

FINANCIAL POLICIES

This section details the financial policies that guide Pima County's budget development process.

Adopt a Balanced Budget

Arizona Revised Statute 42-17151 states, in pertinent part:

On or before the third Monday in August each year the governing body of each county shall fix, levy and assess the amount to be raised from primary and secondary property taxation. This amount, plus all other sources of revenue and unencumbered balances from the preceding fiscal year, shall equal the total of amounts proposed to be spent in the budget for the current fiscal year.

This requirement, in effect, mandates the adoption of a balanced budget. Furthermore, it is Pima County's policy that unencumbered balances from the preceding fiscal year are considered "one-time" monies and are not to be used to fund recurring expenses, i.e., recurring operating expenditures must be matched by recurring operating revenues.

Adhere to a Well Defined Budgetary Process

Refer to pages 2-3 through 2-5 for an in depth discussion of the various elements of the budgetary process including the basis of presentation, basis of budgeting, budgetary control, budget amendments, and budget preparation and approval.

Promote Budget Accountability

With the fiscal year 1999/2000 budget, the Board of Supervisors adopted a Budget Accountability Policy (see the *Supplemental Information* section - *Pima County Budget Policies*). The purpose of the policy is to establish guidelines and a methodology for the Board of Supervisors to perform their duties related to the budget and to operate Pima County Government as provided by law, by exercising financial and programmatic control over expenditures and revenues related to County programs and services. It specifically addresses appropriations for supplemental funding, transfers of appropriations among programs, and budget exceedence.

Follow a Programmatic Method of Budgeting

Prior to fiscal year 1998/99, departments within Pima County budgeted solely on a cost center/account line item basis. While this type of presentation provides valuable information, it does not identify the full cost or funding sources associated with programs.

Starting in fiscal year 1998/99, and continuing since then, the budget has been presented using a line item and programmatic method. The goal of this presentation is to plan and measure financial operations and to evaluate programs and the impact they have on the community. *Programs* in this context are defined as *a group of closely related activities or services*. Departments organize their activities into programs and report quantitative results for each. They also provide a statement describing the main function or purpose of each program, the primary services provided, and goals and objectives.

Additionally, departments are asked to provide outcome, quality, output, and/or efficiency performance measures in their program submissions. To highlight performance trends, departments are asked to report each program performance measure for a three-year period, the actual result for fiscal year 2004/05, the estimated result for fiscal year 2005/06, and the planned result for fiscal year 2006/07. As this type of presentation evolves, the goal will be to have quality, outcome, and customer service performance measures added to departmental budget submissions.

Conduct Periodic Base Budget Reviews

Board of Supervisors Policy No. D22.5, adopted on October 26, 1999, mandated that, beginning with fiscal year 2000/01, every department shall develop an annual budget using a zero base budget (ZBB) methodology at least once during each subsequent four-year period. Pursuant to the Board schedule, this fiscal year fourteen departments developed annual budgets using a zero base budget methodology. Other departments used the target base approach traditionally employed by the County.

Each department undergoing the zero base review is asked to budget on the basis of its current level of service without regard to its target base. Increased funding for new programs, mandates, or services is presented in supplemental requests. Departments are asked to conduct a thorough assessment of service demands; review, and if necessary, redefine program goals and objectives; and develop performance measures linked to the goals and objectives. Each line item request has to be fully justified and costs allocated to the appropriate service and activity.

The participating departments and Budget Division staff agree that the ZBB process is time consuming, but benefits derived from the process justify the time and personnel resources used. The ZBB process provides departments an opportunity to assess and justify department operations, identify services needed to meet goals and objectives, determine optimal levels of funding, accurately allocate revenue and expenditures to the appropriate programs, and prioritize services. All departments have completed the ZBB process at least once, with most having completed the process twice. With each turn, departments are encouraged to build upon their previous experience and improve on their efforts to achieve the objectives of the process, particularly in the areas of cost justification, performance measures, and operational efficiency.

Provide Justification for all Supplemental Requests

During the budget process, any departmental funding request that exceeds the prior year's level of funding (with authorized adjustments) must include an impact statement describing the ramifications should additional funding not be granted. This impact can be stated in terms of opportunities lost, mandates not met, services not provided, or outcomes not achieved. Departments are also instructed to be as explicit as possible, when describing the effect of unfunded proposals, especially regarding the impact on Pima County residents. For fiscal year 2006/07 funding approved for supplemental requests includes a net fund impact of \$8,782,665 for General Fund operating departments. (See *Summary Schedules* section - *Summary of Adopted Supplemental Packages*.)

Diversify the County's Revenue Sources

Property Taxes

The fiscal year 2006/07 Adopted Budget relies on a \$0.2300 decrease in the property tax rate for General Government, no change in the Debt Service tax rate, a \$0.1100 increase in the Library District tax rate, and no change in the Flood Control District tax rate. The total property tax rate for Pima County decreases from \$5.4611 to \$5.3406 per \$100 of assessed valuation. (This includes \$0.0415 of the Fire District Assistance tax rate, set by state formula.)

General Government Revenues other than Property Taxes

Excluding revenues related to primary property taxes, projected fiscal year 2006/07 general government revenue from all other sources is \$156.7 million, an increase of \$19.4 million over the fiscal year 2005/06 adopted budget. State shared sales taxes are expected to increase by \$15.8 million. Other increases in revenue include \$3.7 million in contributions from enterprise funds, a \$925 thousand increase in Vehicle License Tax revenue, and \$1.5 million more from the County

Hotel / Motel Tax primarily due to a change in the tax rate. General Government Fees are budgeted to be \$34 thousand higher than last fiscal year's adopted budget. The Business License budget has been increased \$160 thousand and the Alcoholic Beverage Tax budget has been increased \$60 thousand. Revenue from interest has been budgeted to be \$1.0 million more than last year's budget. The adopted budget assumes that the \$3.8 million in State funding for Proposition 204 hold-harmless will not be forthcoming in fiscal year 2006/07. The \$74.5 thousand of Treasurer's lien processing fees that were recognized as delinquent property tax penalties in the past will be recognized as miscellaneous revenue in fiscal year 2006/07.

State Shared Income Taxes

In the tax equity battle that occurred with the state legislature in the 1990's, tax equity for Pima County was defined as a three-legged stool, with redistribution of sales tax, highway user revenue funds (HURF), and state shared income tax each defining one leg of the stool. Sales tax equity was achieved first, followed by HURF equity in 1997. There has been no progress made in obtaining the third leg of the tax equity stool, which is state shared income tax.

All incorporated jurisdictions in Arizona receive state shared income taxes. If unincorporated Pima County were a municipality, it would be the third largest city in the state. The County's share of income tax would be equivalent to more than \$30 million each year. If these revenues were received, they could be used to further reduce the primary property tax by \$0.51 per \$100 of assessed value.

Local Sales Tax

Several times over the course of the fiscal year 1999/2000 budget planning process, the Board of Supervisors discussed and voted on whether to adopt a half-cent general excise tax (sales tax). As permitted by Arizona Revised Statutes, a unanimous vote of the Board would have enacted such a tax. However, a unanimous vote was not forthcoming, despite the County Administrator's strong recommendation that a sales tax be approved. During subsequent fiscal year budget planning processes, there was little such discussion, although the County Administrator remains firm in his belief that a sales tax should be enacted, in order to provide property tax relief, as well as to address the pressing needs of the County.

It is estimated that between 13 and 20 percent of an excise tax in Pima County would be paid by nonresidents of the County. The estimated fiscal year 2005/06 half-cent sales tax revenues of \$67.0 million would have been the equivalent of a primary property levy of \$1.19 per \$100 of assessed value.

Departmental Revenue Enhancements/Increases

During each fiscal year's budget planning and preparation, opportunities for non-tax revenue enhancements and increases are routinely explored. For a complete schedule of revenue adjustments, including new fees and other charges, as well as existing fee increases, refer to the *Revenue Sources* section – *Summary of Revenue by Fund, Department, and Category*.

Stabilize/Reduce the Property Tax Rates

Table 1 underscores the Board of Supervisor's commitment to stabilize, if not reduce, property tax rates. The total rate for fiscal year 2003/04 remained the same in fiscal year 2004/05 (except for the Fire District Assistance Tax, set by State formula), decreased by 0.7 percent in fiscal year 2005/06, and will decrease by 2.2 percent in fiscal year 2006/07.

