

BUDGET OVERVIEW

Financial Structure

Consolidated Overview of the County Budget by Fund

Total County Budget by Source and Use

Revenues & Expenditures for Fiscal Years 2003/04 Through 2005/06

Budget in Brief Fiscal Year 2005/06

Adopted Full Time Equivalent Positions for Fiscal Years 2003/04 Through 2005/06

Pima County Capital Improvement Program

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FINANCIAL STRUCTURE

Accounting policies: The Pima County accounting policies are guided by the State of Arizona Auditor General through the *Uniform Accounting Manual for Arizona Counties*. The policies conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB) and provide a consistent basis for presenting financial information of the County.

Fund accounting: The financial transactions of the County are recorded in individual funds, each of which is considered a separate fiscal entity. Each fund is accounted for with a separate set of *self-balancing* accounts that comprise its assets, liabilities, net assets, revenues, and expenditures or expenses, as appropriate.

The various funds and account groups are classified by category and type as follows:

GOVERNMENTAL FUNDS

Governmental Funds are referred to as “expendable funds” because the measurement focus is based upon the flow of current financial resources rather than the measurement of net profit. Governmental Funds are comprised of the following:

General Fund - Accounts for resources which are not required to be accounted for in another fund. The General Fund is the County’s principal financing vehicle for general government services and is funded largely by primary property tax revenue and state shared sales tax revenue.

Special Revenue Funds - Account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds include the following:

Employment & Training - Accounts for resources controlled by the County as a prime sponsor under the Workforce Investment Act of 1998 that superseded the Jobs Training Partnership Act. Funding is primarily provided by the Federal Government.

Environmental Quality - Accounts for resources specifically identified to be expended for the protection of water, air, and land from pollutants. The most significant revenue sources are air quality inspection and application fees, revenues derived from alternate onsite disposal plans, and funding provided by federal and state grants.

Flood Control District - Accounts for expenditures necessary to analyze, design, and maintain flood control improvements to protect persons and property from floodwaters. Revenues are primarily provided by secondary taxes on real property.

Public Health - Accounts for resources used to finance activities involved in the conservation and improvement of public health, emergency management/homeland security, and various animal control functions. Major sources of funding include federal and state grants, charges for services provided, and operating transfers from the General Fund.

Transportation - Accounts for administrative and operating costs, as well as resources transferred to the Capital Projects Fund for construction of highways and streets. Financing is provided primarily from the County’s share of gasoline tax collected by the state Highway User revenues, Vehicle License Tax revenues, and charges for services.

Other Special Revenue Funds - Account for resources specifically identified to be expended for various other programs of the County. These include the various probation programs, consumer protection programs, family support, antiracketeering programs, law library, etc. Funding for these programs is provided mostly by federal and state grants, with the exception of the antiracketeering program. Antiracketeering funding is provided by court ordered forfeitures, diversion fees, and restitution payments.

School Reserve Fund – Accounts for resources specifically identified to be expended for education programs in the Pima County Accommodation District and specialized educational programs that extend outside the boundaries of individual school districts. Revenues are primarily provided by federal and state grants and private donations.

Solid Waste Fund – Accounts for resources used to provide solid waste disposal facilities and services and tire recycling services. Major funding sources include landfill tipping fees and Pima County’s share of a state tax on new tire sales.

Stadium District – Accounts for resources specifically identified to be expended for the management and operation of Tucson Electric Park. Major revenue sources are from car rental surcharge fees, recreational vehicle surcharge fees, hotel/motel bed taxes, and charges for services provided.

Library District – Accounts for resources used for the management and operation of the Tucson-Pima Public Library System. Revenues are provided primarily by secondary property tax revenue.

Debt Service Fund - Accounts for the accumulation of resources for, and the payment of, general long term debt principal and interest applicable to Governmental Funds. This fund manages the debt for improvement districts, the Flood Control District, Transportation bonds, and General Obligation bonds. Revenues are derived primarily from a secondary tax levy on real and personal property. Other sources of financing include transfers of Highway User Revenues from the Transportation Special Revenue Fund for the payment of Transportation bonds, and transfers of secondary property tax revenue from the Flood Control District Special Revenue Fund for payment of Flood Control General Obligation bonds.

Capital Projects Fund - Accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). Financing sources are primarily from the proceeds from the sale of bonds, federal and state grants, and reimbursements associated with specific capital projects.

PROPRIETARY FUNDS

Proprietary funds are accounted for using the flow of economic resources measurement focus. This measurement focus accounts for all cost allocations (including depreciation) associated with the fund, similar to non-governmental business enterprises, and determines the net profit from operations. Proprietary Funds are comprised of:

Enterprise Funds - Account for operations that are financed and operated in a manner similar to private business enterprises. Enterprise funds within Pima County include the following:

Parking Garages - Accounts for the management and operation of eight parking facilities located in downtown Tucson. Revenues are from the parking fees from five public parking garages and two parking lots owned by Pima County.

Medical Services - Accounts for provider health care services for Pima Health System & Services, which operates health plans for the Arizona Health Care Cost Containment System (AHCCCS) and long term care under the Arizona Long Term Care System (ALTCS). Revenue is primarily derived from capitation fees.

Development Services - Accounts for the operations which provide zoning permits, enforce ordinances, and administer uniform building codes. Revenues are derived primarily from license and permit fees for plan examinations and zoning; penalties related to the issuance of building, plumbing, mechanical, electrical and mobile home permits; and charges for services such as plan checks and subdivision coordination.

Wastewater Management - Accounts for the management and operation of wastewater treatment and water pollution control facilities. Primary revenue sources are sewer user and connection fees.

Internal Service Funds - Account for the financing of goods or services provided by one department to other departments of the County on a cost reimbursement basis. Internal Service funds include the following:

Self Insurance Trust Fund - Accounts for the risk management function of the County. The fund is administered by an appointed board of trustees and provides self insurance for medical malpractice, workers compensation, unemployment, general liability, property damage, environmental damage, and employee dental benefits. It also acquires coverage for other risks. The fund is financed by charges to specific user departments and to the General Fund

Other Internal Service Funds - Account for the acquisition, operation, and maintenance of automotive and communications equipment used by County departments and for printing/graphic services provided to County departments. Other Internal Service funds are financed by fees and reimbursements charged to user departments.

FIDUCIARY FUNDS

Fiduciary funds do not include resources belonging to Pima County; therefore, they are not part of the County's budgeting process. The County does, however, have custodial responsibility for these funds and reports for them in its Comprehensive Annual Financial Report.

Agency Funds - Account for cash and investments held by the County on behalf of various fire districts, cities and towns, individuals, the state and other agencies. Also included are clearing funds for payroll and property taxes.

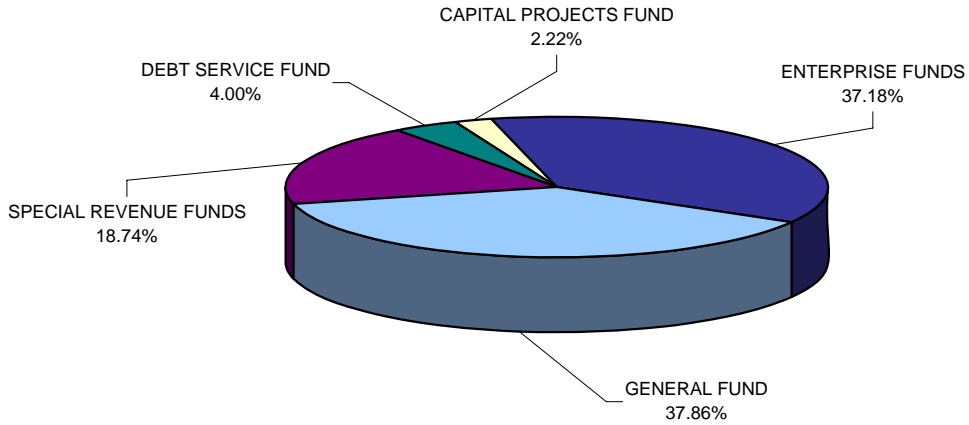
Investment Trust Fund - Accounts for cash and investments held by the County on behalf of various school districts.

