

BUDGET OVERVIEW

Financial Structure

Consolidated Overview of the County Budget by Fund

Total County Budget by Source and Use

Revenues & Expenditures for Fiscal Years 2004/2005 Through 2006/2007

Budget in Brief Fiscal Year 2006/2007

Adopted Full Time Equivalent Positions for Fiscal Years 2004/2005 Through 2006/2007

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 subsidiary ledgers are classified by category and type as follows:

Fund Type	Description	Funding Source
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	The General Fund is the County’s principal financing vehicle for general government operations and for resources that are not required to be accounted for in another fund.	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:	
	<ul style="list-style-type: none"> • <u>Economic Development & Tourism</u> – Accounts for resources used to promote business and job development and business retention in Pima County and the state of Arizona for the purpose of enhancing the economic welfare of the inhabitants of the County. 	Hotel/motel tax revenues.
	<ul style="list-style-type: none"> • <u>Employment & Training</u> - Accounts for resources controlled by the County as a prime sponsor under the Workforce Investment Act of 1998, superseding the Jobs Training Partnership Act. Also includes Youth Opportunity (YO) grant, Pima Vocational High School, and many other grants. 	Primarily Federal Government revenue.
	<ul style="list-style-type: none"> • <u>Environmental Quality</u> - Accounts for resources specifically identified to be expended for the protection of water, air, and land from pollutants. 	Air quality inspection and application fees; revenues from alternate onsite disposal plans; and federal and state grants.
	<ul style="list-style-type: none"> • <u>Library District</u> – Accounts for resources used for the management and operation of the Pima County Free Library District. 	Secondary property tax revenue.
	<ul style="list-style-type: none"> • <u>Public Health</u> - 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. 	Federal and state grants; charges for services provided; and operating transfers from the General Fund.

Fund Type	Description	Funding Source
GOVERNMENTAL FUNDS		
Special Revenue Funds (cont'd)		
	<ul style="list-style-type: none"> • <u>Regional Flood Control District</u> - Accounts for expenditures necessary to analyze, design, and maintain flood control improvements to protect persons and property from floodwaters. • <u>School Reserve Fund</u> – 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. • <u>Solid Waste Fund</u> – Accounts for resources used to provide solid waste disposal facilities and services and tire recycling services. • <u>Stadium District</u> – Accounts for resources specifically identified to be expended for the management and operation of Tucson Electric Park. • <u>Transportation</u> - Accounts for administrative and operating costs expended for highways and streets, as well as resources transferred to the Capital Projects Fund for construction of highways and streets. • <u>Other Special Revenue Funds</u> - Account for resources to be expended for various other programs of the County, including various probation programs, consumer protection programs, family support, antiracketeering programs, law library, etc. 	<p>Secondary taxes on real property.</p> <p>Federal and state grants; private donations.</p> <p>Landfill tipping fees; County share of state tax on new tire sales.</p> <p>Car rental surcharge fees; recreational vehicle surcharge fees; hotel/motel bed taxes; and charges for services provided.</p> <p>County share of gasoline tax collected by state Highway User revenues; Vehicle License Tax revenues; and charges for services.</p> <p>Federal and state grants. Antiracketeering funding is provided by court ordered forfeitures, diversion fees, and restitution payments.</p>
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 Regional Flood Control District, Transportation bonds, and General Obligation bonds.	Secondary tax levy on real and personal property; transfers of Highway User Revenues from the Transportation Special Revenue Fund for the payment of Transportation bonds; transfers of secondary property tax revenue from the Regional 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 assets, including land, buildings, roads and streets, drainage ways, libraries, and parks (other than those financed by Proprietary Funds).	Bond sale proceeds; federal and state grants; transfers of Regional Flood Control District and Library District monies; reimbursements associated with specific capital projects.

Fund Type	Description	Funding Source
PROPRIETARY FUNDS	Governmental 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:	
	<ul style="list-style-type: none"> • <u>Development Services</u> - Accounts for the operations that provide zoning permits, enforce ordinances, and administer uniform building codes. 	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.
	<ul style="list-style-type: none"> • <u>Medical Services</u> - 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). 	Primarily derived from capitation fees.
	<ul style="list-style-type: none"> • <u>Parking Garages</u> - Accounts for the management and operation of eight parking facilities located in downtown Tucson. 	Parking fees from five public parking garages and three parking lots owned by Pima County.
	<ul style="list-style-type: none"> • <u>Wastewater Management</u> - Accounts for the management and operation of wastewater treatment and water pollution control facilities. 	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:	
	<ul style="list-style-type: none"> • <u>Self Insurance Trust Fund</u> - 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. 	Financed by charges to specific user departments and to the General Fund.
	<ul style="list-style-type: none"> • <u>Other Internal Service Funds</u> - 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. 	Financed by fees and reimbursements charged to user departments.

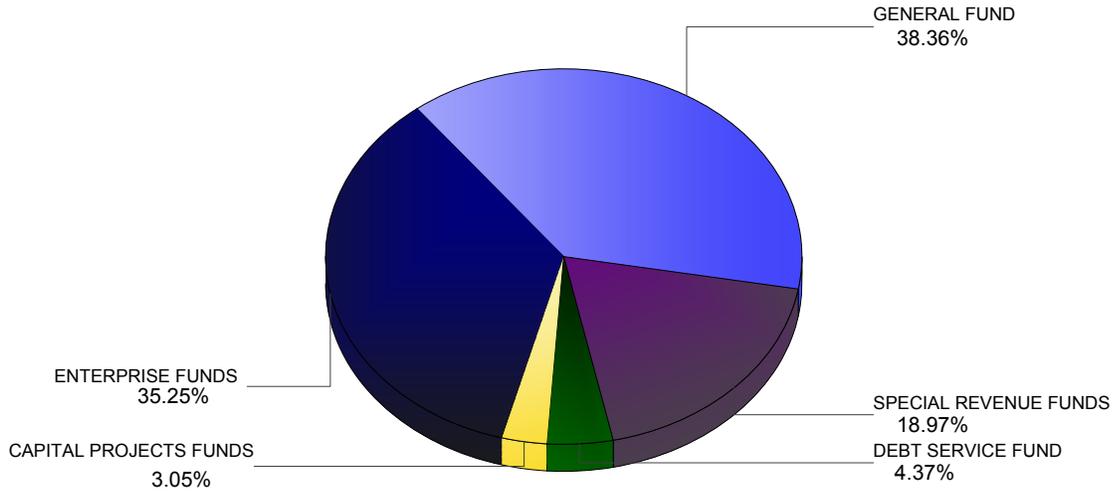
Fund Type	Description	Funding Source
FIDUCIARY FUNDS	Fiduciary funds do not include resources belonging to Pima County; therefore, they are not part of the County's budgeting process. The County does, however, have custodial responsibility for these funds and reports for them in its Comprehensive Annual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