Table 1

Comparison of Property Tax Rates

	<u>FY 2003/04</u> <u>Tax Rates</u>	<u>FY 2004/05</u> <u>Tax Rates</u>	<u>FY 2005/06</u> <u>Tax Rates</u>	<u>FY 2006/07</u> <u>Tax Rates</u>
Pima County Primary (General Gov't)	\$4.0720	\$4.0720	\$4.0720	\$3.8420
Debt Service	0.8150	0.8150	0.7150	0.7150
Library District	0.2124	0.2124	0.2575	0.3675
Flood Control District	0.3546	0.3546	0.3746	0.3746
Fire District Assistance Tax	<u>0.0441</u>	<u>0.0427</u>	<u>0.0420</u>	<u>0.0415</u>
Total	\$5.4981	\$5.4967	\$5.4611	\$5.3406

Maintain an Adequate Ending General Fund Balance

Over the past seven years, the unreserved ending General Fund balance ranged from an actual low of \$19.7 million for fiscal year 2000/01 to a projected high of \$45.8 million for fiscal year 2005/06. The Board of Supervisors has adopted an unreserved ending General Fund Balance of \$23 million for fiscal year 2006/07, which is 5.2 percent of budgeted operating revenues. This is within the Government Finance Officers Association (GFOA) recommendation that “no less than five to fifteen percent of regular general fund operating revenues be maintained as unreserved fund balance”. Over the past seven years, actual unreserved ending fund balance typically has been significantly higher than the amount that had been budgeted, as seen in Table 2 below. If this trend continues, in fiscal year 2006/07, Pima County can expect to see an actual unreserved ending fund balance that exceeds this 5.2 percent.

Table 2

General Fund Unreserved Ending Fund Balance

	<u>Budgeted</u>	<u>Actual</u>	<u>% of Revenue</u>
Fiscal Year 1999/00	\$ 2,000,000	\$23,221,039	8.4
Fiscal Year 2000/01	\$ 6,780,498	\$19,653,279	6.6
Fiscal Year 2001/02	\$11,500,000	\$28,655,034	9.0
Fiscal Year 2002/03	\$13,600,000	\$30,999,355	9.4
Fiscal Year 2003/04	\$13,400,000	\$25,628,388	7.2
Fiscal Year 2004/05	\$13,000,000	\$33,171,433	8.9
Fiscal Year 2005/06	\$15,800,000	\$45,839,293 *	10.6
Fiscal Year 2006/07	\$23,000,000		5.2

* projected

Close monitoring of expenditures, and strong intergovernmental revenues (e.g., state shared sales tax, vehicle license tax, etc.) have accounted for the favorable variances from budget. Continuing cost shifts from the State, as it faced its own fiscal crisis, led to a drop in the unreserved ending fund balances in fiscal years 2003/04 and 2004/05.

Maximize the Generation and Collection of Fines, Fees, and Reimbursements

The Financial Management and Audit Division reviews and analyzes the County’s cash position, coordinates and monitors County collection activities, and conducts routine cash handling,

performance, management, and contract audits pertaining to all County departments and Elected Officials' Offices.

Eliminate Long Term Cash Deficits

The long-term cash deficits of certain funds are those that have accumulated as a result of losses over multiple years that cannot be covered by accounts receivable for those funds. Since fiscal year 1999/2000 the County has made a concerted effort, through the transfer of General Fund dollars, to eliminate the long-term cash deficits of a number of funds including: Kino Community Hospital (now managed by an outside contractor), the Recycling and Solid Waste funds, and the Stadium District.

Only one fund remains that has an accumulated cash deficit. The Graphic Services Internal Service Fund is projected to have an accumulated cash deficit of \$282,459 at the end of fiscal year 2005/06. This will be paid in fiscal year 2006/07 by a budgeted operating transfer from the General Fund.

Provide Board of Supervisors General Contingency Funding

The Board of Supervisors unreserved Contingency Fund is funded at \$1.0 million, which is a typical amount. With the Board's continued judicious management of this fund, as well as the Budget Stabilization Fund discussed below, and or other reasons discussed elsewhere in this section, it is realistic to assume that the fiscal year 2005/06 ending General Fund balance will be substantially higher than the budgeted amount. For fiscal year 1999/2000, similar planned management was responsible for a large part of the increase in the General Fund ending fund balance from a budgeted amount of \$2 million to an actual amount of \$23.2 million; for the fiscal year 2000/01 ending fund balance increase of \$12.9 million over the budgeted amount; for the fiscal year 2001/02 ending fund balance increase of \$17.2 million over the budgeted amount; for the fiscal year 2002/03 ending fund balance increase of \$17.4 million over the budgeted amount; for the fiscal year 2003/04 ending fund balance increase of \$12.2 million over the budgeted amount; for the fiscal year 2004/05 ending fund balance increase of \$20.2 million over the budgeted amount; and for the fiscal year 2005/06 projected ending fund balance increase of \$30 million over the budgeted amount.

Provide Property Tax Reduction/Debt Retirement & Property Tax Rate Stabilization Funds

The Tax Reduction/Debt Retirement Fund was established in fiscal year 1999/2000 for the purpose of pooling revenues from various actions or activities in order to offset possible future tax increases. Revenue sources include any new revenues derived from expense recoveries, such as federal or state reimbursements for criminal justice and law enforcement, the sale of surplus property, certain medical related refunds, and fee increases by General Fund departments, where General Fund support is reduced or the fees are not for a specified purpose. Since the fund's inception the following deposits have been made: over \$5.6 million in federal State Criminal Alien Assistance Program (SCAAP) revenue; over \$800 thousand in federal Southwest Border Prosecution Initiative (SWBPI) revenue; over \$2.5 million in medical refunds or reimbursements for the County's annual contribution to the Arizona Long Term Care System (ALTCS) and for Kino Hospital (while it was a County directed facility); and over \$300 thousand in various other one time revenue sources.

In fiscal year 2006/07 the Board of Supervisors augmented the Tax Reduction/Debt Retirement Fund by establishing the Property Tax Rate Stabilization Special Revenue Fund, funded via a General Fund appropriation of \$3.2 million. The recommended 23 cent reduction in the primary property tax rate for fiscal year 2006/07 has been made possible in substantial part by the extraordinary growth in sales tax collections that have occurred during the last year and are projected to continue through the remainder of calendar year 2006. However, the pace of this growth is projected to slow beginning in 2007 for a number of reasons. In addition, state shared sales tax, as well as other General Fund taxes such as vehicle license tax, are more sensitive to short term economic conditions and, therefore, more volatile and less predictable than property tax revenues. World events such as that which occurred in September of 2001 can cause state shared sales taxes

to decline unexpectedly and precipitously. Provision should be made to ensure that the recommended reduced primary rate and the total combined County rate will remain stable so that a future roller coasting of the rates is avoided. Instability in these rates, coupled with rapid increases in valuation, would make it difficult for individuals and businesses to plan for and accommodate their future property tax liability. Other factors that necessitate provision for future stabilization of the County primary and combined rates include:

- Offset of future increases in the Library District rate as the County continues to provide additional relief to the city of Tucson's General Fund by assuming more of the city's funding liability for the Library system as well as all future growth in Library facilities, programs, services and costs.
- Probable continued reductions and eliminations of long-standing federal and state grant revenues that currently provide significant funding to programmatic areas throughout the County.
- Continued uncertainty as to future actions of the State that would shift costs, reduce shared revenues, and increase mandates to the County, particularly in regard to the County's mandated contributions to fund the State's indigent long term, acute, and mental health care programs.

Provide a Budget Stabilization Fund

Prior to fiscal year 1999/2000, the only method of managing budget exceedences had been to reserve funding in the Board of Supervisors Contingency Fund for that purpose. In fiscal year 1999/2000 this process was further developed and institutionalized through the establishment of the Budget Stabilization Fund (in the General Fund). For fiscal year 2006/07, budgeted expenditure authority in the Budget Stabilization Fund amounts to \$17,094,670. Funding is reserved for the items listed in the following table:

Table 3

Budget Stabilization Fund

Justice Courts Tucson - pro tem costs	\$ 58,880
Recorder - City of Tucson mass mailing	68,472
Recorder - ballot inserter machine	115,000
Regional Water Authority Study	150,000
Critical Path	375,000
Juvenile Court - probation relief	396,100
County Attorney - grant reductions	500,910
Sheriff's Office - grant reductions	568,194
Superior Court - probation relief	985,800
Net Retirement Rate Change Savings	1,645,019
Superior Court - restoration to competency	2,000,000
Transportation - reserve for FY 2004/05	5,026,195
ALTCS - contribution relief	<u>5,205,100</u>
Total Budget Stabilization Fund	\$ 17,094,670

Obtain Pre-approval of Grants with Fund Impact

Pima County receives significant grant funding from federal, state, and local agencies. Often, the Board of Supervisors had not been apprised of grant applications and resulting fiscal impacts to the County, until after grants were awarded and funding was pending or, in some cases, already received. Further, information and analysis accompanying requests for grant acceptance were inconsistent and in some cases insufficient to allow the Board to plan for the short and long term fiscal needs of the County. With the adoption of the fiscal year 1999/2000 budget, the Board directed that a policy be established to address these issues and to detail their expectations concerning acceptance terms and conditions under which grant funding is received. Board of Supervisors Policy No. D22.6 was adopted on October 26, 1999, and is contained in the *Supplemental Information* section - *County Budget Policies*.