ACCOUNT GROUPS

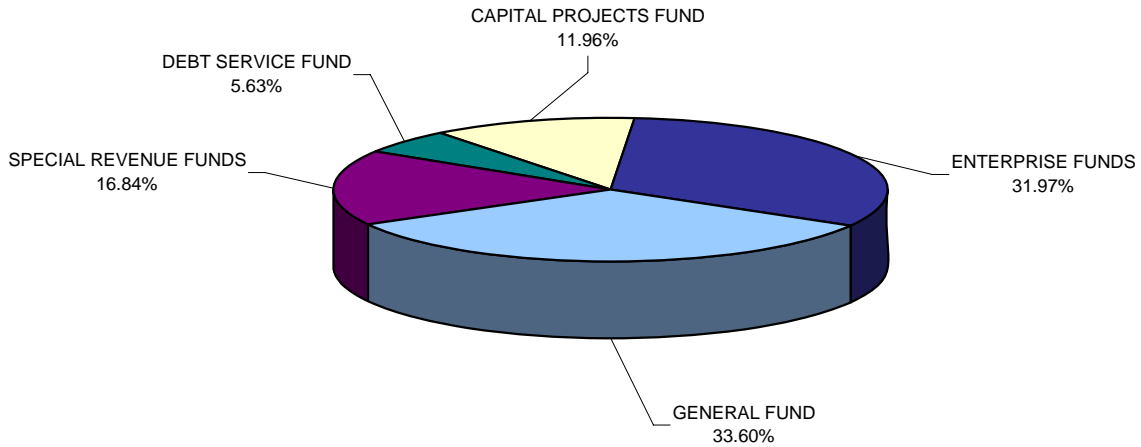
It should be noted that balances from the General Fixed Asset Account Group and the General Long Term Debt Account Group are now considered subsidiary ledgers and are reported in the County's government-wide financial statements, as required by GASB 34.

CONSOLIDATED OVERVIEW OF COUNTY BUDGET BY FUND

REVENUES BY FUND



EXPENDITURES BY FUND

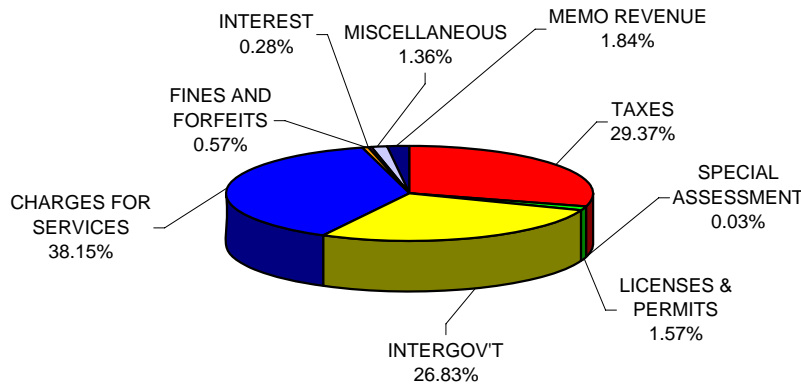


FUNDING SOURCES	EST. BEGINNING FUND BALANCE 2005/2006	ADOPTED REVENUES 2005/2006	ADOPTED EXPENDITURES 2005/2006	OTHER FINANCING SOURCES 2005/2006	INTERFUND TRANSFERS IN / (OUT)	ESTIMATED ENDING FUND BALANCE
GENERAL FUND	19,809,123	412,298,808	(404,047,076)	0	(12,260,855)	15,800,000
SPECIAL REVENUE FUNDS	47,900,019	204,142,971	(202,501,899)	0	(22,285,697)	27,255,394
DEBT SERVICE FUND	10,915,750	43,576,073	(67,738,662)	0	17,320,677	4,073,838
CAPITAL PROJECTS FUND	105,905,288	24,148,950	(143,776,950)	0	16,220,596	2,497,884
ENTERPRISE FUNDS	12,472,309	404,909,946	(384,357,490)	10,400,000	0	43,424,765

Note: The above charts do not include Internal Service Funds.

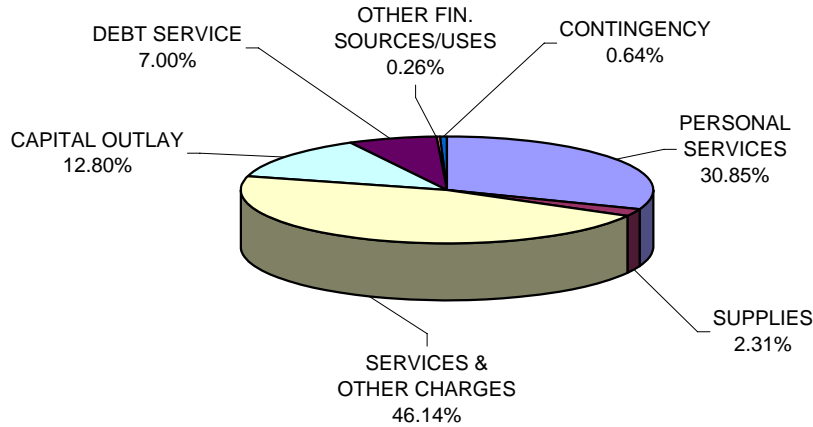
TOTAL COUNTY BUDGET BY SOURCE AND USE

REVENUES



REVENUES	FY 2003/2004	FY 2004/2005	FY 2005/2006
	Actual	Revised	Adopted
TAXES	279,527,010	297,247,892	319,832,041
SPECIAL ASSESSMENT	505,609	606,177	290,801
LICENSES & PERMITS	14,789,868	14,081,967	17,096,201
INTERGOVERNMENTAL	277,187,424	282,494,659	292,218,059
CHARGES FOR SERVICES	354,630,001	359,598,054	415,564,492
FINES AND FORFEITS	5,064,450	4,815,887	6,220,734
INTEREST	3,403,238	4,643,489	3,055,359
MISCELLANEOUS	18,344,216	12,668,179	14,799,061
MEMO REVENUE	22,217,299	20,000,000	20,000,000
	975,669,115	996,156,304	1,089,076,748

EXPENDITURES



EXPENDITURES	FY 2003/2004	FY 2004/2005	FY 2005/2006
	Actual	Revised	Adopted
PERSONAL SERVICES	323,744,633	341,533,436	371,082,430
SUPPLIES	27,515,348	21,686,962	27,719,374
SERVICES & OTHER CHARGES	443,465,730	509,852,327	554,756,998
CAPITAL OUTLAY	136,441,590	138,907,180	153,905,251
DEBT SERVICE	67,146,002	78,793,996	84,130,815
OTHER FIN. SOURCES/USES	2,805,071	2,933,591	3,173,220
CONTINGENCY	58,880	4,014,054	7,653,989
	1,001,177,254	1,097,721,546	1,202,422,077

Note: The above charts do not include Internal Service Funds.