SUBSIDIARY LEDGERS

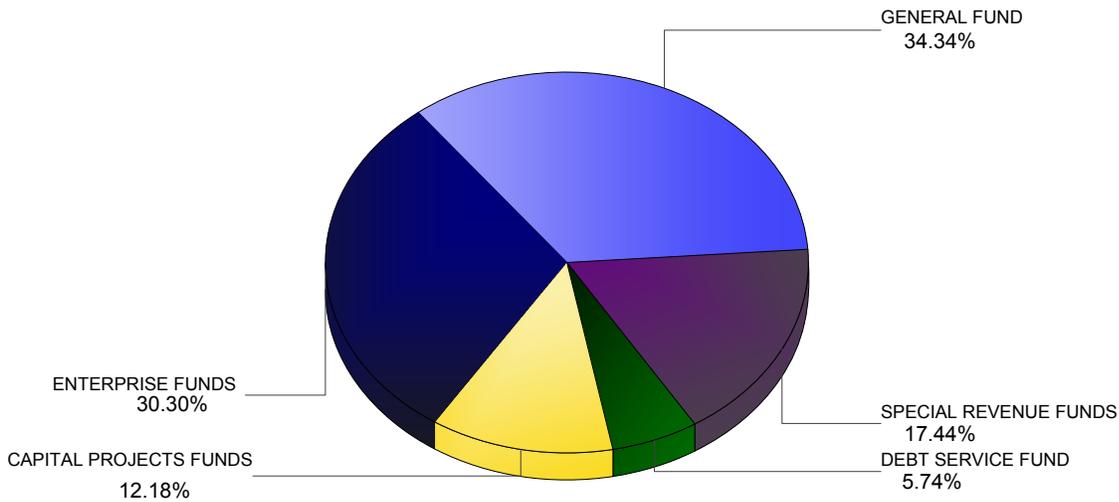
It should be noted that balances from the former General Fixed Asset Account Group and the General Long Term Debt Account Group are now considered subsidiary ledgers and are reported within the County's government-wide financial statements, as required by GASB 34.

CONSOLIDATED OVERVIEW OF COUNTY BUDGET BY FUND

REVENUES BY FUND



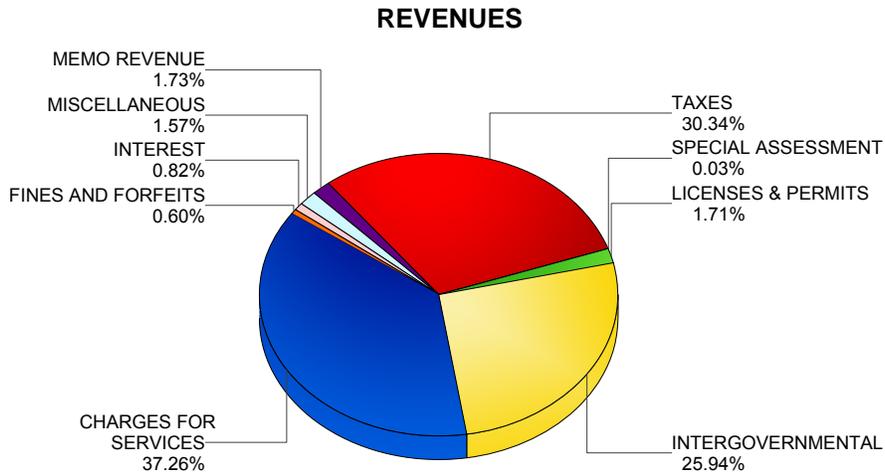
EXPENDITURES BY FUND



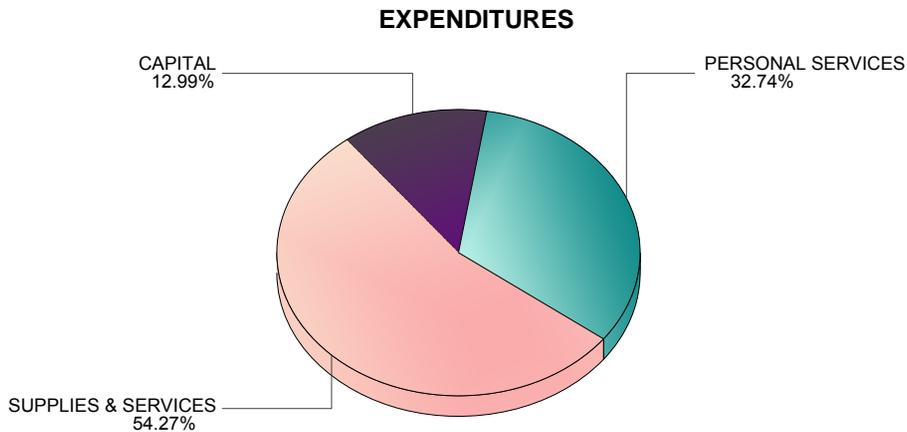
FUNDING SOURCES	EST. BEGINNING FUND BALANCE 2006/2007	ADOPTED REVENUES 2006/2007	ADOPTED EXPENDITURES 2006/2007	OTHER FINANCING SOURCES 2006/2007	INTERFUND TRANSFERS IN / (OUT)	ESTIMATED ENDING FUND BALANCE
GENERAL FUND	45,839,293	443,052,863	(439,535,427)	0	(26,356,729)	23,000,000
SPECIAL REVENUE FUNDS	60,307,420	219,041,113	(223,126,307)	0	(24,006,803)	32,215,423
DEBT SERVICE FUND	5,731,731	50,437,798	(73,418,403)	0	22,028,854	4,779,980
CAPITAL PROJECTS FUNDS	51,763,555	35,206,682	(155,901,786)	120,000,000	28,947,600	80,016,051
ENTERPRISE FUNDS	31,138,581	407,110,519	(387,676,118)	33,500,000	(1,200,000)	82,872,982

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

TOTAL COUNTY BUDGET BY SOURCE AND USE



REVENUES	FY 2004/2005 Actual	FY 2005/2006 Revised	FY 2006/2007 Adopted
TAXES	300,972,231	319,832,041	350,439,566
SPECIAL ASSESSMENT	21,954	290,801	291,456
LICENSES & PERMITS	18,172,851	17,096,201	19,705,867
INTERGOVERNMENTAL	281,355,402	292,218,059	299,571,012
CHARGES FOR SERVICES	394,163,630	415,564,492	430,412,081
FINES AND FORFEITS	6,039,463	6,220,734	6,904,517
INTEREST	6,784,892	3,055,359	9,422,527
MISCELLANEOUS	22,539,558	14,799,061	18,101,949
MEMO REVENUE	20,747,506	20,000,000	20,000,000
	1,050,797,487	1,089,076,748	1,154,848,975



EXPENDITURES	FY 2004/2005 Actual	FY 2005/2006 Revised	FY 2006/2007 Adopted
PERSONAL SERVICES	331,024,241	371,082,430	418,913,431
SUPPLIES & SERVICES	581,811,305	677,434,396	694,503,103
CAPITAL OUTLAY	141,729,222	153,905,251	166,241,507
	1,054,564,768	1,202,422,077	1,279,658,041