Maintain Adequate Funding for Self-Insurance Trust Fund

Pima County's Self-Insurance Trust Fund is a statutory trust covering the cost of tort liability, workers' compensation, self-insured dental, unemployment, and related administrative and loss control costs. An annual actuarial analysis estimates outstanding liabilities and future year funding requirements. The Trust is overseen by seven Trustees, no more than one of which can be a County employee, and is audited annually. Funding exceeding a 75 percent confidence level has been maintained for the past ten years (present value funding).

Provide Adequate Employee Compensation

In his Fiscal Year 2006/07 Recommended Budget Memorandum to the Board of Supervisors (see *Budget Issues* section), the County Administrator states, "The County continues to be challenged to remain competitive in attracting and retaining experienced, high quality personnel throughout our workforce."

In order to address the continuing problem of loss of employees to other governmental jurisdictions, with the adoption of the fiscal year 2006/07 budget, the Board of Supervisors approved a general salary adjustment of 2.8 percent effective the July 1, 2006. The Board also approved an additional 1.7 percent general salary adjustment to compensate employees for an equal percentage increase in employee contributions to the Arizona State Retirement System. In addition, Sheriff's deputies and corrections officers will receive a one step increase on their anniversary date. The following table summarizes the salary increases over the past eight years.

Table 4

Salary Increase Summary

Fiscal Year	Salary Increase
FY 1999/00	2.5% <u>general adjustment</u> effective Jan 2, 2000 2.5% anniversary with successful performance evaluation
FY 2000/01	2.5% anniversary with successful performance evaluation
FY 2001/02	2.5 % <u>general adjustment</u> effective Sep 9, 2001 5.0% <u>market adjustment</u> on anniversary establish <u>step plan</u> for Sheriff
FY 2002/03	\$0.8135 per hour or one time \$500 <u>general adjustment</u> effective Dec 19, 2002 1 <u>step adjustment</u> for Sheriff non command staff effective date in class

FY 2003/04	No general adjustment, anniversary increases, or step increases awarded
FY 2004/05	2.5% <u>general adjustment</u> effective Aug 8, 2004 2.5% <u>general adjustment</u> effective Dec 26, 2004 1 <u>step adjustment</u> for Sheriff non-command staff effective date in class new <u>step plan</u> for Sheriff's non-command staff, offering a market adjustment to bring officers in line with other local jurisdictions
FY 2005/06	2.5% <u>general adjustment</u> effective Jul 10, 2005 1.7% <u>general adjustment</u> effective Jul 10, 2005 to compensate for increased retirement rate contribution for members of the Arizona State Retirement System 1 <u>step adjustment</u> for Sheriff's corrections non-command staff effective date in class
FY 2006/07	2.8% <u>general adjustment</u> effective Jul 1, 2006 1.7% <u>general adjustment</u> effective Jul 1, 2006 to compensate for increased retirement rate contribution for members of the Arizona State Retirement System 1 <u>step adjustment</u> for Sheriff's corrections non-command staff, deputies, and sergeants effective date in class

Continue to Implement the County Ordinances that Authorize Bond Projects

Capital Improvement Plan and Capital Projects Budget

Bonding is not a new or unique method of financing public infrastructure and expansion in Pima County, as there have been nine voter-approved bond elections since 1974 yielding over \$2 billion in voter-approved bonds.

In May and November of 1997, voters authorized approximately \$257 million of general obligation bonds, \$105 million of sewer revenue bonds, and \$350 million of transportation bonds, for a total 1997 authorization of \$712 million. In May 2004, voters authorized approximately \$582 million of general obligation bonds and \$150 million of sewer revenue bonds, for a total 2004 authorization of \$732 million. In May 2006, voters approved general obligation bonds of \$18 million for Psychiatric Urgent Care Facilities and \$36 million for Psychiatric Inpatient Hospital Facilities. Combining the 1997, 2004 and 2006 authorization provides total bond proceeds of \$1.5 billion.

Pima County currently has \$1.31 billion in active, bond funded capital improvement projects (including Wastewater Management) and \$407 million in active non-bond projects, resulting in a total capital improvement program of \$1.72 billion. The proposed Capital Improvement Plan (CIP) for fiscal years 2006/07 - 2010/11 identifies, among other items: active projects, funding sources, debt profiles, unfunded needs, and a schedule of bond sales. The CIP currently has 171 capital improvement projects, including 32 funded by Wastewater Management and a total of \$197.9 million budgeted for fiscal year 2006/07. Of this amount, Wastewater Management funds \$42 million, with \$155.9 million approved in the fiscal year 2006/07 Capital Projects Adopted Budget. In addition, \$18.4 million is expected in matching funds with the primary source being \$10.1 million from the Corps of Engineers for Flood Control projects. (For project-by-project details, see the *Summary Schedules* section – *Summary of Active Capital Improvement Projects*.)

The following table shows that, of the \$1.5 billion bond authorization, \$604.4 million in bonds have been sold with \$893.6 million remaining. None of the 2004 Sewer Revenue Bonds or the 2006 General Obligation bond obligation has been sold.

Table 5

1997, 2004 and 2006 Bond Authorizations

	<u>Authorization</u> (million)	<u>Sold</u> (million)	<u>Remaining</u> (million)
1997 General Obligation Bonds	\$ 257.0	\$ 216.6	\$ 40.4
1997 Sewer Revenue Bonds	105.0	100.6	4.4
1997 Transportation Bonds	350.0	181.2	168.8
2004 General Obligation Bonds	582.0	106.0	476.0
2004 Sewer Revenue Bonds	150.0		150.0
2006 General Obligation Bonds	54.0		54.0
Total	\$1,498.0	\$ 604.4	\$ 893.6

Legal Debt Limits

- County General Obligation Bonds

General obligation debt may not exceed six percent of the value of the County's taxable property as of the latest assessment. However, with voter approval, debt may be incurred up to 15 percent of the value of taxable property. Legal debt margin at June 30, 2005, is as follows (in thousands):

Net assessed valuation:		\$5,620,156
<u>Debt Limit (15% of net assessed valuation):</u>		\$ 843,023
<u>Amount of debt applicable to debt limit:</u>		
General obligation bonds outstanding	\$ 267,270	
Less net assets in debt service fund available for payment of general obligation bond principal	<u>(8,899)</u>	<u>(258,371)</u>
Legal debt margin available		<u>\$ 584,652</u>

- Flood Control District General Obligation Bonds

Flood Control general obligation debt may not exceed five percent of the value of the Flood Control District's taxable property as of the latest assessment. Legal debt margin at June 30, 2005, is as follows (in thousands):

Net assessed valuation:		\$4,907,357
<u>Debt Limit (5% of net assessed valuation):</u>		\$ 245,368
<u>Amount of debt applicable to debt limit:</u>		
Flood Control general obligation bonds outstanding	\$3,010	
Less net assets in debt service fund available for payment of flood control bond principal	<u>(25)</u>	<u>(2,985)</u>
Legal debt margin available		<u>\$ 242,383</u>

For fiscal year 2005/06, debt percentages were estimated to be 4.75 percent for general obligation bonds and .06 percent for Flood Control general obligation bonds. (For details see the *Supplemental Information* section – *Long Term Debt Service Schedules*.)

- Street and Highway Revenue Bonds

Arizona Revised Statute § 11-378 presently requires that in order for the County to issue bonds payable from Street and Highway Revenues, the County must have received Street and Highway Revenues in the year preceding the issuance of the additional bonds in an amount equal to at least one and one-half times the highest annual principal and interest requirements thereafter to come due on all such bonds to be outstanding following the issuance of the additional bonds, provided that if the Street and Highway Revenues received in the preceding year do not equal at least two times the highest annual principal and interest requirements, the proposed bonds must bear a rating at the time of issuance of “A” or better by at least one nationally recognized credit rating service, taking into account any credit enhancement facility in effect with respect to such bonds.

Each time Pima County has issued Street and Highway Revenue Bonds, the County has met the requirements of Arizona Revised Statute § 11-378. In fiscal year 2004/05, the County issued \$51.2 million in Street and Highway Revenue Bonds and met the statutory requirement. An additional \$25 million in bonds is expected to be issued in fiscal year 2006/07. HURF revenues are budgeted at \$46.2 million, and \$19.0 million in Street and Highway Revenue Bonds debt service is scheduled, providing approximately 2.4 times coverage.