REVENUES & EXPENDITURES FISCAL YEARS 2003/2004 - 2005/2006

	ACTUAL 2003/2004	REVISED 2004/2005	ESTIMATED 2004/2005	BOARD 2005/2006
GENERAL FUND				
REVENUE				
TAXES	209,671,644	223,091,316	224,951,194	242,152,889
LICENSES & PERMITS	2,165,680	2,259,500	2,263,834	2,311,037
INTERGOVERNMENTAL	120,057,663	116,460,146	123,149,613	132,950,205
CHARGES FOR SERVICES	24,133,581	23,647,981	24,073,268	26,479,134
FINES AND FORFEITS	4,023,395	3,884,094	4,644,692	5,245,633
INTEREST	530,331	1,040,000	1,136,154	628,510
MISCELLANEOUS	2,133,922	1,669,545	2,777,998	2,531,400
TOTAL	362,716,216	372,052,582	382,996,753	412,298,808
EXPENDITURES				
PERSONAL SERVICES	181,101,528	198,755,786	211,178,045	220,536,916
SUPPLIES	10,543,135	9,310,870	12,294,091	10,661,338
SERVICES & OTHER CHARGES	125,185,911	157,014,741	145,976,217	162,664,264
CAPITAL OUTLAY	4,059,910	2,374,518	4,734,161	4,491,647
DEBT SERVICE	3,498	5,600	4,905	558,238
OTHER FIN. SOURCES/USES	2,639,768	2,764,060	3,078,169	3,042,160
CONTINGENCY	58,880	1,877,054	68,659	2,092,513
TOTAL	323,592,630	372,102,629	377,333,421	404,047,076
SPECIAL REVENUE FUNDS				
REVENUE				
TAXES	27,057,691	29,007,160	29,322,483	34,705,580
SPECIAL ASSESSMENT	283,157	0	0	0
LICENSES & PERMITS	4,399,102	4,355,286	4,483,531	4,734,885
INTERGOVERNMENTAL	133,987,601	141,025,068	143,458,248	139,413,652
CHARGES FOR SERVICES	9,008,065	8,618,680	8,804,134	14,286,760
FINES AND FORFEITS	987,507	872,993	799,527	916,301
INTEREST	828,690	663,322	667,956	856,682
MISCELLANEOUS	11,667,477	9,105,680	9,289,118	9,229,111
MEMO REVENUE	3,326	0	0	0
TOTAL	188,222,616	193,648,189	196,824,997	204,142,971
EXPENDITURES				
PERSONAL SERVICES	65,861,905	74,604,393	74,062,142	76,720,624
SUPPLIES	7,928,604	5,694,668	8,915,767	7,380,238
SERVICES & OTHER CHARGES	83,261,764	99,051,455	93,628,397	107,455,082
CAPITAL OUTLAY	4,097,402	4,479,688	4,607,555	5,253,419
DEBT SERVICE	286,000	0	0	0
OTHER FIN. SOURCES/USES	253,198	169,531	284,723	131,060
CONTINGENCY	0	2,137,000	0	5,561,476
TOTAL	161,688,873	186,136,735	181,820,193	202,501,899
DEBT SERVICE FUND				
REVENUE				
TAXES	42,797,675	45,149,416	45,725,317	42,973,572
SPECIAL ASSESSMENT	222,452	606,177	593,195	290,801
INTERGOVERNMENTAL	22,360	4,800	8,790	7,500
INTEREST	299,563	304,200	304,200	304,200
MISCELLANEOUS	6,015	0	8,992	0
TOTAL	43,348,065	46,064,593	46,640,494	43,576,073
EXPENDITURES				
DEBT SERVICE	60,828,105	62,048,033	62,048,033	67,738,662
OTHER FIN. SOURCES/USES	(182,494)	0	0	0
TOTAL	60,645,611	62,048,033	62,048,033	67,738,662

REVENUES & EXPENDITURES FISCAL YEARS 2003/2004 - 2005/2006

	ACTUAL 2003/2004	REVISED 2004/2005	ESTIMATED 2004/2005	BOARD 2005/2006
CAPITAL PROJECTS FUNDS				
REVENUE				
INTERGOVERNMENTAL	16,855,166	18,887,581	18,887,581	14,997,572
CHARGES FOR SERVICES	9,536,768	2,492,520	2,492,520	7,235,700
INTEREST	996,627	2,000,000	2,000,000	581,423
MISCELLANEOUS	1,642,147	63,755	63,755	1,334,255
TOTAL	29,030,708	23,443,856	23,443,856	24,148,950
EXPENDITURES				
PERSONAL SERVICES	0	415,024	0	432,326
SUPPLIES	0	4,525	0	7,050
SERVICES & OTHER CHARGES	0	32,714	0	129,765
CAPITAL OUTLAY	103,166,637	131,666,074	142,418,021	143,207,809
TOTAL	103,166,637	132,118,337	142,418,021	143,776,950
ENTERPRISE FUNDS				
REVENUE				
LICENSES & PERMITS	8,225,086	7,467,181	8,972,077	10,050,279
INTERGOVERNMENTAL	6,264,634	6,117,064	6,152,315	4,849,130
CHARGES FOR SERVICES	311,951,587	324,838,873	340,585,140	367,562,898
FINES AND FORFEITS	53,548	58,800	78,567	58,800
INTEREST	748,027	635,967	878,375	684,544
MISCELLANEOUS	2,894,655	1,829,199	2,711,389	1,704,295
MEMO REVENUE	22,213,973	20,000,000	20,000,000	20,000,000
TOTAL	352,351,510	360,947,084	379,377,863	404,909,946
EXPENDITURES				
PERSONAL SERVICES	76,781,200	67,758,233	78,632,689	73,392,564
SUPPLIES	9,043,609	6,676,899	9,261,685	9,670,748
SERVICES & OTHER CHARGES	235,018,055	253,753,417	240,685,241	284,507,887
CAPITAL OUTLAY	25,117,641	386,900	25,723,324	952,376
DEBT SERVICE	6,028,399	16,740,363	6,173,767	15,833,915
OTHER FIN. SOURCES/USES	94,599	0	0	0
TOTAL	352,083,503	345,315,812	360,573,585	384,357,490
TOTAL REVENUES	975,669,115	996,156,304	1,029,283,963	1,089,076,748
TOTAL EXPENDITURES	1,001,177,254	1,097,721,546	1,124,193,253	1,202,422,077

Internal Service Funds - Information Purposes Only

INTERNAL SERVICE FUNDS

	ACTUAL 2003/2004	REVISED 2004/2005	ESTIMATED 2004/2005	BOARD 2005/2006
REVENUE				
INTERGOVERNMENTAL	166,413	39,800	167,169	37,000
CHARGES FOR SERVICES	30,321,987	31,450,070	30,459,809	30,436,938
INTEREST	545,814	542,500	548,295	537,500
MISCELLANEOUS	1,320,741	684,546	1,326,744	526,555
MEMO REVENUE	231,512	0	232,564	224,255
TOTAL	32,586,467	32,716,916	32,734,582	31,762,248
EXPENDITURES				
PERSONAL SERVICES	6,009,009	6,463,860	6,559,829	6,906,136
SUPPLIES	4,834,938	4,608,959	5,278,136	5,495,582
SERVICES & OTHER CHARGES	19,783,446	23,413,118	21,596,909	21,752,924
CAPITAL OUTLAY	286,010	38,549	312,227	36,899
OTHER FIN. SOURCES/USES	1,009,170	0	0	0
TOTAL	31,922,573	34,524,486	34,848,778	34,191,541

BUDGET IN BRIEF

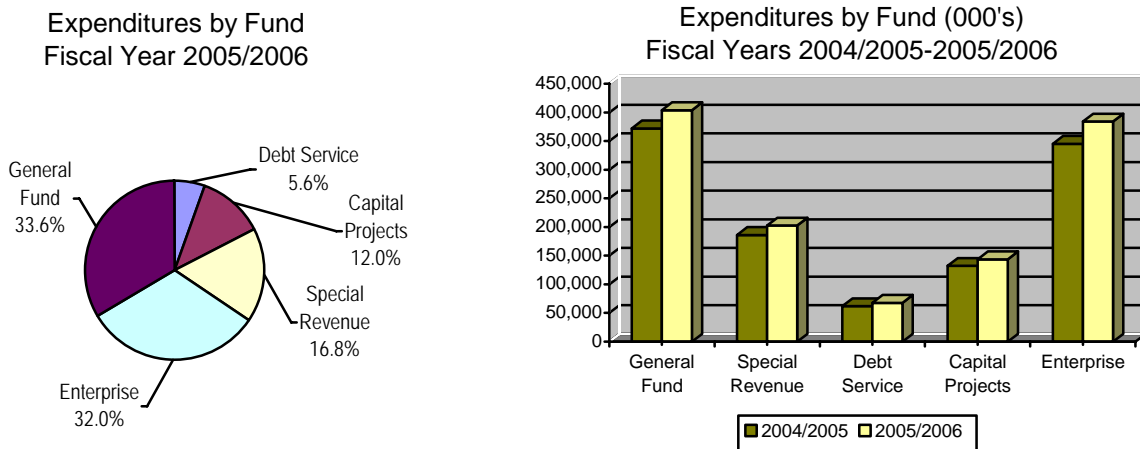
Arizona Revised Statute § 42-17105 requires the Pima County Board of Supervisors to adopt a budget for each fiscal year. On July 5, 2005, the Board adopted the budget for fiscal year 2005/06, which covers the period from July 1, 2005 through June 30, 2006.