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

REVENUES & EXPENDITURES
FISCAL YEARS 2004/2005 - 2006/2007

	ACTUAL 2004/2005	REVISED 2005/2006	ESTIMATED 2005/2006	ADOPTED 2006/2007
GENERAL FUND				
REVENUE				
TAXES	225,958,766	242,152,889	243,317,138	253,565,153
LICENSES & PERMITS	2,350,389	2,311,037	2,452,250	2,473,492
INTERGOVERNMENTAL	125,202,781	132,950,205	146,362,569	145,517,134
CHARGES FOR SERVICES	24,904,530	26,479,134	26,935,091	30,647,847
FINES AND FORFEITS	5,034,953	5,245,633	5,281,089	5,494,916
INTEREST	1,357,245	628,510	1,528,510	1,622,683
MISCELLANEOUS	4,434,661	2,531,400	3,272,140	3,731,638
MEMO REVENUE	8,520	0	0	0
TOTAL	389,251,845	412,298,808	429,148,787	443,052,863
EXPENDITURES				
PERSONAL SERVICES	195,396,501	220,536,916	211,572,579	239,003,744
SUPPLIES & SERVICES	173,998,445	179,018,513	188,403,065	198,293,582
CAPITAL OUTLAY	3,504,611	4,491,647	3,794,743	2,238,101
TOTAL	372,899,557	404,047,076	403,770,387	439,535,427
SPECIAL REVENUE FUNDS				
REVENUE				
TAXES	29,292,126	34,705,580	35,114,136	47,428,571
LICENSES & PERMITS	4,914,337	4,734,885	4,847,760	5,265,965
INTERGOVERNMENTAL	127,490,189	139,413,652	140,872,138	137,714,689
CHARGES FOR SERVICES	9,653,557	14,286,760	14,605,299	15,470,277
FINES AND FORFEITS	931,789	916,301	916,942	1,350,801
INTEREST	1,323,918	856,682	1,076,025	1,158,935
MISCELLANEOUS	13,412,165	9,229,111	9,554,045	10,651,875
MEMO REVENUE	16,850	0	0	0
TOTAL	187,034,931	204,142,971	206,986,345	219,041,113
EXPENDITURES				
PERSONAL SERVICES	67,487,242	76,720,624	77,864,701	94,929,202
SUPPLIES & SERVICES	88,917,481	120,527,856	102,590,251	119,882,492
CAPITAL OUTLAY	4,207,881	5,253,419	4,854,924	8,314,613
TOTAL	160,612,604	202,501,899	185,309,876	223,126,307
DEBT SERVICE FUND				
REVENUE				
TAXES	45,721,339	42,973,572	43,368,421	49,445,842
SPECIAL ASSESSMENT	21,954	290,801	290,801	291,456
INTERGOVERNMENTAL	8,790	7,500	7,500	7,500
INTEREST	610,626	304,200	304,200	693,000
MISCELLANEOUS	10,872	0	0	0
TOTAL	46,373,581	43,576,073	43,970,922	50,437,798
EXPENDITURES				
SUPPLIES & SERVICES	55,816,851	67,738,662	67,369,148	73,418,403
TOTAL	55,816,851	67,738,662	67,369,148	73,418,403
CAPITAL PROJECTS FUNDS				
REVENUE				
INTERGOVERNMENTAL	22,928,009	14,997,572	14,997,572	11,881,420
CHARGES FOR SERVICES	17,971,422	7,235,700	7,235,700	17,407,915
INTEREST	1,884,485	581,423	581,423	4,176,652
MISCELLANEOUS	771,502	1,334,255	1,334,255	1,740,695
TOTAL	43,555,418	24,148,950	24,148,950	35,206,682
EXPENDITURES				
PERSONAL SERVICES	0	432,326	400,437	799,786
SUPPLIES & SERVICES	0	136,815	126,723	106,247
CAPITAL OUTLAY	127,631,980	143,207,809	132,644,687	154,995,753
TOTAL	127,631,980	143,776,950	133,171,848	155,901,786

**REVENUES & EXPENDITURES
FISCAL YEARS 2004/2005 - 2006/2007**

	ACTUAL 2004/2005	REVISED 2005/2006	ESTIMATED 2005/2006	ADOPTED 2006/2007
ENTERPRISE FUNDS				
REVENUE				
LICENSES & PERMITS	10,908,125	10,050,279	11,901,284	11,966,410
INTERGOVERNMENTAL	5,725,633	4,849,130	4,956,438	4,450,269
CHARGES FOR SERVICES	341,634,121	367,562,898	366,901,049	366,886,042
FINES AND FORFEITS	72,721	58,800	40,000	58,800
INTEREST	1,608,618	684,544	2,110,369	1,771,257
MISCELLANEOUS	3,910,358	1,704,295	1,983,832	1,977,741
MEMO REVENUE	20,722,136	20,000,000	20,000,000	20,000,000
TOTAL	384,581,712	404,909,946	407,892,972	407,110,519
EXPENDITURES				
PERSONAL SERVICES	68,140,498	73,392,564	74,581,361	84,180,699
SUPPLIES & SERVICES	263,078,528	310,012,550	287,945,573	302,802,379
CAPITAL OUTLAY	6,384,750	952,376	6,988,258	693,040
TOTAL	337,603,776	384,357,490	369,515,192	387,676,118
TOTAL REVENUES	1,050,797,487	1,089,076,748	1,112,147,976	1,154,848,975
TOTAL EXPENDITURES	1,054,564,768	1,202,422,077	1,159,136,451	1,279,658,041

Note: The above data does not include Internal Service Funds.

BUDGET IN BRIEF

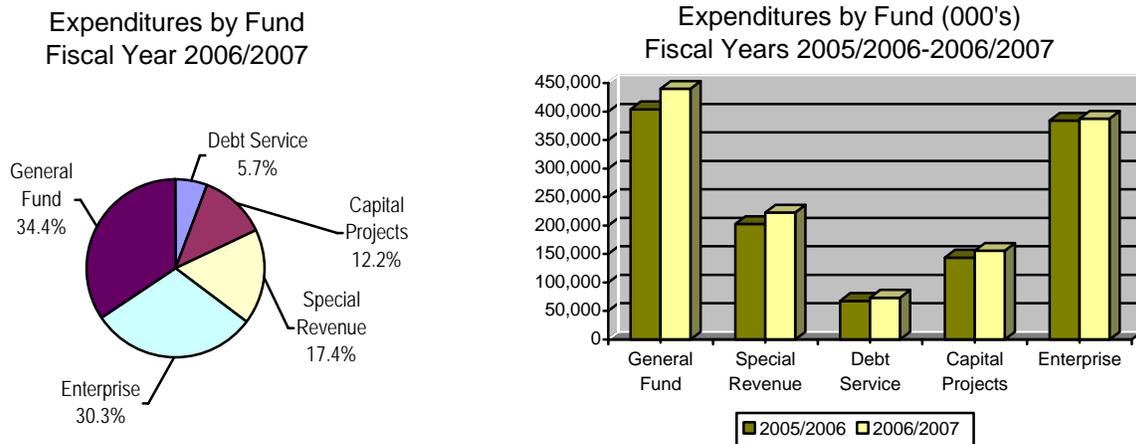
Arizona Revised Statute § 42-17105 requires the Pima County Board of Supervisors to adopt a budget for each fiscal year. On June 20, 2006, the Board adopted the budget for fiscal year 2006/07, which covers the period from July 1, 2006 through June 30, 2007.