The 1997 and 1999 state legislatures passed what is known as “HURF equity” legislation. This legislation changed the distribution formulas to account for, in part, unincorporated populations, netting Pima County a 28 percent increase in HURF receipts in fiscal year 1997/98, the first year the legislation took effect. Over the ten year period ending with fiscal year 2006/07, the HURF equity legislation is estimated to net an additional \$144.6 million to Pima County. These additional dollars have been and will continue to be used first for debt service on transportation revenue bonds, with the remainder used for other transportation related expenses.

- Sewer Revenue Bonds

There is no statutory legal debt limit on Sewer Revenue Bonds. Within the bond documents for Sewer Revenue Bonds, the County has provided a covenant to the bond holders which limits the issuance of additional Sewer Revenue Bonds unless the covenant set forth in Board of Supervisors’ Resolution No. 1991-138 has been met. That covenant requires that the net revenues of the sewer system for the year preceding an issuance of bonds be at least 120 percent of the maximum annual debt service for all bonds.

Matching of Bond Proceeds

Over the years, the County has been very successful in matching bond proceeds with other funding sources. For example, the \$712 million 1997 bond authorization is expected to be leveraged with \$788 million in other funding sources, such as federal and state aid, private contributions from home owners associations and developers, Flood Control District tax revenues, HURF revenues, roadway impact fees, lease purchase payments, and sewer connection fees. When completed, the 1997 Bond Program will result in a \$1.5 billion investment in the community. Furthermore, the 2004 bond authorization is expected to leverage between \$116 million to over \$213 million in other funding sources such as those mentioned immediately above, for an additional total potential community investment of \$945 million.

Operating and Maintenance Costs

The sale of bonds not only obligates the County for the repayment of principal and interest, but also obligates it for the payment of future costs related to the continued operating and maintenance of capital improvements. To plan for these future costs, Pima County routinely studies projected expenditures associated with completed CIP projects. This planning enables the County to better judge the amount of other revenues needed to maintain facilities and identify appropriate alternative sources of funding in advance of actual needs. Additional information about operations and maintenance expenditures associated with capital improvement projects can be found in the *Budget Overview* section - *Pima County Capital Improvement Program*.

Bond Sales Scheduling

The schedule of bond sales is premised upon pledges by the Board of Supervisors to maintain secondary property taxes for general obligation debt at or below \$0.815 per \$100 of assessed valuation, and debt service for transportation revenue bonds at or below the increment received as a result of passage of "HURF equity" legislation. In general, annual increases in Wastewater Management user fees of 8 percent or less and annual increases in connection fees of 12 percent or less are the goals.

- General Obligation Bonds

For fiscal year 2006/07, the secondary tax rate is unchanged from the fiscal year 2005/06 rate of \$0.7150 per \$100 of assessed valuation.

- Sewer Revenue Bonds

In fiscal year 1997/98, sewer user and connection fees increased 4.3 percent and 12 percent respectively. No fee increases occurred in fiscal year 1998/99. User fees and connection fees increased by 5.3 percent and 11 percent respectively in fiscal year 1999/2000, by 5 percent and 11 percent in fiscal year 2000/01, by 3.8 percent and 12 percent in fiscal year 2001/02, and by 5 percent and 12 percent in fiscal year 2002/03. The Board also approved two additional 12 percent rate increases in Connection Fees (Participating Rates) to be effective on June 1, 2003, and on September 1, 2003. User fees and connection fees increased by 4 percent and 6 percent respectively in fiscal year 2004/05 and by 8 percent and 10 percent in fiscal year 2005/06. Two 6 percent increases will occur in sewer user fees and connection fees in fiscal year 2006/07; the first to be effective August 11, 2006, the second to be effective on January 1, 2007.

Table 6

Increases in Sewer User and Connection Fees

Fiscal Year	User Fees	Connection Fees
1997/98	4.3%	12.0%
1998/99	0.0%	0.0%
1999/00	5.3%	11.0%
2000/01	5.0%	11.0%
2001/02	3.8%	12.0%
2002/03 (effective 7/1/2002)	5.0%	0.0%
2002/03 (effective 4/1/2003)	0.0%	12.0%

2002/03 (effective 6/1/2003)	0.0%	12.0%
2003/04	0.0%	12.0%
2004/05	4.0%	6.0%
2005/06	8.0%	10.0%
2006/07 (effective 8/11/2006)	6.0%	6.0%
2006/07 (effective 1/1/2007)	6.0%	6.0%

Implement Health Care System Reforms, Contributing to Financial Stability

Kino Community Hospital

On February 3, 2004 the Board of Supervisors voted to approve a services agreement with University Physicians, Inc. (UPI) to operate Kino Community Hospital (Kino) effective that date, and the agreement continued through June 15, 2004. On June 16, 2004 Kino ceased to be a Pima County budgeting/accounting entity per se, as UPI entered into 25-year lease agreement to manage and operate the hospital. This ended Pima County’s operation of Kino after a 27-year run and, it is believed, will lead eventually to the provision of a full range of medical services at Kino without the need for General Fund support.

Over a 10-year period, however, Pima County will continue to provide General Fund support to UPI/Kino according to the schedule in Table 7.

Table 7

General Fund Support to UPI/Kino

Year 1 (FY 2004/05)	\$25,833,333
Year 2	\$19,791,667
Year 3	\$14,791,667
Year 4 through 7	\$10,000,000
Year 8	\$ 9,958,333
Year 9	\$ 8,958,333
Year 10 (FY 2013/14)	\$ 7,666,667

Institutional Health

As a result of voter-approved Proposition 204 in 2001, Pima County transitioned its Medical Assistance Department, which had processed eligibility applications for public health programs, into the Department of Institutional Health. This new department continued funding the County’s mandated contributions to State health programs, but also assumed oversight of the County’s correctional health care responsibility. The creation of Institutional Health also helped meet the County’s need to develop a centralized pool of expertise to serve as the administrative oversight structure for the Pima County Integrated Health System (PCIHS). Included under PCIHS is a diverse set of payer and provider operations including: the Public Health Department, Pima Health System & Services (Pima County’s acute care and long term care plans), provision of health care at the adult and juvenile detention centers, Posada del Sol Nursing Home, provision of mandated behavioral health services, and lease oversight of University Physicians Healthcare Hospital at Kino Campus, formerly Kino Community Hospital.

The four main functions of the Department of Institutional Health include:

- Administration and funding of the County's mandated contributions toward State health care programs, such as contributions to the Arizona Health Care Cost Containment System (AHCCCS), the Arizona Long Term Care System (ALTCSS), and the Arizona Department of Health Services.
- Oversight and funding of local health care mandates, such as provision of Title 36 behavioral health services, and correctional health care at the County's adult and juvenile detention centers.
- Technical assistance/consultation for County administration regarding PCIHS functions and activities, including development and maintenance of a library to serve as "institutional memory" on health care issues.
- Coordination of corporate compliance activities within the PCIHS.

Conduct Studies of Criminal Justice System Elements, Leading to Financial Stability

Since the summer of 2000, private contractors have conducted three major studies of various elements of the Pima County Criminal Justice System. These studies were performed in order to provide the Board of Supervisors with the information necessary to make critical funding decisions regarding the disparate organizations that comprise this system.

Harvey M. Rose Accountancy Corporation

Shortly after the adoption of the fiscal year 2000/01 budget, Pima County issued a request for proposals from consultants to conduct performance/operations audits of the departments comprising the criminal justice system. Departments included in the audit were the Superior Court, Juvenile Court, Ajo Justice Court, Green Valley Justice Court, Justice Courts Tucson, Indigent Defense, County Attorney, and Sheriff. The Harvey M. Rose Accountancy Corporation was selected to perform the audit and presented its report to the Board of Supervisors on May 8, 2001.

The Board of Supervisors directed that the audit project include the following goals:

- Determine General Fund cost impacts resulting from criminal justice system operations.
- Identify revenue enhancement opportunities, such as increased opportunities for federal reimbursement, due to the County's "border county" status.
- Identify cost recovery opportunities, with special emphasis on increasing revenues in the Justice Courts and recovering costs from the city of Tucson Municipal Courts, where possible.
- Develop recommendations for achieving program and service delivery economies, cost efficiencies, and operational improvements.
- Determine the cost effectiveness of drug court and the reduction of time (convicted, but not yet sentenced inmates) spent in the County jail, pending transfer to the State Department of Corrections.
- Assess existing management controls and develop recommendations for improvements, with emphasis on the number of conflict cases in the Public Defender and Legal Defender offices, and the use of the 1984 "Joe U. Smith" caseload standards by the Public Defender and Legal Defender offices to withdraw from representation and hire a contract attorney as a replacement.

- Assess criminal justice system department performance and compliance with laws and/or regulations set by management, applicable technical standards or norms, expert opinions, prior year performance by similar entities, and other measurements.
- Identify the costs and resulting benefits from a 10 percent criminal trial rate.