Pima County's Fiscal Year 2005/06 Adopted Budget includes:

- \$1.202 billion in expenditures
- \$1.089 billion in revenues
- \$51.5 million in operating transfers between the various operating funds
- \$10.4 million in sales of Sewer Revenue bonds

Graphic analyses of expenditures by fund and functional area are presented below:

Comparison of Expenditures by Fund



GENERAL FUND: The Fiscal Year 2005/06 Adopted Budget for General Fund expenditures increased by \$31.9 million over fiscal year 2004/05. Major factors contributing to this net increase include:

- \$12.2 million in supplemental funding for individual departments
- \$6.4 million increase in costs to provide healthcare in County adult and juvenile detention facilities
- \$5.7 million for an employee compensation package consisting of one step for corrections staff, 2.5 percent for most other employees to address inflation, and 1.7 percent for employees who are members of the Arizona State Retirement System whose required contribution will increase by that percentage
- \$3.4 million net increase in Arizona Long Term Care System (ALTCS) payments to the state
- \$3.6 million increase in state mandated employer contributions to the various state retirement systems; \$1.4 million increase in the County's contribution toward the cost of other non-retirement benefits
- \$3.4 million representing the annual cost of salary adjustments for deputies and sergeants approved during the last quarter of fiscal year 2004/05
- \$2.6 million of various increases identified for General Fund departments that underwent the zero base budget process
- \$2.5 million reduction for the primary and general elections held in the fall of 2004 partially offset by \$1.8 million of additional jurisdictional and proposed regional transportation plan election costs
- \$813,000 increase for operations and maintenance costs for a newly purchased downtown building
- \$1.6 million decrease in costs associated with Kino Hospital employee transition
- \$3.8 million dollar decrease as the county is no longer required to make County Contribution Fund payments to the State
- \$5.0 million scheduled decrease in the County's obligations under the agreement with University Physicians Healthcare to operate the former Kino Community Hospital
- also includes the annualization of fiscal year 2004/05 supplemental requests, annualization of fiscal year 2004/05 salary adjustments, other position related adjustments, adjustments for one time costs, etc.

SPECIAL REVENUE FUNDS: The Fiscal Year 2005/06 Adopted Budget for Special Revenue Funds expenditures increased by \$16.4 million over fiscal year 2004/05. Major factors contributing to this net increase include:

- \$8.3 million increase to reflect the reclassification of the Solid Waste Management and Tire Funds for budgeting and accounting purposes from enterprise funds to special revenue funds
- \$4.5 million net increase in County Free Library District expenses reflecting various library services adjustments and funding to start a possible transition of the Library System to the County
- \$2.0 million net increase in the Public Health Special Revenue fund reflecting higher costs in personnel, supplies and services, supplemental funding, etc.
- \$1.9 million increase in the Regional Flood Control District associated with increases in mapping and studies projects, various office moves and alert radio system upgrades
- \$1.4 million increase in the County Administration Special Programs Fund
- \$1.3 million net increase in the Sheriff's special revenue funds primarily due to higher costs in the MANTIS Antiracketeering Fund
- \$1.1 million increase in various Superior Court special revenue funds
- \$654,000 of additional funding in the County Attorney's special revenue funds
- \$500,000 increase in the Employee Benefit Liability Fund
- \$439,000 net increase in various Clerk of the Superior Court funds
- \$2.2 million net decrease in the Transportation Special Revenue Fund operating and maintenance budget mainly reflecting the end of the required County Transportation Contribution Fund payment to the state
- \$5.1 million net decrease in anticipated grant funds
- also includes annualization of fiscal year 2004/05 salary adjustments, other position related adjustments, benefits adjustments, adjustments for one time costs, etc.

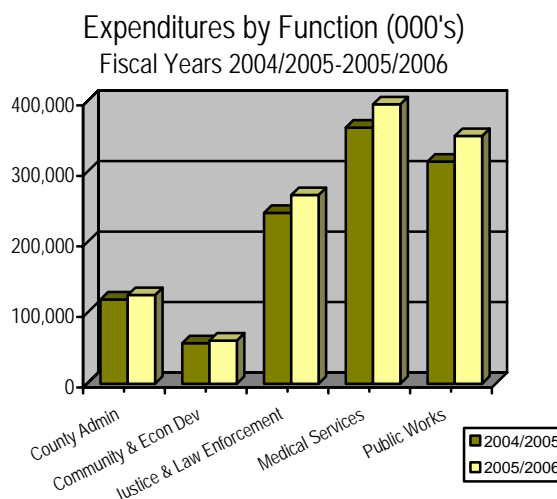
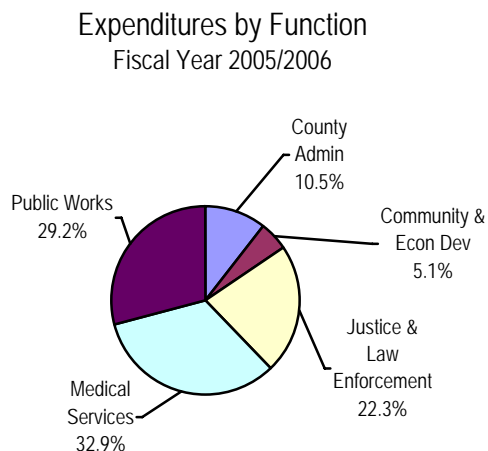
DEBT SERVICE FUND: The Fiscal Year 2005/06 Adopted Budget for Debt Service Fund expenditures increased \$5.7 million over fiscal year 2004/05. This increase is the net of retired debt and anticipated full year of debt service costs related to bond sales made in fiscal year 2004/05.

CAPITAL PROJECTS FUND: The Fiscal Year 2005/06 Adopted Budget for the Capital Projects Fund expenditures increased by \$11.7 million over fiscal year 2004/05, based on the implementation of the approved current year Capital Improvement Budget, as detailed in the County's Fiscal Year 2005/06 to 2009/10 Capital Improvement Plan. (See the *Summary Schedules* section - *Summary of Active Capital Improvement Projects*.)

ENTERPRISE FUNDS: The Fiscal Year 2005/06 Adopted Budget for Enterprise Fund expenditures increased by \$39.0 million over fiscal year 2004/05. Significant changes include:

- \$26.4 million net increase in Pima Health System & Services due to increases in the number of members covered under the Arizona Health Care Cost Containment System (AHCCCS) and Arizona Long Term Care System (ALTCS), rising medical care costs, increased premium tax costs, etc.
- \$15.7 million increase in the Wastewater Management Enterprise Fund, relating to the rehabilitation and expansion of the system, increased depreciation, debt service, establishment of an emergency reserve fund, etc. partially offset by the transfer of \$5.8 million Solid Waste Management and Tire funds out of the enterprise fund to separate special revenue funds
- \$3.1 million increase in Development Services reflecting increased building activity in the County and various anticipated office moves
- \$393,000 decrease in the Parking Garage Enterprise Fund reflecting lower security, utility and maintenance costs
- also includes annualization of fiscal year 2004/05 salary adjustments, position related adjustments, benefits adjustments, adjustments for one time costs, etc.

Comparison of Expenditures by Functional Area



COUNTY ADMINISTRATION: The Fiscal Year 2005/06 Adopted Budget for expenditures for the County Administration functional area increased by \$6.3 million over fiscal year 2004/05. Major reasons for the net increase include:

- Fiscal Year 2005/06 Adopted Budget for Debt Service Fund expenditures increased \$5.7 million over fiscal year 2004/05. This increase is the net of retired debt and anticipated full year of debt service costs related to bond sales made in fiscal year 2004/05.
- \$3.1 million of supplemental funding for Elections to purchase and maintain vision impaired voting devices and also fund anticipated Proposition 200 related costs
- \$1.4 million increase in the County Administration Special Programs Fund
- \$2.5 million reduction for the primary and general elections held in the fall of 2004 partially offset by \$1.8 million of additional jurisdictional and proposed bond election costs
- \$500,000 increase in the Employee Benefit Liability Fund
- \$3.8 million dollar decrease as the county is no longer required to make County Contribution Fund payments to the state
- also includes annualization of fiscal year 2004/05 salary adjustments, current year salary adjustments, other position related adjustments, benefits adjustments, adjustments for one time costs, etc.

