



Glendale's State Shared Revenue FY 2011 projection reflects a 25% drop since FY 08

## Glendale Major Revenue Sources

City sales tax and State Shared Revenue continue to be the two major General Fund sources for municipalities including Glendale. They have comprised between two-thirds and three-fourths of Glendale's General Fund ongoing revenue since FY 2002. Although property tax valuations in Maricopa County have dropped 44% over three consecutive years, Glendale has not raised its property taxes.



**State Shared Revenues make up 37% of Glendale General Fund revenues**

## Budget Strategies

Glendale has dealt with the same revenue shortfalls as the State without raising taxes and has used innovative business process improvements to reconcile declining revenues. These include:

- Staffing Reductions - Glendale has reduced its budgeted General Fund positions from 1412 in FY 2008 to 1202 FTEs in FY 2011, a 15% decline.
- Furlough – In FY 2009 Glendale implemented an employee furlough program, which today consists of 13 furlough days a year, equivalent of a 5% pay cut to all city employees.
- Business Based Reductions – All City Departments including public safety provided budget reductions that equate to 10% to 27% of their respective operating budgets.
- Program and Service Adjustments – Programs not paying for themselves or achieving goals were reduced or eliminated. Services for which demand had diminished were reduced or eliminated. Hours of operation for facilities were adjusted during slower times.
- User Based Fee Structure – Improved cost recovery efforts were implemented so that the users of specific services were responsible for the costs associating with providing them.

## State and City Collaboration

We understand the significant challenge the budget deficit poses and the difficult decisions that are going to have to be made. Cities view our relationship with the State as a true partnership. This is one of the reasons Cities agreed to forego approximately \$200 million a year in revenue from the temporary one-cent sales tax that would have gone to local governments. We are committed to continuing to collaborate with the Legislature to identify ways to correct the budget deficit while minimizing the negative impacts on the State and local budgets.