Pima County's Fiscal Year 2006/07 Adopted Budget includes:

- \$1.280 billion in expenditures
- \$1.155 billion in revenues
- \$83.9 million in operating transfers between the various operating funds
- \$153.5 million total in sales of General Obligation, Transportation, and 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 2006/07 Adopted Budget for General Fund expenditures increased by \$35.5 million over fiscal year 2006/07. Major factors contributing to this net increase include:

- \$8.2 million of expenditure authority in the Budget Stabilization Fund in anticipation of various legislative relief actions partially offset by like reductions in individual affected department budgets
- \$8.0 million for an employee compensation package consisting of one step for commissioned and corrections staff, 2.8 percent for most other employees to address inflation, 1.7 percent for employees who are members of the Arizona State Retirement System whose required contribution will increase by that percentage, and an increase in the shift differential hourly rate
- \$5.4 million in supplemental funding for individual departments
- \$5.0 million reserve for possible unallowable fiscal year 2004/05 Transportation expenditures
- \$4.8 million of various increases identified for General Fund departments that underwent the zero base budget process
- \$4.6 million increase in payments to the Metropolitan Tucson Convention & Visitors Bureau
- \$2.1 million net increase in state mandated employer contributions to the various state retirement systems; \$1.8 million increase in the County's contribution toward the cost of other non-retirement benefits
- \$1.7 million representing the annual cost of salary adjustments for corrections officers and specialists approved during fiscal year 2005/06
- \$1.1 million in supplemental funding in the Budget Stabilization Fund to fund possible loss of grant funding by the County Attorney and Sheriff
- \$3.1 million increase for the primary and general elections held in the fall of 2006 partially offset by a \$1.6 million reduction for the regional transportation plan election held in the spring of 2006
- \$1.9 million increase in the adult detention health care contract cost partially offset by a \$551,000 decrease in juvenile detention health care contract costs
- \$900,000 reduction for Vocation Rehabilitation costs moved to the Employment & Training Fund
- \$1.8 million net reduction due to the transfer of Economic Development & Tourism funding to a new

special revenue fund

- \$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 2005/06 supplemental requests, annualization of fiscal year 2005/06 salary adjustments, other position related adjustments, adjustments for one time costs, etc.

SPECIAL REVENUE FUNDS: The Fiscal Year 2006/07 Adopted Budget for Special Revenue Funds expenditures increased by \$20.6 million over fiscal year 2005/06. Major factors contributing to this net increase include:

- \$19.9 million increase in County Free Library District expenses reflecting the first full year of the transition of the Library System to the County
- \$4.0 million increase due to the formation of the new Space Acquisition Fund
- \$3.2 million increase due to the formation of the new Property Tax Rate Stabilization Fund
- \$2.7 million increase in expenditures for the Facilities Renewal Fund
- \$2.2 million increase reflecting the move of Economic Development & Tourism from the General Fund
- \$2.0 million increase due to the formation of the new Information Technology Enhancement Fund
- \$1.3 million net increase in the Public Health Special Revenue Fund reflecting higher costs in personnel, supplies and services, supplemental funding, etc.
- \$938,000 increase in the Stadium District
- \$439,000 of additional funding in the County Attorney's special revenue funds
- \$459,000 net increase in various Fill the Gap funds
- \$598,000 decrease in the Regional Flood Control District
- \$1.1 million net decrease in the Transportation Special Revenue Fund operating and maintenance budget
- \$15.9 million net decrease in anticipated grant funds
- also includes annualization of fiscal year 2005/06 salary adjustments, other position related adjustments, benefits adjustments, adjustments for one time costs, etc.

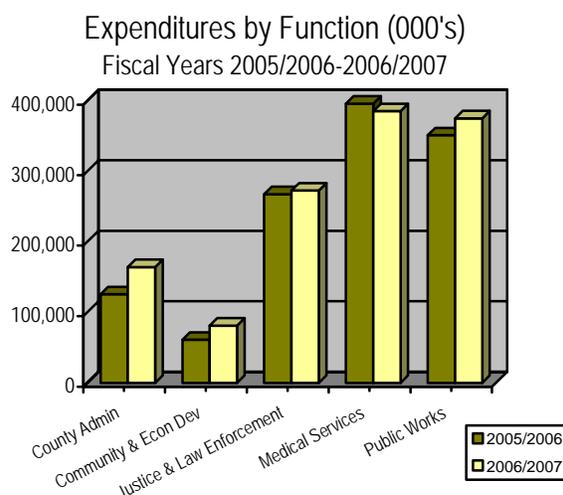
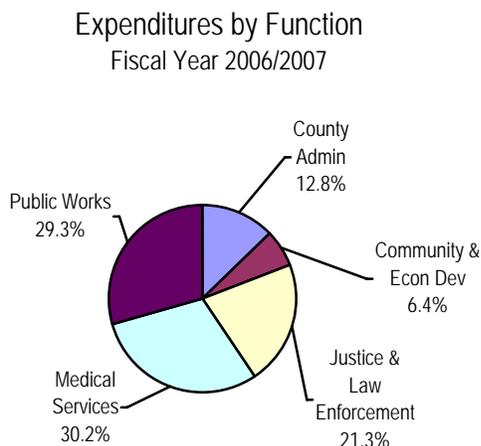
DEBT SERVICE FUND: The Fiscal Year 2006/07 Adopted Budget for Debt Service Fund expenditures increased \$5.7 million over fiscal year 2005/06. This increase is the net of retired debt and anticipated debt service costs related to bond sales to be made in fiscal year 2006/07.

CAPITAL PROJECTS FUND: The Fiscal Year 2006/07 Adopted Budget for the Capital Projects Fund expenditures increased by \$12.1 million over fiscal year 2005/06, based on the implementation of the approved current year Capital Improvement Budget, as detailed in the County's Fiscal Year 2006/07 to 2010/11 Capital Improvement Plan. (*See the Summary Schedules section - Summary of Active Capital Improvement Projects.*)

ENTERPRISE FUNDS: The Fiscal Year 2006/07 Adopted Budget for Enterprise Fund expenses increased by \$3.3 million over fiscal year 2005/06. Significant changes include:

- \$7.3 million net decrease in Pima Health System & Services primarily due to the introduction of Medicare D – Prescription Drug Coverage reducing overall pharmaceutical costs
- \$6.8 million increase in the Wastewater Management Enterprise Fund, relating to the rehabilitation and expansion of the system, increased depreciation, debt service, etc.
- \$3.8 million increase in Development Services reflecting increased permitting activity in the County and various anticipated office moves
- also includes position related adjustments, benefits adjustments, adjustments for one time costs, etc.