COMMUNITY & ECONOMIC DEVELOPMENT: The Fiscal Year 2005/06 Adopted Budget for expenditures for the Community & Economic Development functional area increased by \$3.8 million over fiscal year 2004/05. Major factors contributing to this net increase are:

- \$4.5 million net increase in County Free Library District expenses reflecting various library services adjustments and funding to start a possible transition of the Library System to the County
- \$1.2 million of supplemental funding for Community Services to implement a project to provide workforce services to people with disabilities
- \$3.6 million decrease in the Employment & Training Fund reflecting federal grant reductions offset by \$1.0 million of supplemental funding for Community Services to partially restore the County's One Stop workforce investment programs
- \$253,000 of supplemental funding for Community Development and Neighborhood Conservation for the General Fund portion of costs to implement the 2004 voter approved Housing Bonds Program
- also includes annualization of fiscal year 2004/05 salary adjustments, current year salary adjustments, other position related adjustments, benefits adjustments, adjustments for one time costs, etc.

JUSTICE & LAW ENFORCEMENT: The Fiscal Year 2005/06 Adopted Budget for the Justice & Law Enforcement functional area increased by \$25.3 million over fiscal year 2004/05. This net increase is due primarily to:

- \$3.4 million representing the annual cost of salary adjustments for deputies and sergeants approved during the last quarter of fiscal year 2004/05
- \$1.7 million of supplemental funding for various Justice and Law Enforcement departments
- \$1.3 million net increase in the Sheriff's special revenue funds primarily due to higher costs in the MANTIS Antiracketeering Fund
- \$1.2 million of supplemental funding for Indigent Defense
- \$1.0 million of supplemental funding for Contract Attorneys in the Office of Court Appointed Counsel
- \$1.1 million increase in various Superior Court special revenue funds
- \$1.0 million increase to fund the full annual cost of various positions in the new Adult Detention Facility
- \$986,000 increase in Indigent Defense special revenue funds primarily due to additional Fill the Gap funding
- \$905,000 increase for the Juvenile Court as the result of undergoing the zero base budget process
- \$654,000 of additional funding in the County Attorney's special revenue funds
- \$439,000 net increase in various Clerk of the Superior Court special revenue funds
- also includes annualization of fiscal year 2004/05 supplemental requests, annualization of fiscal year 2004/05 salary adjustments, current year salary adjustments, other position related adjustments, benefits adjustments, adjustments for one time costs, etc.

MEDICAL SERVICES: The Fiscal Year 2005/06 Adopted Budget for the Medical Services functional area increased by \$33.0 million over fiscal year 2004/05. The main reasons for this net increase include:

- \$26.4 million net increase in Pima Health System & Services due to increases in the number of members covered under the Arizona Health Care Cost Containment System (AHCCCS) and Arizona Long Term Care System (ALTCS), rising medical care costs, increased premium tax costs, etc.
- \$6.4 million increase in costs to provide healthcare in County adult and juvenile detention facilities
- \$3.4 million net increase in Arizona Long Term Care System (ALTCS) payments to the state
- \$2.0 million net increase in the Public Health Special Revenue fund reflecting higher costs in personnel, supplies and services, supplemental funding, etc.
- \$779,000 decrease in Public Health related grants
- \$5.0 million scheduled decrease in the County's obligations under the agreement with University Physicians Healthcare to operate the former Kino Community Hospital
- also includes annualization of fiscal year 2004/05 salary adjustments, current year salary adjustments, other position related adjustments, benefits adjustments, adjustments for one time costs, etc.

PUBLIC WORKS: The Fiscal Year 2005/06 Adopted Budget for the Public Works functional area increased by a net \$36.3 million over fiscal year 2004/05. Significant changes include the following:

- Capital Projects Fund expenditures increased by \$11.7 million, due to the implementation of the approved current year Capital Improvement Budget, as detailed in the County's proposed fiscal year 2005/06 to 2009/10 Capital Improvement Plan (See the Summary Schedules section - Summary of Active Capital Improvement Projects)
- \$15.7 million increase in Wastewater Management, relating to the rehabilitation and expansion of the system, increased depreciation, debt service, establishment of an emergency reserve fund, etc.
- \$2.6 million net increase in funding for the Solid Waste Management and Tire special revenue funds for higher existing landfill operations costs and expanded landfill operations
- \$3.1 million increase in Development Services reflecting increased building activity in the County and various anticipated office moves
- \$1.9 million increase in the Regional Flood Control District associated with increases in mapping and studies projects, various office moves and alert radio system upgrades

- \$1.2 million of supplemental funding for Natural Resources, Parks and Recreation
- \$393,000 decrease in the Parking Garage Enterprise Fund reflecting lower security, utility and maintenance costs
- \$150,000 of supplemental funding for Facilities Management
- \$2.2 million net decrease in the Transportation Special Revenue Fund operating and maintenance budget mainly reflecting the end of the required County Transportation Contribution Fund payment to the State
- also includes annualization of fiscal year 2004/05 supplemental requests, annualization of fiscal year 2004/05 salary adjustments, current year salary adjustments, other position related adjustments, benefits adjustments, adjustments for one time costs, etc.

Comparison of Revenues

Please refer to the *Revenue Sources* section for an analysis of significant revenue variances and trends.

Projected Net Changes in Fiscal Year End Fund Balances/Net Assets

The following funds are projected to experience significant changes (10% or more) in ending fund balances or net assets in fiscal year 2005/06:

General Fund

The fiscal year 2005/06 adopted ending fund balance for the General Fund is \$15.8 million, a net decrease of \$4.0 million from the budgeted beginning fund balance. Major factors contributing to this decrease are discussed under the Budget Issues Tab (pages 4-9 thru 4-12).

Special Revenue Funds

The fiscal year 2005/06 adopted ending fund balance for all Special Revenue Funds is \$27.3 million, a net decrease of \$20.6 million from the budgeted beginning fund balance. Major factors contributing to this decrease include:

- \$8.7 million reduction in the Transportation Special Revenue Fund Balance reflecting higher operating and maintenance, capital project and debt service costs
- \$11.9 million net reduction in various other special revenue fund and grant fund balances reflecting increases or decreases in nearly 60 minor County funds due to restricted funds being spent on their specified services. These funds account for such diverse functions as Solid Waste Management, the County Free Library, Stadium District, Justice and Law Enforcement Grants, etc.

Capital Projects Fund

The fiscal year 2005/06 adopted ending fund balance for the Capital projects Fund is \$2.5 million, a net decrease of \$103.4 million from the budgeted beginning fund balance as existing bond and non-bond funds are expended in the implementation of the approved current year Capital Improvement Budget, as detailed in the County's proposed fiscal year 2005/06 to 2009/10 Capital Improvement Plan (See the *Summary Schedules* section - *Summary of Active Capital Improvement Projects*)

Debt Service Fund

The fiscal year 2005/06 adopted ending fund balance for the Debt Service Fund is \$4.1 million, a net decrease of \$6.8 million from the budgeted beginning fund balance. Major factors contributing to this decrease include:

- A \$5,690,629 increase in overall debt service payments. This increase is the net of retired debt and anticipated full year of debt service costs related to bond sales made in fiscal year 2004/05
- A \$0.1000 reduction in the secondary tax rate for General Obligation Bond Debt Service from the FY 2004/05 rate of \$0.8150 to \$0.7150 per \$100 of net assessed value for FY 2005/06

Enterprise Funds

The fiscal year 2005/06 adopted ending net assets for all Enterprise Funds is \$43.4 million, a net increase of \$31.0 million over the budgeted beginning net assets. Major factors contributing to this increase include:

- \$29.7 million increase in the Wastewater Management Enterprise Fund due to a combination of increases in sewer revenue and connection fees, establishment of an emergency reserve fund and additional bond funds. Fiscal year 2005/06 beginning net assets were severely reduced by several emergency repairs to the system such as a major sewer line break and its subsequent replacement.
- \$757,000 increase in the net assets of the Development Services enterprise fund
- \$364,000 increase in net assets of Pima County's Medical Services Enterprise Fund
- \$147,000 increase in the net assets of the Parking Garages Enterprise Fund

A summary table of beginning and ending fund balances/net assets for all funds is located on page 5-5 of this section.