The final Management Audit report contained 22 findings and more than 100 recommendations, addressing such diverse issues as reducing criminal case processing delays, improving security and public access to the courts, obtaining jail staffing efficiencies, managing the Juvenile Detention Center population, consolidating crime laboratory services, and increasing revenue collection effectiveness. Harvey M. Rose estimated that "... the proper implementation of (the) recommendations would result in the County realizing at least \$1.7 million in net savings including reduced costs and increased revenues." Staff from the County Administrator's office has been assigned to review and follow up on the recommendations contained in the audit report.

In the area of Indigent Defense, the Rose audit noted that the lack of formalized standards in the Public Defender and Legal Defender offices limited external oversight of the offices' productivity and that weights needed to be developed for each case type to elaborate on the numerical standards referred to in the case of "Joe U. Smith".

Among the recommendations of the Rose audit that have been implemented are the following:

- The Superior Court, through Administrative Order 2000-51, addressed the issues of continuances, trial dates, changes of plea, and conflict withdrawals in an effort to improve its criminal case flow management system and achieve an earlier disposition of cases;
- Probation Services and the Early Intervention and Prevention divisions were consolidated into one division;
- The human resources departments in the Superior Court, Adult Probation and Juvenile Court and Adult Probation were consolidated;
- The finance units of the Superior and Juvenile Courts were consolidated;
- All court related debt collection services were centralized under the Clerk of the Superior Court;
- A new risk assessment tool was implemented at the Juvenile Detention Center, resulting in the reduction of incarcerated juveniles from an average of 175 to 125;
- Pima County successfully lobbied for the passage of legislation that permits the Juvenile Court to assess the costs of detention in a county juvenile detention facility against parents or guardians based on their ability to pay.

American Prosecutor Research Institute

In an effort to provide better criminal justice services to the citizens of Pima County and determine if there are areas in which efficiencies could be achieved, the Pima County Attorney's Office secured funding from the Board of Supervisors in response to the Harvey M. Rose audit to have the American Prosecutor Research Institute (APRI) study the time needed to adjudicate cases in the criminal justice system and the resources needed by the prosecutor's office to handle their caseload.

Overall, in a report issued in August 2003, APRI found the Pima County Attorney's Office to be efficient and effective in its processing of criminal cases. However, APRI determined that the Pima County Attorney's Office needed 25 additional attorneys and 4 additional investigators. To address this additional staffing need, for the past two fiscal years the County Attorney submitted

supplemental requests that would have added additional staff in the misdemeanor and juvenile case units. Because of funding constraints, the Board of Supervisors has not been able to provide funding for these requests.

The Spangenburg Group

On June 1, 2004 Robert Spangenburg presented to the Board of Supervisors *A Review of the Delivery of Indigent Defense Services of Pima County (Review)*, the culmination of a three-year study. The goal of the study was to conduct a quantitative case-weighting study of the three indigent defense agencies: Public Defender, Legal Defender, and Contract Attorneys. The Spangenburg Group's task was to develop workload standards based on the different case types and the actual work that was being performed by attorneys representing indigent defendants in Pima County. While the *Review* reported that the study went well, knowledge surfaced of several important issues that would make the implementation of new workload standards difficult.

- The data systems of the indigent defense agencies do not reliably track information necessary to implement new workload standards;
- The data systems within other agencies of the criminal justice system (i.e., the Courts, County Attorney, and Sheriff) are not compatible with each other or the indigent defense agencies;
- A comprehensive and reliable projection of future workload by case type needs to be fully developed;
- The criminal justice system agencies do not act as an integrated system, and instead have been operating to a large extent in isolation rather than as part of a network of agencies that together can improve the operation and efficiency of the Pima County criminal justice system.

From the study, the Spangenburg Group study presented 37 recommendations covering the entire Pima County criminal justice system. The main recommendation was for Pima County to establish a criminal justice system task force (committee) in order to address the various systematic problems encountered. To this end, the County Administrator prepared an ordinance, which remains under consideration by the Board of Supervisors, that formed the Pima County Justice Coordinating Council. The council includes Pima County department representatives from the Sheriff, County Attorney, Public Defender, Legal Defender, the Office of Court Appointed Counsel, the Clerk of the Superior Court, the County Administrator's Office, plus a member of the Board of Supervisors, the presiding judges of the Superior Court, Juvenile Court, and Justice Courts, along with the Tucson Chief of Police and presiding judge of the Tucson City Courts. The council has also formed six sub-committees that address a number of justice and law enforcement issues and provide periodic reports to the council.

Among the issues being addressed is a comprehensive case management/tracking system; a comparison of the various data systems in each criminal justice entity in order to recommend changes, which would result in a higher degree of compatibility between the entities; the development of a case-weighting system to determine Public Defender (PD), Legal Defender (LD) or contract attorney case assignment. Since then the Office of Court Appointed Council (OCAC) has developed a case-weighting system.

The case-weighting system is designed to analyze the PD and LD office caseloads per year based upon the number of attorneys. Case-weighting standards were developed as a result of the 2004 Spangenburg Group study. Cases are weighted according to the felony case level and are as follows:

F2-F3	2.77
F4-F6	9.00
Extraditions	0.44
Probation Revocations	0.31

The case-weighting system provides a running tally for the past year based upon the last date ran. Terminated Case reports are produced monthly by Superior Court, and from that data the case-weighting system performs numerous algorithms to determine the current credit level and a comparison is made to the suggested caseload as determined by the Spangenberg analysis. In addition to the opening screen detailing the basic credit breakdown of PD and LD caseloads (based upon terminated cases), the system can provide information on open caseloads per attorney in each office (including OCAC), and display summaries of cases in various stages of the legal system. Open cases may also be summarized by felony level and broken down into specific cases if needed.

This system has also grown into use for managing the caseload of individual attorneys based upon Superior Court case data imported into the SQL Server and displayed in an ASP.NET Data Grid (with drill-down capability using hyperlink buttons in the grid). Charts and graphs demonstrating the current and historical breakdown of percentages of Indigent Defense systems (IDS) cases handled by PD, OCAC, LD, and privately retained counsel is available from this system. In addition, case-weighting analysis for specific periods is available.

With a new Public Defender hired in 2005 and a number of operational changes implemented by OCAC, if the arrest rate remains constant there should be a decrease in the number of contract attorneys appointed on felony matters, and a corresponding decrease in felony contract expenditures. In the fiscal year 2005/06 budget, the Board of Supervisors approved a \$931,000 supplemental package to hire ten additional Public Defender attorneys to handle more complex felony cases (the OCAC budget was reduced by \$931,000). The Public Defender discontinued misdemeanor representation effective July 1, 2005, therefore increasing misdemeanor contracted attorney expenditures. In addition, the weight originally assigned to the felony levels will be reviewed in 2006 to determine if the weight factors are still relevant or if adjustments should be made.

Implement Wastewater Management Reforms, Contributing to Financial Stability

Wastewater Management's Fiscal Year 2006/07 Budget as well as its 2006 Financial Plan builds upon the findings and recommendations of the Fiscal Year 2004/05 Black & Veatch Management Audit, the 2005 Black & Veatch Rate Study, the 2005 Financial Plan and the 2006 Metropolitan Facility Plan Update.

Management Audit of Wastewater Management Department

The Black & Veatch management audit identified deficiencies and concerns including:

- Insufficient sewer user fees to support debt service associated with rehabilitation and regulatory needs along with fully funding operations/maintenance since at least 1996;
- Lack of adequate funding to sufficiently repair, rehabilitate, and replace system assets in a systematic fashion

Some of the recommendations made by Black & Veatch implemented to date include:

- Completion of a comprehensive wastewater rate study and analysis of Wastewater Management's five-year financial plan;

- Adoption of increased user and connection fee increases in fiscal year 2005/06 to begin addressing increased needs to operate and maintain the sewerage system;
- Organizational restructuring of Wastewater Management with a renewed emphasis on capital project management;
- Completion of a 20-year Facility Plan that was adopted by the Board of Supervisors on March 21, 2006.

Wastewater Management Department Rate Study

The Black & Veatch Rate Study concluded that significant and sustained wastewater user and connection fee increases are necessary in order to accomplish essential wastewater system repair, rehabilitation, and replacement, as well as to meet new environmental standards required by the Arizona Department of Environmental Quality. In addition, increased system capacity is needed in both the conveyance and treatment systems.

Rates and fees adopted by the Board of Supervisors are intended to initially address the following issues:

- Enhance the department's efforts to repair and rehabilitate the sewerage system (treatment and conveyance);
- Estimated funding of \$1.4 billion over the next twenty years for system expansion, development, repair, rehabilitation, replacement and regulatory compliance;
- Increased operating and maintenance costs associated with new capacity expansion.