Comparison of Expenditures by Functional Area



COUNTY ADMINISTRATION: The Fiscal Year 2006/07 Adopted Budget for expenditures for the County Administration functional area increased by \$38.5 million over fiscal year 2005/06. Major reasons for the net increase include:

- \$8.2 million of expenditure authority in the Budget Stabilization Fund in anticipation of various legislative relief actions partially offset by like reductions in individual affected department budgets
- Fiscal Year 2006/07 Adopted Budget for Debt Service Fund expenditures increased \$5.7 million over fiscal year 2005/06. This increase is the net of retired debt and anticipated debt service costs related to bond sales to be made in fiscal year 2006/07
- \$5.0 million reserve for possible unallowable fiscal year 2004/05 Transportation expenditures
- \$4.6 million increase in payments to the Metropolitan Tucson Convention & Visitors Bureau
- \$4.0 million increase due to the formation of the new Space Acquisition Fund
- \$3.2 million increase due to the formation of the new Property Tax Rate Stabilization Fund
- \$2.7 million increase in expenditures for the Facilities Renewal Fund
- \$1.1 million in supplemental funding in the Budget Stabilization Fund to fund possible loss of grant funding by the County Attorney and Sheriff
- \$3.1 million increase for the primary and general elections held in the fall of 2006 partially offset by a \$1.6 million reduction for the regional transportation plan election held in the spring of 2006
- \$2.0 million increase due to the formation of the new Information Technology Enhancement Fund
- \$488,000 in supplemental funding for individual departments
- also includes current year salary adjustments, other position related adjustments, benefits adjustments, adjustments for one time costs, etc.

COMMUNITY & ECONOMIC DEVELOPMENT: The Fiscal Year 2006/07 Adopted Budget for expenditures for the Community & Economic Development functional area increased by \$20.0 million over fiscal year 2005/06. Major factors contributing to this net increase are:

- \$19.9 million increase in County Free Library District expenses reflecting the first full year of the transition of the Library System to the County
- \$938,000 increase in the Stadium District
- \$567,000 in supplemental funding for individual departments
- \$336,000 increase in Economic Development & Tourism Funds
- \$821,000 net decrease in the Employment & Training Fund reflecting federal grant reductions plus \$541,000 net decrease in Community Services Grants
- also includes current year salary adjustments, other position related adjustments, benefits adjustments, adjustments for one time costs, etc.

JUSTICE & LAW ENFORCEMENT: The Fiscal Year 2006/07 Adopted Budget for the Justice & Law Enforcement functional area increased by \$5.2 million over fiscal year 2005/06. This net increase is due primarily to:

- \$4.4 million of various increases identified for General Fund departments that underwent the zero base budget process
- \$3.0 million of supplemental funding for various Justice & Law Enforcement departments
- \$1.7 million representing the annual cost of salary adjustments for corrections officers and specialists approved during fiscal year 2005/06
- \$439,000 of additional funding in the County Attorney's special revenue funds
- \$459,000 net increase in various Fill the Gap funds
- \$13.5 million net decrease in anticipated grant funds
- also includes annualization of fiscal year 2005/06 supplemental requests, annualization of fiscal year 2005/06 salary adjustments, current year salary adjustments, other position related adjustments, benefits adjustments, adjustments for one time costs, etc. These miscellaneous adjustments account for most of the increase between the fiscal years

MEDICAL SERVICES: The Fiscal Year 2006/07 Adopted Budget for the Medical Services functional area decreased by \$10.6 million from fiscal year 2005/06. The main reasons for this net decrease include:

- \$1.3 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 adult detention health care contract costs partially offset by a \$551,000 decrease in juvenile detention health care contract costs
- \$5.0 million scheduled decrease in the County's obligations under the agreement with University Physicians Healthcare to operate the former Kino Community Hospital
- \$7.3 million net decrease in Pima Health System & Services primarily due to the introduction of Medicare D – Prescription Drug Coverage reducing overall pharmaceutical costs
- also includes current year salary adjustments, other position related adjustments, benefits adjustments, adjustments for one time costs, etc.

PUBLIC WORKS: The Fiscal Year 2006/07 Adopted Budget for the Public Works functional area increased by a net \$24.2 million over fiscal year 2005/06. Significant changes include the following:

- Capital Projects Fund expenditures increased by \$12.1 million, due to the implementation of the approved current year Capital Improvement Budget, as detailed in the County's proposed fiscal year 2006/07 to 2010/11 Capital Improvement Plan (*See the Summary Schedules section - Summary of Active Capital Improvement Projects*)
- \$6.8 million increase in the Wastewater Management Enterprise Fund, relating to the rehabilitation and expansion of the system, increased depreciation, debt service, etc.
- \$3.8 million increase in Development Services reflecting increased permitting activity in the County and various anticipated office moves
- \$1.0 million of supplemental funding for Natural Resources, Parks & Recreation
- \$598,000 decrease in the Regional Flood Control District
- \$1.1 million net decrease in the Transportation Special Revenue Fund operating and maintenance budget
- also includes annualization of fiscal year 2005/06 supplemental requests, annualization of fiscal year 2005/06 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 2006/07:

General Fund

The fiscal year 2006/07 adopted ending fund balance for the General Fund is \$23.0 million, a net decrease of \$22.8 million from the budgeted beginning fund balance. Major factors contributing to this decrease are discussed under the Budget Issues Tab (pages 4-11 thru 4-18).

Special Revenue Funds

The fiscal year 2006/07 adopted ending fund balance for all Special Revenue Funds is \$32.2 million, a net decrease of \$28.1 million from the budgeted beginning fund balance. Major factors contributing to this decrease include:

- \$11.5 million reduction in the Transportation Special Revenue Fund Balance reflecting higher operating and maintenance, capital project, and debt service costs
- \$16.6 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.

Debt Service Fund

The fiscal year 2006/07 adopted ending fund balance for the Debt Service Fund is \$4.8 million, a net decrease of \$952,000 from the budgeted beginning fund balance. Major factors contributing to this decrease include:

- A \$5.7 million increase in overall debt service payments. This increase is the net of retired debt and anticipated debt service costs related to bond sales to be made in fiscal year 2006/07
- A \$4.7 million increase in operating transfers in, primarily from Transportation

Capital Projects Fund

The fiscal year 2006/07 adopted ending fund balance for the Capital Projects Fund is \$80.0 million, a net increase of \$28.3 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 2006/07 to 2010/11 Capital Improvement Plan. (See *the Summary Schedules section - Summary of Active Capital Improvement Projects*)

Enterprise Funds

The fiscal year 2006/07 adopted ending net assets for all Enterprise Funds is \$82.9 million, a net increase of \$51.7 million over the budgeted beginning net assets. Major factors contributing to this increase include:

- \$50.6 million increase in the Wastewater Management Enterprise Fund due to a combination of increases in sewer revenue and connection fees, and \$33.5 million in additional bond funds
- \$1.1 million increase in net assets of Pima County's Medical Services Enterprise Fund

A summary table of beginning and ending fund balances/net assets for all funds is located on pages 8-2 through 8-4 of the Summary Schedules section.