**ADOPTED FULL TIME EQUIVALENT POSITIONS
FISCAL YEARS 2003/2004 - 2005/2006**

FUNCTIONAL AREA/SUPER DEPARTMENT	ADOPTED 2003/2004	REVISED 2004/2005	ADOPTED 2005/2006	CHANGE 04/05 to 05/06
<u>COUNTY ADMINISTRATION</u>				
ASSESSOR	152.3	152.0	161.0	9.0
BOARD OF SUPERVISORS	24.1	22.9	23.2	0.3
CLERK OF THE BOARD	19.0	19.0	19.0	0.0
COMMUNICATIONS	9.0	10.0	11.0	1.0
COUNTY ADMINISTRATOR	40.8	37.2	16.2	(21.0)
ELECTIONS	12.0	12.0	15.5	3.5
FINANCE	77.1	82.7	95.8	13.1
FORENSIC SCIENCE CENTER	24.0	24.0	25.0	1.0
HUMAN RESOURCES	43.0	44.0	42.5	(1.5)
INFORMATION TECHNOLOGY	69.5	69.5	100.5	31.0
NON DEPARTMENTAL	0.0	0.0	0.0	0.0
PROCUREMENT	28.0	30.0	30.0	0.0
RECORDER	41.0	64.0	57.0	(7.0)
RISK MANAGEMENT	19.0	19.0	18.0	(1.0)
TREASURER	44.0	44.0	41.0	(3.0)
TOTAL COUNTY ADMINISTRATION	602.8	630.3	655.7	25.4
<u>COMMUNITY & ECONOMIC DEVELOPMENT</u>				
COMMUNITY & ECONOMIC DEVELOPMENT ADMIN	0.0	6.4	8.0	1.6
COMMUNITY DEVELOP & NEIGHBORHOOD CONSERV	25.6	18.3	22.1	3.8
COMMUNITY RESOURCES	109.5	84.0	76.6	(7.4)
COMMUNITY SVCS, EMPLOYMENT & TRAINING	185.5	144.5	105.6	(38.9)
COUNTY FREE LIBRARY	1.0	1.0	1.0	0.0
ECONOMIC DEVELOPMENT & TOURISM	0.0	2.0	2.0	0.0
SCHOOL SUPERINTENDENT	15.6	15.5	15.9	0.4
TOTAL COMMUNITY & ECONOMIC DEVELOPMENT	337.2	271.7	231.2	(40.5)
<u>JUSTICE & LAW ENFORCEMENT</u>				
CLERK OF SUPERIOR COURT	232.2	228.0	219.5	(8.5)
CONSTABLES	9.6	11.2	12.7	1.5
COUNTY ATTORNEY	393.2	395.2	404.2	9.0
INDIGENT DEFENSE	162.6	156.6	177.5	20.9
JUSTICE COURT AJO	8.8	8.8	9.8	1.0
JUSTICE COURT GREEN VALLEY	8.5	8.5	8.5	0.0
JUSTICE COURTS TUCSON	96.5	97.3	107.0	9.7
JUVENILE COURT	558.4	560.1	565.3	5.2
OFFICE OF COURT APPOINTED COUNSEL	0.0	0.0	10.0	10.0
PUBLIC FIDUCIARY	33.4	33.5	35.3	1.8
SHERIFF	1,184.7	1,300.0	1,328.7	28.7
SUPERIOR COURT	637.1	630.6	647.2	16.6
TOTAL JUSTICE & LAW ENFORCEMENT	3,325.0	3,429.8	3,525.7	95.9

**ADOPTED FULL TIME EQUIVALENT POSITIONS
FISCAL YEARS 2003/2004 - 2005/2006**

FUNCTIONAL AREA/SUPER DEPARTMENT	ADOPTED 2003/2004	REVISED 2004/2005	ADOPTED 2005/2006	CHANGE 04/05 to 05/06
<u>MEDICAL SERVICES</u>				
INSTITUTIONAL HEALTH	12.0	13.0	18.0	5.0
KINO COMMUNITY HOSPITAL	774.1	0.0	0.0	0.0
PIMA HEALTH SYSTEM & SERVICES	916.0	894.0	939.9	45.9
PUBLIC HEALTH	352.5	354.8	358.3	3.5
TOTAL MEDICAL SERVICES	2,054.6	1,261.8	1,316.2	54.4
<u>PUBLIC WORKS</u>				
CAPITAL PROJECTS	7.0	7.0	7.3	0.3
DEVELOPMENT SERVICES	158.5	161.5	170.0	8.5
ENVIRONMENTAL QUALITY	65.0	60.6	53.9	(6.7)
FACILITIES MANAGEMENT	116.0	142.9	157.7	14.8
FLEET SERVICES	55.5	56.0	59.5	3.5
GRAPHIC SERVICES	24.0	25.0	20.5	(4.5)
NATURAL RESOURCES, PARKS & RECREATION	213.7	227.5	246.9	19.4
PUBLIC WORKS ADMINISTRATION	30.7	32.7	32.5	(0.2)
REGIONAL FLOOD CONTROL DISTRICT	0.0	54.0	60.8	6.8
SOLID WASTE MANAGEMENT	52.5	48.8	52.5	3.7
TRANSPORTATION	447.1	422.2	417.5	(4.7)
WASTEWATER MANAGEMENT	558.5	506.5	531.8	25.3
TOTAL PUBLIC WORKS	1,728.5	1,744.7	1,810.9	66.2
TOTAL ALL FUNCTIONAL AREAS	8,048.1	7,338.3	7,539.7	201.4

Major net changes in Full Time Equivalent (FTE) positions from fiscal year 2004/05 to 2005/06 are generally explained below:

FTEs in County Administration increased by 25.4 or 4%. Major factors contributing to this net increase include:

- 31.0 FTE increase in Information Technology representing information technology related positions transferred from other County departments
- 13.1 FTE increase in the Finance department primarily consisting of positions transferred from the County Administrator
- 9.0 FTE increase in the Assessor due to growth in the property base
- 3.5 FTE increase in the Elections department due to new election laws and regulations
- 3.0 FTE decrease in the Treasurer resulting from the streamlining of operations
- 7.0 FTE decrease in the Recorder due to a reduction in voter registration workers
- 21.0 FTE decrease in the County Administrator as a result of transferring the Office of Revenue & Collections to the Finance department as well as moving staff in the Office of Court Appointed Council to its own new department

FTEs in Community & Economic Development decreased by 40.5 or 15% Major factors contributing to this net increase include:

- 3.8 FTE increase in the Community Development & Neighborhood Conservation department due to increased hours for existing positions and new supplemental funded positions
- 7.4 FTE net decrease in the Community Resources department primarily due to decreases in funded hours within the department and Pima Vocational High School partially offset by additional positions in the Vocational/Remedial Education Program
- 38.9 FTE decrease in Community Services, Employment & Training primarily due to reductions in grant funding

FTEs in Justice & Law Enforcement increased by 95.9 or 3%. Major factors contributing to this net increase include:

- 20.9 FTE increase in Indigent Defense due to additional Public Defender felony case attorney and staff positions and increases in hours funded in existing positions
- 19.7 FTE increase in Sheriff General Fund positions for the new 500 bed jail
- 16.8 FTE net increase in various Justice and Law enforcement special revenue fund and grant departments
- 11.0 FTE net increase in the Superior Court General Fund positions as a result of the establishment of two new divisions of the Superior Court, the transfer of Human Resources and Training positions from the Juvenile Court partially offset by decreases in hours funded for existing positions
- 10.0 FTE increase in the newly created Office of Court Appointed Counsel (OCAC) consisting of existing positions transferred in from other County departments
- 9.7 FTE increase in Justice Courts Tucson from supplemental package funding for case processing staff, new management structure and a 2XIA clerk
- 8.0 FTE increase in the County Attorney General Fund positions for the Civil Litigation Division and 1.0 FTE for a victim witness advocate position
- 1.5 FTE increase for new constables, which became effective in January 2005
- 5.5 FTE net decrease in Clerk of the Superior Court General Fund positions primarily due to positions left vacant to fund FY 2004/05 salary adjustments partially offset by additional positions to support two new divisions of the Superior Court

FTEs in Medical Services increased by 54.4 or 4%. Major factors contributing to this net increase include:

- 45.9 FTE increase in Pima Health System and Services due to the transfer of former Kino Hospital employees, creation of new positions, and adjustments to existing positions
- 5.0 FTE increase in Institutional Health due to the transfer of former Kino Hospital employees and a position from County Administration
- 3.5 FTE net increase in Public Health due to the addition of new Animal Care Center positions, adjustments to existing positions partially offset by a reduction in grant funded positions to reflect decreased grant funding

FTEs in Public Works increased by 66.2 or 4%. Major factors contributing to this net increase include:

- 25.3 FTE net increase in Wastewater Management resulting from a return to normal staffing levels after temporary reductions in fiscal year 2004/05 due to cash flow problems caused by the Speedway sinkhole, supplemental package funding for capacity expansion, enhanced maintenance and rehabilitation activities and other adjustments partially offset by the transfer of Information Technology related positions to the Information Technology department
- 19.4 FTE increase in Natural Resources, Parks & Recreation primarily representing positions needed to maintain new parks facilities coming on line in fiscal year 2005/06
- 14.8 FTE increase in Facilities Management due to the transfer of former Kino Hospital employees, supplemental package funding for staffing increases in the Design and Planning programs, etc.
- 6.7 net FTE increase in various other Public Works departments to meet increased service demands in these areas

Note: Slight variances between Program and Department FTEs are due to the rounding of hours per FTE.

PIMA COUNTY CAPITAL IMPROVEMENT PROGRAM SUMMARY

Introduction

Pima County's Fiscal Year 2005/06 Adopted Budget for its Capital Improvement Program (CIP) consists of nine categories: Facilities Management; Transportation; the Regional Flood Control District; Natural Resources, Parks & Recreation; Open Space; Cultural Resources; Neighborhood/Housing Conservation; Solid Waste Management; and Wastewater Management.

Distinct from the Capital Improvement Program (CIP), Pima County's Capital Projects Fund includes the approved projects for all categories except Wastewater Management. Because Wastewater Management is an Enterprise Fund, its projects are accounted for within the Wastewater Management operating fund, and expenditures are capitalized according to generally accepted accounting principles. Wastewater Management projects are included in the narrative section of this report, while the charts and tables address only the projects in the Capital Projects Fund.

This report provides an overview of Pima County's CIP for fiscal year 2005/06, summary data for projects that fall into the adopted Capital Projects Fund for fiscal year 2005/06, and summary operations and maintenance (O&M) data for fiscal year 2005/06.

Overview

In two special elections in 1997, Pima County voters approved \$711,980,000 in general obligation, sewer revenue, and Highway User Revenue Fund (HURF) revenue bonds. In preparation for these bond elections, the Board of Supervisors approved two Bond Implementation Plan ordinances (Ordinance Numbers 1997-35 and 1997-80) that identified specific projects and the extent of those projects, bond allocations and other funding allocations, and implementation schedules. In a special election in 2004, Pima County voters approved \$732,250,000 in general obligation and sewer revenue bonds. In preparation for this election, the Board of Supervisors approved another Bond Implementation Plan Ordinance (Number 2004-18). The Bond Implementation Plan ordinances provide a framework for the development of a CIP budget. New projects (i.e., those not included in the 1997 and 2004 bond elections) are added to the CIP budget as infrastructure needs dictate and as funding availability permits. No CIP projects are undertaken without full funding.

Transportation is the largest component of the budget for CIP in terms of expenditures. Facilities Management – which manages projects related to County facilities as well as capital improvements for the Sheriff's Department, the Superior Court, Medical Services, and Community and Economic Development – has the next largest CIP expenditure authorization; currently one large project, Kino Public Health Center, accounts for nearly half of the currently budgeted expenditures. Regional Flood Control District has third largest and Natural Resources Parks and Recreation and has the fourth largest expenditures component.

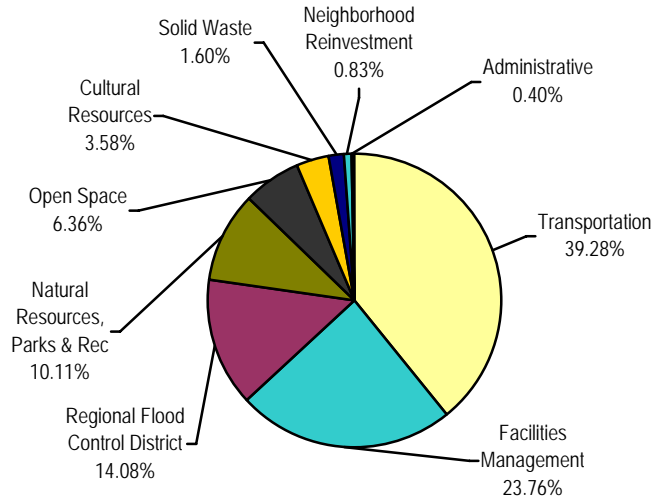
The Regional Flood Control District has a number of projects being developed in cooperation with the Corps of Engineers, which typically funds from two-thirds to three-quarters of project costs. The magnitude of the public improvements associated with the Regional Flood Control District's portion of budgeted CIP is much larger than the figures indicate, as the expenditures in the CIP budget include only the County's local cost sharing responsibilities.

Taken together, the remaining categories of CIP comprise a small percentage of the County's overall budgeted CIP. Cultural Resources projects provide for acquisition and rehabilitation of historic structures and mitigation of archaeological resources. The Neighborhood/Housing Conservation Program funds infrastructure investments in high stress neighborhoods throughout the community. Solid Waste programs consist of environmental remediation projects and infrastructure expansion.

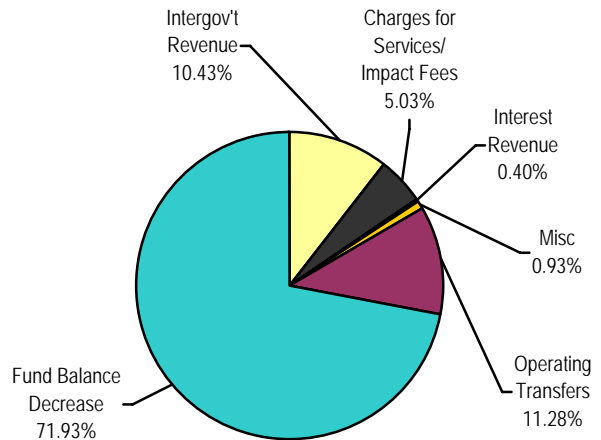
The following charts provide summary information for Pima County's fiscal year 2005/06 adopted expenditures, revenues, and other funding sources for all Capital Projects Fund projects.

Pima County FY 2005/06 Capital Projects Fund¹

Expenses by Category



Sources of Funding



Expenses by Category

Transportation	\$56,480,917
Facilities Management	34,159,949
Regional Flood Control District	20,249,835
Natural Resources, Parks & Recreation	14,542,719
Open Space	9,138,000
Cultural Resources	5,143,722
Solid Waste Management	2,296,000
Neighborhood Reinvestment	1,187,667
Administrative Costs	578,141
TOTAL	\$143,776,950

Sources of Funding

Intergovernmental Revenue	\$14,997,572
Charges for Services/Impact Fees	7,235,700
Interest Revenue	581,423
Miscellaneous Revenue	1,334,255
Other Funding: Operating Transfers	16,220,596
Other Funding: Fund Balance Decrease	103,407,404
TOTAL	\$143,776,950

¹ Capital Projects Fund only; does not include Wastewater Management projects. Refer to the *Summary Schedules* section - *Summary of Active Capital Improvement Projects* for a complete list of all projects, including Wastewater Management projects and related expenses.

Relationship Between Operating and Capital Budgets

A direct relationship exists between Pima County's CIP budget and its annual operating budget. Impacts on expenditure budgets and the availability of future revenues to support these new costs are and will continue to be an important factor in determining the timing of construction and origination of new projects.

Capital projects, when completed, tend to require increases in operating budgets to cover new upkeep, maintenance, security, and other costs. For some capital improvements the incremental impact of completed projects on the County's operating budget is relatively small. For example, new or expanded roadways tend to have little impact on operating expenditures (if not decreasing expenditures due to maintenance savings). On the other hand, projects like the Sheriff Department Maximum Security Detention Facility (scheduled for completion in fiscal year 2005/06) will require significant additional operations and maintenance (O&M) expenditures: increased personal services expenditures for additional corrections officers and other staff, additional supplies and services expenditures for utilities, general maintenance, supplies, and the like.