By implementing organizational and process changes, increasing rates and fees, and continually monitoring processes, procedures and fees, the financial stability of Wastewater Management has significantly improved.

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NON FINANCIAL AND STRATEGIC PLANNING

Provide Services Mandated by Legislation and by Community Consensus

County government in Arizona is structured to provide services to county residents as stipulated by law and as deemed desirable by the elected representatives of county residents. To these ends, Pima County has organized its service delivery units into five basic functional areas corresponding to the primary services required. These areas are County Administration, Community & Economic Development, Justice & Law Enforcement, Medical Services, and Public Works. In each functional area, a function statement guides operational planning at a strategic level, while more specific departmental goals and objectives form the basis for budget development.

Implement Strategic Planning Methodology and Performance Budgeting

Pima County departed from its traditional line item budget presentation utilizing a target base and has now implemented a program-oriented presentation of its budget developed from a zero base as provided under Board of Supervisors Policy No. D22.5. This policy requires that each department prepare its budget from a zero base with a thorough review of operations once every four years. This approach incorporates the establishment of departmental function statements, goals, objectives, and their related performance measures. An increasing emphasis has been placed on the performance aspect of this process, with the intent of improving efficiency and effectiveness of the County's service delivery by all departments. The following departmental function statements serve as a starting point for defining strategic plans in each functional area.

County Administration consists of providing services mandated by law such as elections, property valuation and tax assessment, official document recording, conducting Board of Supervisors' meetings, financial reporting, and internal business matters including human resources, purchasing, and risk management.

ASSESSOR

Locate, identify, and value all real and personal property in Pima County. Annually value and add to the tax roll all new construction, additions, changes in ownership, subdivisions and parcel splits. Educate and assist the public in the valuation and appeals process. Department goals address:

- Timely and accurate performance of mandated duties
- Innovations in procedure, such as process automation
- Interdepartmental support for property valuation issues

BOARD OF SUPERVISORS

Fulfill the duties and responsibilities set forth in Arizona Revised Statutes. Fund and maintain public health and safety. Lay out, maintain, and manage roads and bridges within the County. Provide health care and legal services to the indigent population of the County. Supervise the official conduct of all County officers charged with assessing, collecting, safekeeping, managing, or disbursing public revenues. Initiate and support state legislation beneficial to Pima County. Pursue federal and state funding to support services for County residents. Respond to constituents' problems, suggestions, inquiries, or complaints. Establish policies and goals to be carried out and achieved by County departments. Set spending limits and approve budgets of all County departments. Department goals address:

- Growth management
- Fiscal responsibility
- Quality of life in Pima County

CLERK OF THE BOARD

Record and publish all proceedings of the Board of Supervisors. Preserve and file all accounts acted upon by the Board. Provide efficient management, suitable storage, and utilization of Pima County records. Process, preserve, and file all petitions, various licenses, and applications. Process subscriptions, publicize amendments, and codify ordinances for inclusion in the Pima County Code. Fulfill requirements of boards, commissions, and committees. Discharge statutory requirements for special taxing districts. Perform all other duties required by law, rule, or order of the Board. Department goals address:

- Timely and accurate performance of mandated duties
- Innovations in procedure, such as process automation

COUNTY ADMINISTRATOR

Carry out the policies and attain goals established by the Board of Supervisors. Provide information and technical assistance to the Board. Administer and oversee all non-elected official department operations. Provide management, coordination, and communication on all legislative issues and intergovernmental needs. Oversee such programs as the Sonoran Desert Conservation Plan, Facilities Renewal Fund, and Space Acquisition Fund. Department goals address:

- Implementation of Board of Supervisors policies and plans
- Revenue enhancement opportunities

ELECTIONS

Conduct fair, honest, and efficient elections pursuant to all federal and state laws and regulations. Provide election support to all jurisdictions (cities, towns, schools, fire districts, and other special districts within Pima County) that contract with the County. Serve as the filing office for candidate nomination filings. Serve as the filing office for campaign finance reports. Administer reprecincting and redistricting as required by the Board of Supervisors. Conduct community outreach and assistance to ensure compliance with the Americans With Disabilities Act, Voting Rights Act, and Help America Vote Act. Department goals address:

- Proper and efficient conduct of elections
- Timely reporting of results

FINANCE & RISK MANAGEMENT

Provide centralized financial services to both internal and external customers of the County, including administration, bond financing, budget development and monitoring, tax levy and tax rate compilation, financial statement preparation, financial systems control, accounts payable, payroll processing, records maintenance, and mail services. [See fiscal goals in the preceding Financial Policies part of this section.] Manage the Pima County Risk Management program to protect and conserve Pima County's human, financial, and physical assets while providing continuity of mandated services and fiscal integrity. Invest in long-term risk reduction through a comprehensive program designed to lessen the County's exposure to loss. Provide funding to pay for losses incurred without disrupting the County budget. Minimize the total net impact of the Risk Management program on the County budget. Department goals include:

- Loss reduction
- Compliance with laws, rules, and regulations
- Adequate funding for loss coverage

FORENSIC SCIENCE CENTER

Perform investigations regarding individuals whose deaths are under the jurisdiction of the office of the Medical Examiner. Department goals address:

- Improvement in the quality of death investigation standards

HUMAN RESOURCES

Provide the full range of personnel services including recruitment and selection, classification, compensation and benefits, training, labor relations, affirmative action reporting, and employment rights. Conduct scheduled audits of all County departments to ensure compliance with ordinances, policies, rules, County directives, and practices. Department goals address:

- Assurance of market competitiveness
- Compliance with mandated personnel policy
- Interdepartmental support for human resources issues

INFORMATION TECHNOLOGY

Manage and administer the County's mainframe computer, network servers, wide area network, telecommunications, wireless radio communications, financial application systems development and support, computer hardware/software acquisition, and software licensing. Manage franchise licensing and contract coordination for cable, fiber, and competitive local exchange carriers. Train County employees in the use of computer hardware and software. Provide a central help desk function for computer hardware and software problem resolution. Coordinate all Pima County IT activities with various agencies and the general public. Departmental goals address:

- Process improvements and consolidation of County IT systems
- Increased utilization of IT by elected officials
- Improved quality of voice/data infrastructure

NON DEPARTMENTAL

This is a budgeted funds management mechanism, rather than an operating department. Other departments carry out its functions; therefore, it does not formulate goals or objectives.

PROCUREMENT

Procure materials and services for County departments, except as specified by delegation pursuant to the procurement code or the small purchase procedure. Administer the Pima County Minority/Women-Owned Business Enterprise Program in accordance with County Code requirements for outreach, price preference, subcontractor goals, and compliance review. Ensure compliance with the Living Wage Ordinance 2002-1 by assisting, reviewing, and monitoring County contracts. Manage the contracts review approval process. Assist and educate vendors concerning bid preparation, bonds and insurance, and the conduct of business with the County. Track and monitor all County contracts. Department goals address:

- Efficiency of purchasing process
- Compliance with Procurement policy and procedure
- Vendor assistance with County transactions

RECORDER

Record and maintain all documents presented for public information. Maintain voter registration rolls in an efficient and cost effective manner. Conduct early voting activity as prescribed by Title 16 of the Arizona Revised Statutes. Department goals address:

- Access to the voting process for all citizens
- Accuracy and timeliness of document recording
- Efficiency in performing mandated functions

TREASURER

Serve as the custodian of public monies and as ex officio tax collector. Account for the collection, custody, and disbursement of public revenue, and report the same to the Board of Supervisors. Collect and distribute taxes for all taxing jurisdictions in Pima County. Accept

deposits, clear warrants, and provide investment services to Pima County and its political subdivisions. Department goals address the following:

- Investment revenue optimization
- Innovations in procedure, particularly in process automation
- Efficiency in performing mandated functions

Community & Economic Development encompasses programs and initiatives which enable County residents to benefit from economic, cultural, and educational opportunities made possible, at least in part, by public funding. Because these services involve more latitude, and are generally covered by enabling rather than mandating legislation, they depend more on special revenue funding than on General Fund support, compared to many of the administrative services. This functional area was restructured in fiscal year 2004/2005 to focus on coordination of similar functions, expansion and better utilization of available funding, and a greater emphasis on the issues of economic development and affordable housing.

COMMUNITY & ECONOMIC DEVELOPMENT ADMINISTRATION

Administer the Economic Development & Tourism; Community Services, Employment & Training; Community Development & Neighborhood Conservation; Community Resources.

