

Hello all – It is County-City-Town-Tribe Mixer time again!

Just a quick reminder that our next meeting will be on Friday, **November 14th** at the **Gila County Fairgrounds in Globe** (900 East Fairgrounds Rd. - 3 miles north of Globe, off Hwy 60) – coffee, tea and crumpets at 9:30am, **meeting from 10am to 3pm with lunch provided.**

Since the economy is on everyone's mind, and since this Mixer will fall on the heels of the election, I am suggesting we focus on the economic environment as a whole; the situation facing Arizona for the next several years in particular; and the implications of this on our County-City-Towns and Tribes. Also, I would suggest we discuss and brainstorm "big picture" ideas to best help us get through the next several years intact.

To this end:

- (1) I have attached "homework" to give us a common starting place: the Arizona Legislature's Joint Legislative Budget Committee (JLBC) has a Finance Advisory Committee that met a few days ago at the Capitol (10-15-08) for a general update and listened to 4-5 presenters (*Elliot Pollack, Elliot Pollack and Co.; Pete Ewen, Chief Economist, Pinnacle West (APS); Brian Cary, Corporate Economist, SRP; Dean Martin, Az State Treasurer; and Tracy Clark, JPMorgan Chase*). The presentation link is in the following news story from the County Supervisor's Association Newsletter of 10-16-08. The presentation is an hour and a half long, and there is also a link to read/copy the 176 pages of charts/etc. that go along with it if you'd like them. I am suggesting we all listen to this presentation between now and November 7th to give us a common frame of reference and a starting point.
- (2) I have invited Resolution Copper to give us a presentation in the morning portion of our Mixer as one example of a "big picture" idea (i.e. you will see in this presentation where it is projected that Arizona will loose a minimum of 100,000 jobs between 2006 and 2009; that we have already fallen from #2 nationally in job growth in 2006 to #22 in 2007 and are right now #46 in 2008; and that the states that are holding steady in the top 10 are all commodity-based states like Wyoming, Texas, Colorado, etc. ... I'm thinking we may want to pay attention to that!)
- (3) I will be suggesting we spend the afternoon brainstorming short and long term ideas, solutions, directions, etc.

I will need an **RSVP** from you by **noon on Wednesday, November 12, 2008**, for the lunch "headcount". Please email your RSVP to either myself with "reply" email, OR email Jo Johnson at jjohnson@co.gila.az.us ; OR phone us at 928-474-2920.

Finally – just a reminder that all of us who are Boards will need to "post" this meeting.

I have attached a copy of the current names/address list just fyi.

Hope to see you at the Fairgrounds! – Tommie Martin

.....

AND NOW FOR THE HOMEWORK:

State Finance Experts Predict Still More Budget Pain – County Supervisor Assn. Report 10-16-08

Numerous financial gurus gathered at the State Capitol on Wednesday (10-15-08) to provide a dismal outlook on the state's revenue situation. "Good is not a word that you will associate with 2009," summarized economist Elliott Pollack.

Richard Stavneak, Executive Director of the Joint Legislative Budget Committee (JLBC), reported that the FY09 state budget shortfall is now forecast to be between \$700 million and \$1.1 billion.

Revenue is predicted to fall by 4.8 percent in FY09 and by an additional 0.7 percent in FY10. The FY10 budget will be a challenge, as well: Stavneak estimated that the shortfall for that year could be as high as \$3 billion.

If the state continues the budget cuts and costs shifts it used in FY09 (including a total of more than \$72 million taken from county governments) and allows the state property tax to be reinstated, the FY10 projected shortfall could go down to \$1.9 billion.

Not all agree with JLBC's forecasts, however.

House Appropriations Chairman Russell Pearce (R-18) and the State Treasurer, Dean Martin, fear the FY09 shortfall will reach almost \$1.5 billion.

Governor Napolitano also refutes JLBC's estimates, and puts the FY09 estimated shortfall between \$320 million and \$800 million.

Everyone does agree that the budget shortfall will force very difficult decisions. The Governor and legislative leaders are scheduled to begin budget discussions immediately following November's election, and there are rumors of a special session after the Thanksgiving holiday.

Those who have not had enough bad news can [click here](#) to view the full Finance Advisory Committee **1½ hour hearing**.

Get a copy of the **176 .pdf pages** of the combined presentations by [clicking here](#) . Presenters include Elliot Pollack, Elliot Pollack and Co.; Pete Ewen, Chief Economist, Pinnacle West (APS); Brian Cary, Corporate Economist, SRP; Dean Martin, Az State Treasurer; and Tracy Clark, JPMorgan Chase.