**ADOPTED FULL TIME EQUIVALENT POSITIONS
FISCAL YEARS 2004/2005 - 2006/2007**

FUNCTIONAL AREA/SUPER DEPARTMENT	ADOPTED 2004/2005	REVISED 2005/2006	ADOPTED 2006/2007	CHANGE 05/06 to 06/07
<u>COUNTY ADMINISTRATION</u>				
ASSESSOR	152.0	161.0	161.0	0.0
BOARD OF SUPERVISORS	22.9	23.2	21.1	(2.1)
CLERK OF THE BOARD	19.0	19.0	19.0	0.0
COUNTY ADMINISTRATOR	37.2	16.2	16.3	0.1
ELECTIONS	12.0	15.4	14.0	(1.4)
FINANCE & RISK MANAGEMENT	101.7	113.8	112.6	(1.2)
FORENSIC SCIENCE CENTER	24.0	25.0	27.5	2.5
HUMAN RESOURCES	44.0	42.4	40.9	(1.5)
INFORMATION TECHNOLOGY	79.5	111.5	120.6	9.1
NON DEPARTMENTAL	0.0	0.0	0.0	0.0
PROCUREMENT	30.0	30.0	33.8	3.8
RECORDER	64.0	57.0	66.0	9.0
TREASURER	44.0	41.0	41.0	0.0
TOTAL COUNTY ADMINISTRATION	630.3	655.5	673.8	18.3
<u>COMMUNITY & ECONOMIC DEVELOPMENT</u>				
COMMUNITY & ECONOMIC DEVELOPMENT ADMIN	6.4	8.0	7.6	(0.4)
COMMUNITY DEVELOPMENT & NEIGHBORHOOD CONSERV	18.4	22.2	27.5	5.3
COMMUNITY RESOURCES	84.0	76.6	72.9	(3.7)
COMMUNITY SERVICES, EMPLOYMENT & TRAINING	144.5	105.6	115.3	9.7
COUNTY FREE LIBRARY	1.0	1.0	337.9	336.9
ECONOMIC DEVELOPMENT & TOURISM	2.0	2.0	2.0	0.0
SCHOOL SUPERINTENDENT	15.5	15.9	15.4	(0.5)
STADIUM DISTRICT	0.0	0.0	11.4	11.4
TOTAL COMMUNITY & ECONOMIC DEVELOPMENT	271.8	231.3	590.0	358.7
<u>JUSTICE & LAW ENFORCEMENT</u>				
CLERK OF SUPERIOR COURT	228.0	219.5	230.1	10.6
CONSTABLES	11.2	12.7	13.0	0.3
COUNTY ATTORNEY	395.2	404.2	402.2	(2.0)
INDIGENT DEFENSE	156.6	177.5	197.7	20.2
JUSTICE COURT AJO	8.8	9.8	9.8	0.0
JUSTICE COURT GREEN VALLEY	8.5	8.5	8.5	0.0
JUSTICE COURTS TUCSON	97.3	107.0	118.0	11.0
JUVENILE COURT	559.9	565.4	557.3	(8.1)
OFFICE OF COURT APPOINTED COUNSEL	0.0	10.0	11.0	1.0
PUBLIC FIDUCIARY	33.5	35.3	36.1	0.8
SHERIFF	1,300.0	1,328.7	1,365.0	36.3
SUPERIOR COURT	630.6	647.2	654.7	7.5
TOTAL JUSTICE & LAW ENFORCEMENT	3,429.6	3,525.8	3,603.4	77.6

**ADOPTED FULL TIME EQUIVALENT POSITIONS
FISCAL YEARS 2004/2005 - 2006/2007**

FUNCTIONAL AREA/SUPER DEPARTMENT	ADOPTED 2004/2005	REVISED 2005/2006	ADOPTED 2006/2007	CHANGE 05/06 to 06/07
<u>MEDICAL SERVICES</u>				
INSTITUTIONAL HEALTH	13.0	18.0	27.0	9.0
PIMA HEALTH SYSTEM & SERVICES	894.1	940.0	968.3	28.3
PUBLIC HEALTH	354.9	358.4	368.5	10.1
TOTAL MEDICAL SERVICES	1,262.0	1,316.4	1,363.8	47.4
<u>PUBLIC WORKS</u>				
CAPITAL PROJECTS	7.0	7.3	11.0	3.7
DEVELOPMENT SERVICES	161.5	170.0	183.0	13.0
ENVIRONMENTAL QUALITY	60.6	53.9	62.8	8.9
FACILITIES MANAGEMENT	142.9	157.7	166.6	8.9
FLEET SERVICES	56.0	59.5	56.0	(3.5)
GRAPHIC SERVICES	25.0	20.5	20.6	0.1
NATURAL RESOURCES, PARKS & RECREATION	227.6	246.9	261.8	14.9
PUBLIC WORKS ADMINISTRATION	32.7	32.5	35.5	3.0
REGIONAL FLOOD CONTROL DISTRICT	54.0	60.8	63.0	2.2
SOLID WASTE MANAGEMENT	48.8	52.5	52.6	0.1
TRANSPORTATION	422.2	417.5	416.7	(0.8)
WASTEWATER MANAGEMENT	506.5	531.8	570.6	38.8
TOTAL PUBLIC WORKS	1,744.8	1,810.9	1,900.2	89.3
TOTAL ALL FUNCTIONAL AREAS	7,338.5	7,539.9	8,131.2	591.3

Major net changes in Full Time Equivalent (FTE) positions from fiscal year 2005/06 to 2006/07 are generally explained below:

FTEs in County Administration increased by 18.3 or 3%. Major factors contributing to this net increase include:

- 2.1 FTE decrease in the Board of Supervisors primarily due to elimination of unfilled positions
- 7.0 FTE increase in Communications primarily due to transfer of positions from Fleet Services and Information Technology
- 1.4 FTE decrease in the Elections department due to reduced need for temporary employees
- 1.2 FTE net decrease in Finance & Risk Management primarily due to position transferred to Procurement and decrease in hours for existing positions partially offset by transfer of part-time position from Public Works Admin
- 2.5 FTE increase in Forensic Science Center due to new positions of Forensic Pathologist and Morgue Operations Supervisor, and additional Forensic Pathologist
- 1.5 FTE decrease in the Human Resources department due to the elimination of positions
- 2.1 FTE net increase in Information Technology primarily due to new positions added, change in how former Kino transition employee is charged, and transfer of position from Natural Resources, Parks & Recreation, partially offset by position transferred to Communications
- 3.8 FTE increase in Procurement due to position added to Design & Construction Services, new supplemental funded positions, and transfer of position from Finance & Risk Management
- 9.0 FTE increase in the Recorder due to the addition of voter registration workers