Department goals address:

- Use and leveraging of \$10 million in bond funding for neighborhood reinvestment
- Expansion of the Local Housing Trust Fund, leveraged with federal HOME funds and private funds
- Administration of After-school Recreation funding

COMMUNITY DEVELOPMENT & NEIGHBORHOOD CONSERVATION

Enhance the economic welfare of inhabitants of Pima County by promoting more and better human service delivery, promoting intergovernmental and community collaboration, addressing critical human and community needs, and promoting infrastructure, economic, and social service development in low and moderate income communities. Department goals address:

- Augmentation and leveraging of funding
- Increase in number of residents served in the areas of housing assistance, human services, and youth programs
- Improvement in collaboration with private and nonprofit sectors in delivery of services

COMMUNITY RESOURCES

Improve the quality of life for residents of Pima County by providing a variety of cultural, recreational, educational, and health related services through various facilities operated by Pima County. Department goals address improvements in:

- Recreation programs at Kino Veteran's Memorial Community Center
- Operation of Kino Teen Clinic
- Operation of Las Artes education center
- Pima Vocational High School and Las Artes education center

COMMUNITY SERVICES, EMPLOYMENT & TRAINING

Provide services that assist local employers, improve the education and skill level of workers and youth, increase the average household income, and improve the economic, physical, and social well being of the entire community, with particular focus on lower income neighborhoods and communities. Department goals address:

- Promotion of youth education
- Coordination of shared resources
- Improvement of standard of living through employability skills, education, and economic assistance to low income residents

COUNTY FREE LIBRARY

Meet current and future public library needs of Pima County residents. Provide a forum for community issues and a linkage of community, state, and national information services. Department goals address:

- Promotion of community literacy and education
- Quality of information service
- Improvement of library collection and its accessibility

ECONOMIC DEVELOPMENT & TOURISM

Facilitate business, economic, and tourism growth with various community partners located in Pima County and the state of Arizona. Department goals address:

- Coordination of public funding
- Awareness of Pima County as a travel destination
- Utilization of County Facilities (e.g., County Fairgrounds, Tucson Electric Park)

SCHOOL SUPERINTENDENT

Perform functions mandated by the Arizona Revised Statutes and State Board of Education. Administer the funds of local public school districts, including the issuance of payrolls. Prepare financial information for the Board of Supervisors for setting the property tax rates. Department goals address:

- Compliance with state mandates and educational standards
- Pursuit of educational grants
- Collaboration with other agencies in addressing educational issues

STADIUM DISTRICT

Operate and manage Tucson Electric Park during the major league baseball spring training season, minor league baseball season, and community events held in the stadium. Department goals address:

- Marketing strategy
- Expansion of field usage and availability
- Expansion of gem & mineral shows and other non-sports events

Justice & Law Enforcement, encompassing the courts, sheriff patrol and detention operations, prosecution, as well as public defense responsibilities, works to ensure public safety and provide needed legal services as mandated under constitutional and statutory provisions of County, state, and federal governments.

CLERK OF THE SUPERIOR COURT

Maintain and hold accessible, for the public and the court, all Pima County division records of the Superior Court. Assist the public and all parties dealing with the court system. Establish, execute, and administer policies and procedures in compliance with the statutes of the state of Arizona and the Judicial Merit System. Coordinate the prompt and orderly disposition of the business of the court with the presiding judge and court administrator. Collect and disburse fees. Monitor revenues and expenditures. Provide clerk services during trials and other proceedings. Receive, record, and disburse all court ordered payments of child support, spousal maintenance, and special paternity. Maintain permanent civil, probate, criminal, and child support case files. Department goals address:

- Development of automated processing
- Means to improve operating efficiency
- Improvement in customer service delivery

CONSTABLES

Act as Peace Officer for the Justice Courts. Serve criminal and civil summons. Evict tenants under writs of restitution. Collect debts on writs of execution. Serve restraining orders. Perform arrests and bring defendants to court on civil warrants. Department goals address:

- Compliance with state mandates
- Improvement in quality and efficiency of service delivery

COUNTY ATTORNEY

Represent the state in felony matters occurring throughout Pima County and in all misdemeanor cases occurring in unincorporated areas of Pima County. Provide legal advice to the Board of Supervisors, County departments, and other government entities. Provide advocacy and crisis intervention for victims and witnesses via the Victim Witness Program. Investigate and prosecute racketeering crime and administer resources for all Pima County law enforcement agencies via the Antiracketeering Program. Assist County residents in collecting bad check restitution via the Bad Check Program. Operate the 88-Crime telephone hotline 24 hours a day, receiving citizen tips to assist in solving crimes. Support and administer youth related programs working with nonprofit agencies. Provide community protection by working with neighborhoods in order to reduce trends in youth violence, increase public safety, and reduce crime. Administer the Adult Diversion Program as an alternative to prosecution. Department goals address:

- Protection of Pima County residents' safety and legal rights
- Emphasis on prosecution of violent, dangerous, repetitive offenders
- Community outreach
- Effective representation of Pima County in civil matters
- Improvement in efficiency, particularly in automated systems

INDIGENT DEFENSE

Provide quality legal representation in an efficient, cost effective manner to indigent individuals entitled to appointed counsel. Department goals address:

- Quality of representation for indigent clients
- Retention of legal staff
- Efficiency of service delivery

JUSTICE COURT AJO

Provide prompt and consistent delivery of services to the public, litigants, and attorneys within the judicial precinct in compliance with court mandates. Provide prompt and orderly disposition of civil, criminal, and traffic cases. Maintain orderly, complete, and accurate records. Collect, record, and disburse fees and fines in accordance with statutes, County ordinances, court orders, policies and guidelines established by the Administrative Office of the Courts. Issue marriage licenses. Prepare various reports prescribed by law. Provide general information to the public regarding various County departments. Serve and protect society by offering selected offenders the opportunity to become law-abiding and productive citizens through the Adult Probation program. Department goals address:

- Compliance with mandated functions
- Collection of fee revenue
- Improvements in operating efficiency
- Quality of customer service

JUSTICE COURT GREEN VALLEY

Provide prompt and consistent delivery of judicial services according to law with respect and fairness to all parties. Coordinate the prompt and orderly disposition of civil, criminal, and traffic cases. Collect and disburse fees in compliance with statutes, County ordinances, and accounting standards set by the Supreme Court. Departmental goals address:

- Compliance with mandated functions

- Collection of fee revenue
- Improvements in operating efficiency
- Quality of customer service

JUSTICE COURTS TUCSON

Serve the public, litigants, and attorneys by providing prompt and orderly disposition of civil, criminal, and traffic cases. Maintain orderly, complete, and accurate records. Prepare statistical reports and other reports as prescribed by law. Collect, record, and disburse fees and fines in accordance with statutes, court orders, ordinances, and policy. Follow court performance guidelines set by court rules, statutes, administrative orders, and the Administrative Office of the Supreme Court. Meet ethical standards for court staff and judges, as written and enforced by the Commission on Judicial Conduct. Accomplish financial management, as guided and enforced by the minimum accounting standards set by the Supreme Court and by the State Auditor General. Adhere to the established operational guidelines reviewed by the Court Services Division of the Supreme Court. Provide a safe and secure environment for employees, elected officials, and the public. Department goals address:

- Compliance with mandated functions
- Collection of fee revenue
- Improvements in operating efficiency
- Quality of customer service

JUVENILE COURT

Exercise jurisdiction, under federal and state constitutions, laws, and Rules of the Court, over all children under the age of 18 years who are referred to the court for reasons of mental health, incorrigibility, or delinquency and for all families involved in matters of dependency, severance, and adoption. Promote the interests and safety of the community, promote the rehabilitation of children and their families, facilitate the protection of children who are abused or neglected, and facilitate the provision of services to those children and families involved with the court in accordance with the due process of law. Work actively with, and provide leadership to, the community, the public, and private agencies to promote justice, education, and prevention of juvenile delinquency and abuse. Department goals address:

- Effectiveness of detainee rehabilitation
- Improvement in case processing efficiency
- Effectiveness of probation programs

OFFICE OF COURT APPOINTED COUNCIL

Provide eligibility screening and recommend attorney assessments for legal representation of out-of-custody defendants charged with criminal offenses in Superior, Juvenile, and Justice Courts. Provide administrative support by reviewing contract compliance and reviewing and processing claims submitted by contract attorneys and other defense related professional services in seven functional areas including misdemeanor, felony, first degree murder, Title 36, Rule 32, Juvenile Court, and the Court of Appeals. Department goals address:

- Quality and cost efficiency of services
- Adherence to rules and professional standards

PUBLIC FIDUCIARY

Accept appointment by the Superior Court to serve as conservator, guardian, or personal representative for individuals. Maintain and administer insurance benefits to meet estate planning needs. Maintain and liquidate securities. Prepare taxes. Determine eligibility of and provide burial for indigent persons. Department goals address:

- Quality of service delivery
- Efficiency of service delivery
- Minimization of procedural error