When new projects are considered for funding in the County's budgeted CIP, increased operating costs are taken into consideration. Departments are required to project the impact of additional operating costs over the life of a project, and the analysis and eventual approval of Capital Projects takes these estimates into account. Additionally, in each annual budgeting cycle, General Fund departments submit supplemental budget requests to cover new operating costs resulting from projects whose completion will impact operating expenditures in the fiscal year under consideration, and non-General Fund departments add O&M estimates to their base budget requests. Information relating to additional funding needs for O&M is evaluated for accuracy, and expenditures and revenues resulting from the completed project are projected over a five-year period. These projections are included in departmental plans in the current year and in subsequent years.

More detailed information on the impact of completed capital projects on Pima County's fiscal year 2005/06 operating budget may be found in the final section of this report.

Capital Projects by Category: Summary

Facilities Management

Facilities Management, which manages projects related to County facilities as well as capital improvements for the Sheriff Department, the Superior Court, Medical Services, and Community and Economic Development, has twenty-six active projects in fiscal year 2005/06. Six of the twenty-six projects were approved by voters in the May 20, 1997 bond elections; sixteen were approved in the May 18, 2004 bond election. These twenty-two projects account for 99 percent of expenditures. Two of the 1997 bond projects are substantial: \$15.5 million for construction of a building for the Kino Public Health Center, and \$4.1 million for planning and land acquisition for the Justice Court/Municipal Court Complex.

Eighteen of the twenty-six Facilities Management projects active in fiscal year 2005/06 will be under construction during the course of this fiscal year; construction expenditures are projected to be \$26.7 million or seventy-eight percent of the total Facilities Management CIP. The remaining projects are in pre-construction phases, and the expenditures for those projects are earmarked for planning and design, land acquisition, and miscellaneous startup requirements.

Transportation

The fiscal year 2005/06 CIP associated with Transportation consists of thirty-two active projects with total expenditures of \$56.5 million. Twenty-one of these projects are part of the bond package approved by voters in the 1997 special elections. Of the projects approved in the 1997 special elections, eighteen address capacity improvements to major, critical roadway segments throughout Pima County's metropolitan areas.

Twenty-five Transportation projects are projected to be under construction during the course of fiscal year 2005/06. Construction expenditures are estimated at 77 percent, or approximately \$43.5 million, of Transportation's portion of CIP for fiscal year 2005/06. The remaining expenditures will be for planning and design, land acquisition, and miscellaneous other expenditures. Major projects include the completion of Veteran's Memorial Overpass and Valencia Road, Mission Road to Interstate-19; and the continuation of River Road, Campbell Avenue to Alvernon Way; Craycroft Road, River Road to Sunrise; Cortaro Farms Road, Southern Pacific Railroad Crossing to Thornydale Road; and Alvernon Way, Ft. Lowell to River Road.

Regional Flood Control District

The Regional Flood Control District has more than thirty active CIP projects in fiscal year 2005/06, with total estimated expenditures of \$20.3 million. Five of the projects are part of the bond package approved by voters in the 1997 special elections and ten projects are part of the bond package approved by voters in 2004. The Regional Flood Control District will partner with the Army Corps of Engineers on seven projects in fiscal year 2005/06, with the Corps of Engineers contributing an additional \$9.1 million to those projects.

Sixty-five percent, or \$13.1 million of fiscal year 2005/06 expenditures, is estimated for construction expenditures; the remaining Flood Control-related expenditures are for planning and design, land acquisition, and miscellaneous expenditures. Major projects include Earp Wash Detention Basin, Urban Drainage, and Arroyo Chico Detention Basin.

Natural Resources, Parks & Recreation

There are twenty-five CIP projects, with total projected expenditures of \$14.5 million, scheduled for activity in fiscal year 2005/06 for Natural Resources, Parks & Recreation. All of these 25 projects are part of the bond packages approved by voters, 12 in the 1997 special elections and 13 in the 2004 special election.

Fifteen of the twenty-five Natural Resources, Parks & Recreation projects are scheduled to be under construction during the course of fiscal year 2005/06. The estimated construction expenditures of \$9.3 million represent sixty-four percent of total expenditures for the year; the balance of expenditures are planning and design, land acquisition, and startup expenditures. Major projects from the 1997 bond election include continuing work on the Quincie Douglas Park Pool and Columbus Park. Major projects from the 2004 bond election include Flowing Wells Community Center and Brandi Fenton Memorial Park.

Open Space

There are six open space acquisition projects, with total projected expenditures of \$9.1 million, scheduled for fiscal year 2005/06 for Open Space. All of the projects are part of the \$173.4 million approved in the 2004 bond election, with the largest budgeted acquisitions for Canoa Ranch Parcels and the Avra Valley Project Area.

Cultural Resources

There are twelve CIP projects, with total expenditures of \$5.1 million, scheduled for activity in fiscal year 2005/06. Cultural Resources is a program that stresses equally the acquisition and rehabilitation of historic structures and provides for mitigation of archaeological resources. Voters approved the twelve projects in the bond elections; two were approved in the 1997 special elections, ten were approved in the 2004 election. The largest project is the Fort Lowell Acquisition and San Pedro Chapel, which was part of the 2004 election.

Five of the twelve Cultural Resources projects will be under construction during fiscal year 2005/06. The estimated construction expenditures of \$2.5 million are approximately fifty percent of the projected Cultural Resources activity. The remaining expenditures will be for land acquisition, planning and design, and miscellaneous other expenditures.

Neighborhood/Housing Conservation

The Neighborhood/Housing Conservation category for fiscal year 2005/06 consists of small, bond-funded individual projects grouped under one master bond and project number. All of the projects will be under construction during the course of the year; the projected expenditures total is \$1.2 million.

Solid Waste Management

The fiscal year 2005/06 CIP budget for Solid Waste Management consists of four projects, three of which were approved by voters at the May 20, 1997 special election. One was approved in the 2004 election. Projected expenditures for the projects are \$2.3 million. One of the projects, Sahuarita Landfill Expansion, will be under construction during fiscal year 2005/06. The estimated construction expenditures of \$1.7 million are approximately seventy-four percent of the projected total Solid Waste activity.

Wastewater Management

The fiscal year 2005/06 adopted CIP budget for Wastewater Management consists of thirty projects with total expenditures of \$21.8 million. Major projects for fiscal year 2005/06 include the Federal Prison Sewer System, Marana Wastewater Treatment Plant Expansion, and Santa Cruz Interceptor, Prince to Franklin. Other projects include work on other wastewater reclamation facilities and delivery systems throughout Pima County.

Complete Capital Project List FY 2005/06

For a comprehensive list of the active and new projects comprising Pima County's fiscal year 2005/06 CIP budget refer to the *Summary Schedules* section - *Summary of Active Capital Improvement Projects*.

Impact of Completed Capital Projects on Operations and Maintenance and Revenue: Fiscal Year 2005/06

During the budget cycle for fiscal year 2005/06, data concerning projected O&M expenditures was collected from departments. For Enterprise and Special Revenue funds, the departments added the incremental O&M expenditure and revenue amounts to their base budget requests. For General Fund departments, O&M for completed capital projects and associated revenues were included in the form of supplemental requests or by adjustments to their existing departmental base budgets. The following table summarizes the adopted expenditures and revenues associated with Capital Projects scheduled for completion in fiscal year 2005/06.

FY 2005/06 Operations and Maintenance Expenditures and Revenue by Category

	Number of Projects Scheduled for Completion FY 2005/06	Total O&M Expenditures Associated with Completed Projects	Revenue Associated with Completed Projects
Facilities Management	13	\$992,834	\$0
Transportation	8	46,412	0
Regional Flood Control District	11	39,000	0
Natural Resources, Parks & Recreation	5	848,817	5,500
Open Space	2	145,164	0
Solid Waste Management	1	484,725	647,000
Cultural Resources	2	20,780	0
Neighborhood/Housing Conservation	0	0	0
	39	\$2,577,732	\$702,500