FTEs in Community & Economic Development increased by 358.7 or 155%. Major factors contributing to this net increase include:

- 5.3 FTE increase in Community Development & Neighborhood Conservation due to increased hours for existing positions and new supplemental funded positions
- 3.7 FTE net decrease in Community Resources primarily due to transfers of funded hours to the Stadium District partially offset by additional positions in the Recreation Program and increased hours for existing positions
- 9.7 FTE net increase in Community Services, Employment & Training primarily due to intermittent employees in the Adult Worker and Student Worker Experience programs inadvertently budgeted as contract positions in the previous year partially offset by decreases in hours for existing positions and elimination of positions due to reductions in grant funding
- 336.9 FTE increase in County Free Library primarily due to transition of library system from city of Tucson
- 11.4 FTE increase in Stadium District primarily due to change in presentation of County employees providing services to the District

FTEs in Justice & Law Enforcement increased by 77.6 or 2%. Major factors contributing to this net increase include:

- 20.2 FTE increase in Indigent Defense primarily due to the annualization of additional positions that became effective during FY 2005/06 and supplemental package funding for new support staff positions.

- 33.3 FTE increase in Sheriff General Fund positions for supplemental package funding for new deputies, the transfer and reclassification of positions from Natural Resources, Parks & Recreation for patrolling parks, the transfer of positions due to lack of grant funding, and new public safety support specialists in the jail
- 6.1 FTE net decrease in various Justice and Law enforcement special revenue fund and grant departments
- 3.8 FTE increase in the Superior Court General Fund positions as a result of the annualization of additional positions that became effective during FY 2005/06 for the establishment of two new divisions of the Superior Court
- 10.0 FTE increase in Justice Courts Tucson General Fund positions primarily due to supplemental package funding for case processing staff
- 2.0 FTE increase in the County Attorney General Fund positions for the Civil Litigation Division and 6.0 FTE for the Criminal Division primarily due to supplemental package funding for additional support staff
- 10.1 FTE increase in Clerk of the Superior Court General Fund positions primarily due to the annualization of additional positions that became effective during FY 2005/06 for the establishment of two new divisions of the Superior Court, and additional hours to existing positions left vacant during FY 2005/06 to fund FY 2004/05 salary adjustments
- 3.9 FTE decrease in Juvenile Court General Fund positions primarily due to a decrease in juvenile detention officer positions
- 1.0 FTE increase in Office of Court Appointed Counsel due to supplemental package funding for an additional financial counselor

FTEs in Medical Services increased by 47.4 or 4%. Major factors contributing to this net increase include:

- 28.3 FTE increase in Pima Health System and Services due to the creation of new positions for programmatic changes and increased hours to existing positions mainly for intermittent attendant care workers
- 9.0 FTE increase in Institutional Health due to addition of Technical Assistance and Compliance Office personnel and a main office support position
- 10.1 FTE increase in Public Health due to the addition of two Animal Care Center Officers, one Communicable Disease Investigator, one Vital Registration position, one half time Public Health Nurse, and adjustments to existing positions of 5.6 FTEs

FTEs in Public Works increased by 89.3 or 5%. Major factors contributing to this net increase include:

- 8.9 FTE increase in Facilities Management primarily due to new positions for transition of library system, Kino Public Health Building coming on-line, and supplemental package funding for staffing increases in the Administration, Design, and Maintenance & Operations programs
- 14.9 FTE increase in Natural Resources, Parks & Recreation primarily representing positions needed to maintain new parks facilities coming on line in fiscal year 2006/07
- 38.8 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 increased project management capacity, and enhanced maintenance and rehabilitation activities
- 26.7 net FTE increase in various other Public Works departments to meet increased service demands in these areas

PIMA COUNTY CAPITAL IMPROVEMENT PROGRAM SUMMARY

Introduction

Pima County's Fiscal Year 2006/07 Adopted Budget for its Capital Improvement Program (CIP) consists of ten categories: Facilities Management; Transportation; the Regional Flood Control District; Natural Resources, Parks and Recreation; Open Space; Cultural Resources; Neighborhood/Housing Conservation; Wastewater Management; Solid Waste Management; and Sheriff's Department for the Regional Public Safety Communications System.

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 2006/07, summary data for projects that are part of the adopted Capital Projects Fund for fiscal year 2006/07, and summary operations and maintenance (O&M) data for fiscal year 2006/07.

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). In a special election in 2006, Pima County voters approved \$54,000,000 in general obligation bonds. In preparation for this election, the Board of Supervisors approved another Bond Implementation Plan Ordinance (Number 2006-29). 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, 2004, and 2006 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 well over a third of the currently budgeted expenditures. Regional Flood Control District has the third largest, Open Space has the fourth largest, and Natural Resources Parks and Recreation has the fifth largest expenditures component.

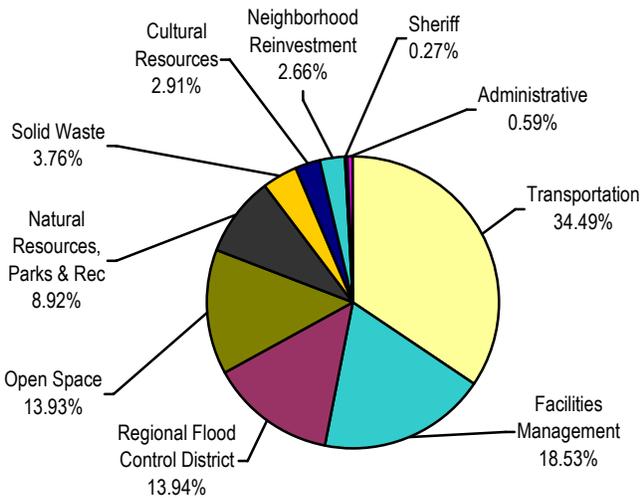
The Regional Flood Control District has a number of projects being developed in cooperation with the Army Corps of Engineers, which typically funds from two-thirds to three-quarters of project costs. The magnitude of the public improvements associated with the Regional Flood Control District's portion 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.

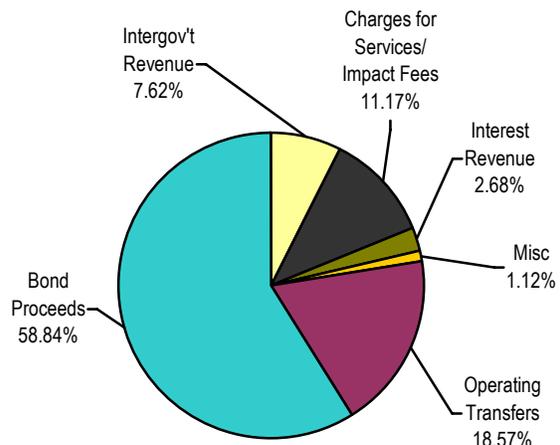
The following charts provide summary information for Pima County's fiscal year 2006/07 adopted expenditures, revenues, and other funding sources for all Capital Projects Fund projects.