- Respectful, cost effective indigent burial

SHERIFF

Provide law enforcement and public safety services in unincorporated Pima County. Provide safe and secure detainment of inmates. Provide support services for law enforcement and corrections personnel. Department goals address:

- Quality and completeness of mandated responsibilities
- Performance of special law enforcement functions
- Provisions for the health and welfare of inmates
- Public outreach

SUPERIOR COURT

Adjudicate cases in which exclusive jurisdiction is not vested in another court. Provide administrative services and automated information systems to the court. Provide interpreting services to non-English speaking and hearing impaired defendants, witnesses, and victims. Provide custody/visitation evaluation and mediation, marriage/divorce counseling, and custody evaluations. Provide a legal collection and library facility and assist in the retrieval of information. Provide jurors for Superior Court, Justice Courts, and Tucson Municipal Court. Publish the daily calendar, collect and analyze statistics, and manage the daily calendars for Superior Court divisions. Conduct investigations of defendants and provide supervision of probationers. Provide information about arrestees and detainees to the judicial divisions and monitor compliance with conditions of release. Department goals address:

- Performance that ensures public confidence in the judicial system
- Efficiency in operating procedures including automated systems
- Interpreter services and jury administration
- Improvement in adult probation outcomes
- Compliance with mandated responsibilities

Medical Services departments provide health services and health care to Pima County residents and administer funding to and from state and other sources.

INSTITUTIONAL HEALTH

Oversee the health care services provided to the populations at the County's Adult and Juvenile Detention centers by monitoring the performance of health care providers under contract to provide such services, ensuring the provision of quality health care and the reduction of County liability. Ensure the County's compliance with statutory obligations regarding health care and mental health care by funding the county's mandated contributions to state health care delivery systems and by funding of, and adjudicating claims for, the County's Title 36 mental health responsibilities. Provide technical assistance and other support to County administration regarding the County's health care components, including operational audits, feasibility studies, revenue maximization, and cost reduction. Provide lease oversight of University Physicians Healthcare Hospital (UPHH) at Kino Campus, formerly known as Kino Community Hospital. Department goals address:

- Compliance with Arizona Health Care Cost Containment System (AHCCCS) requirements
- Cost control with budget guidelines
- Improvement in effectiveness of health care delivery
- Assistance to UPHH in re-opening the hospital to a full service hospital and promoting greater accessibility to health care on Tucson's south side

PIMA HEALTH SYSTEM & SERVICES

Operate an acute/ambulatory health plan for AHCCCS, and administer a long term care program for the Arizona Long Term Care System (ALTCS). Department goals address:

- Compliance with AHCCCS/ALTCS mandated requirements
- Coordination and efficiency of the health system
- Expansion and quality of services provided
- Efficiency in administration of system operations

PUBLIC HEALTH

Monitor the County's health by conducting and coordinating a balanced program of primary, secondary, and tertiary prevention aimed at health promotion, disease prevention, and prompt medical treatment. Provide animal control and emergency management services.

Department goals address:

- Efficiency in support services to all health services
- Expansion in number of county residents served
- Compliance with mandated responsibilities
- Improvement in quality of health care services offered

Public Works provides for the infrastructure of the County, which encompasses floodwater management, roads, recreational facilities, county buildings, sewer and landfill operations, as well as environmental issues.

CAPITAL PROJECTS

The Capital Projects budget reflects anticipated funding for the construction of Pima County capital improvement projects valued at \$100,000 or more (excluding Wastewater Management Enterprise Fund projects), as detailed in the proposed fiscal year 2006/2007 – 2010/2011 Five Year Capital Improvement Plan. Department goals address:

- Responsibility in fiscal management and reporting
- Implementation of the Capital Improvement Plan

DEVELOPMENT SERVICES

Provide land use planning, development, and permitting services. Administer the rezoning, comprehensive plan amendment, and appeals processes. Review subdivision plats and development plans for compliance with zoning and development regulations. Review all permit applications and issue permits. Review all building plans and perform compliance inspections. Enforce zoning and building codes complaints. Assign addresses, approve new street names, and process street name changes. Department goals address:

- Quality of customer service
- Compliance with mandated responsibilities, codes, and regulations
- Effectiveness of enforcement operations
- Facilitation of approved development by effective delivery of review and permitting services

ENVIRONMENTAL QUALITY

Preserve and protect the environment of Pima County for the long-term benefit of residents' health, welfare, safety, and quality of life. Identify and respond to environmental issues by providing services including monitoring, enforcement, information, and education. Department goals address:

- Efficiency in the delivery of administrative services
- Compliance with air quality standards and water quality standards
- Compliance with solid and hazardous waste standards
- Public education and outreach

FACILITIES MANAGEMENT

Service over 4.6 million square feet of facility space to provide a safe, clean, and functional working environment for Pima County employees and citizens visiting the facilities. Manage professionals in maintenance, refrigeration, plumbing, painting, electrical service, and electronics. Obtain and manage contracts for landscape service, janitorial service, pest control, termite eradication, and elevator maintenance and repair. Remodel, renovate, and perform new construction. Plan, design, prepare, and process bids. Operate and manage Pima County's eight revenue-generating parking garage facilities, in order to offer safe, secure parking for employees and the public. Develop design plans for construction oversight and project acceptance. Department goals address:

- Efficiency of operational administration
- Minimization of cost overruns
- Quality of customer service
- Compliance with code and regulations

FLEET SERVICES

Purchase, maintain, and dispose of cars and light trucks, heavy trucks, and off-road heavy equipment. Provide fuel for all County vehicles and equipment from nine fueling sites located throughout the County and from mobile fuel trucks for off-road equipment. Maintain complete inventory and cost accounting records for all vehicles, equipment, fuel, and parts. Department goals address:

- Improvement in cost effectiveness of fleet resources including fuel and vehicle usage
- Improvement in efficiency of administration

GRAPHIC SERVICES

Provide graphic design, printing, and production services to all Pima County departments, County Administration, and the Board of Supervisors. Other governmental agencies, consultants, and the public often utilize many of these products. Department goals address:

- Quality of workforce and its retention
- Expansion of services
- Upgrade of equipment

NATURAL RESOURCES, PARKS & RECREATION

Manage Pima County natural resources, urban parks, and recreation programs. Lead community efforts to conserve the Sonoran Desert and enhance the urban environment. Provide quality recreation, education, and leisure activities. Department goals address:

- Effectiveness of administration including fiscal management, training, and reporting functions
- Improvement in public utilization
- Enhancement in quality of facility operation and maintenance

PUBLIC WORKS ADMINISTRATION

Provide administrative services and cultural resources services, and direct the real property function for the departments within the Public Works functional area. Department goals address:

- Quality and effectiveness of all Public Works operating departments
- Effectiveness in administration of real property and fiscal resources

REGIONAL FLOOD CONTROL DISTRICT

Protect public health, safety, and welfare by implementing structural flood control solutions and providing comprehensive non-structural flood prevention services. Enhance natural floodplain characteristics and community environmental quality by preserving and protecting riparian habitat resources. Support Pima County's Section 10(a) permit application to the U.S.

Fish and Wildlife Service and fulfill the mission pertaining to riparian elements set forth by the Board of Supervisors in the Sonoran Desert Conservation Plan. Department goals address:

- Responsibility for public safety and compliance with federal flood insurance guidelines
- Provisions for flood warnings and flood damage mitigation
- Provision of flood control infrastructure projects
- Support for the Sonoran Desert Conservation Plan

SOLID WASTE MANAGEMENT

Provide efficient and environmentally responsible solid waste facilities for the people of Pima County. Manage and operate the solid waste disposal and transfer facilities necessary for the safe and sanitary disposal of solid waste generated within its jurisdiction. Department goals address:

- Provision of adequate solid waste disposal facilities
- Efficient operation and closure of existing facilities
- Control of wildcat dumping
- Effective administration, tracking, and reporting of operations

TRANSPORTATION

Provide for the safe and efficient movement of people and goods. Maintain and rehabilitate Pima County's street and highway system. Review and regulate new developments relative to regional transportation plan considerations. Plan, design, and implement all transportation capital construction projects. Install, upgrade, and improve traffic control devices to enhance or sustain traffic flow and motorist safety. Provide alternate modes of transportation. Develop, integrate, and maintain an automated mapping/facilities, management/geographic information system. Continue implementation and development of the records modernization program. Form and administer improvement districts. Department goals address:

- Fiscal responsibility
- Workforce development
- Enhancement of the safety and utility of the county's road system
- Improvement of information systems

WASTEWATER MANAGEMENT

Protect the public health and environment in Pima County through the safe delivery, treatment, and reuse of wastewater. Department goals address:

- Effectiveness and efficiency in the operation of the sewerage system
- Compliance with applicable sewage regulations
- Improvement in long range capital planning

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