Pima County FY 2006/07 Capital Projects Fund¹

Expenses by Category



Sources of Funding



Expenses by Category

Transportation	\$53,765,504
Facilities Management	28,892,491
Regional Flood Control District	21,738,778
Open Space	21,715,199
Natural Resources, Parks & Recreation	13,908,586
Solid Waste Management	5,862,000
Cultural Resources	4,534,256
Neighborhood Reinvestment	4,150,245
Sheriff	414,318
Administrative Costs	920,409
TOTAL	\$155,901,786

Sources of Funding

Intergovernmental Revenue	\$11,881,420
Charges for Services/Impact Fees	17,407,915
Interest Revenue	4,176,652
Miscellaneous Revenue	1,740,695
Other Funding: Operating Transfers	28,947,600
Other Funding: Bond Proceeds	91,747,504
TOTAL	\$155,901,786

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 Kino Public Health Center (scheduled for completion in fiscal year 2006/07) will require significant additional operations and maintenance (O&M) expenditures: increased personal services expenditures for additional building maintenance staff, additional supplies and services expenditures for utilities, general maintenance, supplies, etc.

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 2006/07 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 seventeen active projects in fiscal year 2006/07. Three of the seventeen projects were approved by voters in the May 20, 1997 bond elections; thirteen were approved in the May 18, 2004 bond election. Two of the 2004 bond projects are substantial: \$11.9 million for construction of a building for the Kino Public Health Center, and \$4.5 million for planning and construction for the Justice Court/Municipal Court Complex.

Fifteen of the seventeen Facilities Management projects active in fiscal year 2006/07 will be under construction during the course of this fiscal year; construction expenditures are projected to be \$24 million or eighty-three 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 2006/07 CIP associated with Transportation consists of thirty-one active projects with total expenditures of \$53.8 million. Eighteen 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, twenty-three address capacity improvements to major, critical roadway segments throughout Pima County's metropolitan areas. Identified as part of the Transportation Safety Program are eight safety sub-projects totaling \$2 million.

Twenty-three Transportation projects are projected to be under construction during the course of fiscal year 2006/07. Construction expenditures are estimated at \$44.3 million, or approximately 82 percent, of Transportation's portion of CIP for fiscal year 2006/07. The remaining expenditures will be for planning and design, land acquisition, and miscellaneous other expenditures. Major projects include Craycroft Road, River Road to Sunrise; Valencia Road, Mission Road to Interstate-19; River Road, Campbell Avenue to Alvernon Way; Alvernon Way, Ft. Lowell to River Road; Country Club Road, 36th Street to Milber; Valencia Road, Mark Road to Camino de la Tierra; and Cortaro Farms Road, Southern Pacific Railroad Crossing to Thornydale Road.

Regional Flood Control District

The Regional Flood Control District has twenty-eight active CIP projects in fiscal year 2006/07, with total estimated expenditures of \$21.7 million. Three of the projects are part of the bond package approved by voters in the 1997 special elections and eight 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 2006/07, with the Army Corps of Engineers contributing an additional \$10.8 million to those projects.

Eighty-one percent, or \$17.5 million of fiscal year 2006/07 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 Urban Drainage, Santa Cruz River Linear Park vicinity of Continental Ranch, and Arroyo Chico Detention Basin.

Natural Resources, Parks & Recreation

There are thirty-one CIP projects, with total projected expenditures of \$13.9 million, scheduled for activity in fiscal year 2006/07 for Natural Resources, Parks & Recreation. All of these thirty-one projects are part of the bond packages approved by voters, eight in the 1997 special elections and twenty-three in the 2004 special election.

Twenty-two of the thirty-one Natural Resources, Parks & Recreation projects are scheduled to be under construction during the course of fiscal year 2006/07. The estimated construction expenditures of \$11.8 million represent eighty-five percent of total expenditures for the year; the balance is planning and design, land acquisition, and startup expenditures. Major projects include Flowing Wells Community Center, Brandi Fenton Memorial Park, Curtis Park – Flowing Wells East, and Picture Rocks Pool.

Open Space

There are eight open space acquisition projects, with total projected expenditures of \$21.7 million, scheduled for fiscal year 2006/07 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 within the Avra Valley Project Area and Davis Monthan Encroachment Prevention.

Cultural Resources

There are sixteen CIP projects, with total expenditures of \$4.5 million, scheduled for activity in fiscal year 2006/07. 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 sixteen projects in the bond elections; three were approved in the 1997 special elections, thirteen were approved in the 2004 election. The largest project is the Juan Bautista de Anza National Historic Trail.

Nine of the sixteen Cultural Resources projects will be under construction during fiscal year 2006/07. The estimated construction expenditures of \$3 million are approximately sixty-seven 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 2006/07 consists of small, bond-funded individual projects grouped under three master bond and project numbers. All of the projects will be under construction during the course of the year; the projected expenditures total is \$4.2 million.

Solid Waste Management

The fiscal year 2006/07 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 \$5.9 million. Two of the projects will have construction during fiscal year 2006/07. The estimated construction expenditures of \$4.8 million are approximately eighty-three percent of the projected total Solid Waste activity.

Sheriff's Department Regional Public Safety Communications System

The fiscal year 2006/07 CIP budget for the Regional Public Safety Communications System is \$414 thousand and is for preliminary planning for the system.

Wastewater Management

The fiscal year 2006/07 adopted CIP budget for Wastewater Management consists of thirty-two projects with total expenditures of \$42.0 million. Major projects for fiscal year 2006/07 include the Santa Cruz Interceptor, Prince to Franklin; Marana Wastewater Treatment Plant Expansion; Miscellaneous Water Reclamation Facilities; and Roger Road Wastewater Treatment Plant Rehabilitation.

Complete Capital Project List FY 2006/07

For a comprehensive list of the active and new projects comprising Pima County's fiscal year 2006/07 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 2006/07

During the budget cycle for fiscal year 2006/07, 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 2006/07.

Completed CIP Project Operations and Maintenance Expenditures and Revenue by Category

	Number of Projects Scheduled for Completion FY 2006/07	FY 2006/07 O&M Expenditures Associated with Completed Projects	Annualized Future O&M Expenditures Associated with Completed Projects	FY 2006/07 Revenue Associated with Completed Projects	Annualized Future Revenue Associated with Completed Projects
Facilities Management	12	\$429,100	\$788,600	\$0	\$0
Transportation	17	21,146	41,563	0	0
Regional Flood Control District	13	20,500	23,500	0	0
Natural Resources, Parks & Recreation	11	896,841	1,112,697	11,000	19,000
Open Space	14	69,425	74,548	0	0
Solid Waste Management	1	236,848	315,008	452,000	601,160
Cultural Resources	8	127,000	138,750	0	0
Neighborhood/Housing Conservation	8	0	0	0	0
	<u>84</u>	<u>\$1,800,860</u>	<u>\$2,494,666</u>	<u>\$463,000</u>	<u>\$620,160</u>

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