

BUDGET OVERVIEW

Financial Structure

Consolidated Overview of the County Budget by Fund

Total County Budget by Source and Use

Revenues & Expenditures for Fiscal Years 2005/2006 Through 2007/2008

Budget in Brief Fiscal Year 2007/2008

Adopted Full Time Equivalent Positions for Fiscal Years 2005/2006 Through 2007/2008

Pima County Capital Improvement Program

This page intentionally left blank.

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 (cont'd)		
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 the Regional Flood Control District, Transportation bonds and loans, and General Obligation bonds.	Secondary tax levy on real and personal property; transfers of Vehicle License Tax revenues and Highway User revenues from the Transportation Special Revenue Fund for the payment of Transportation bonds and loans; transfers of secondary property tax revenue from the Regional Flood Control District Special Revenue Fund for payment of Flood Control General Obligation bonds.

Fund Type	Description	Funding Source
GOVERNMENTAL FUNDS (cont'd)		
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 Vehicle License Tax revenues and Highway User revenues from the Transportation Special Revenue Fund; transfers of Regional Flood Control District and Library District monies; reimbursements associated with specific capital projects and from other governments.
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 six public parking garages and two 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.

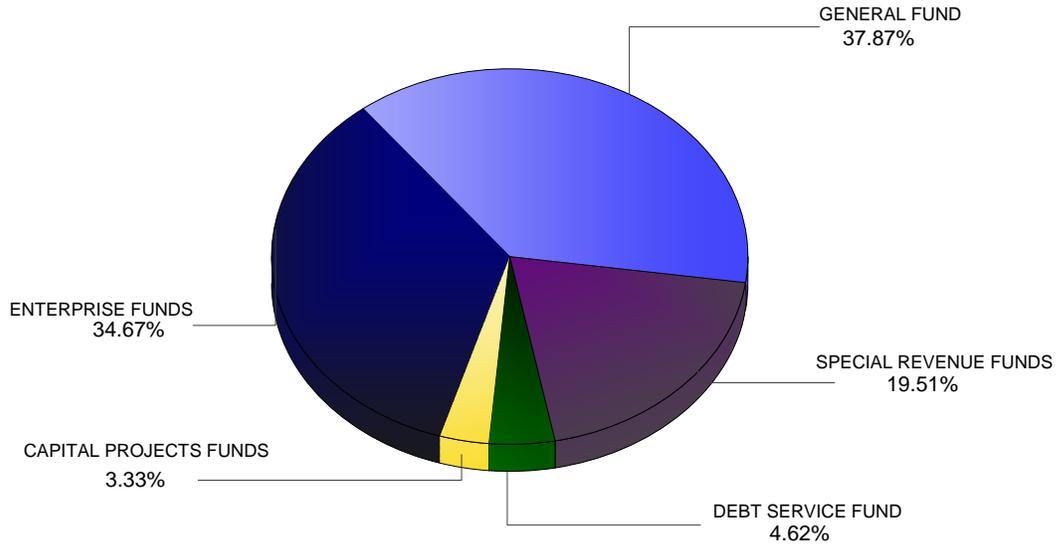
Fund Type	Description	Funding Source
Internal Service Funds	Account for the financing of goods or services provided by one department to other departments of the County on a cost reimbursement basis. Internal Service funds include the following:	
	<ul style="list-style-type: none"> • <u>Self Insurance Trust Fund</u> - Accounts for the risk management function of the County. The fund is administered by the Board of Supervisors and 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 services provided to County departments. 	Financed by fees and reimbursements charged to user departments.
FIDUCIARY FUNDS	Fiduciary funds do not include resources belonging to Pima County; therefore, they are not part of the County's budgeting process. The County does, however, have custodial responsibility for these funds and reports 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

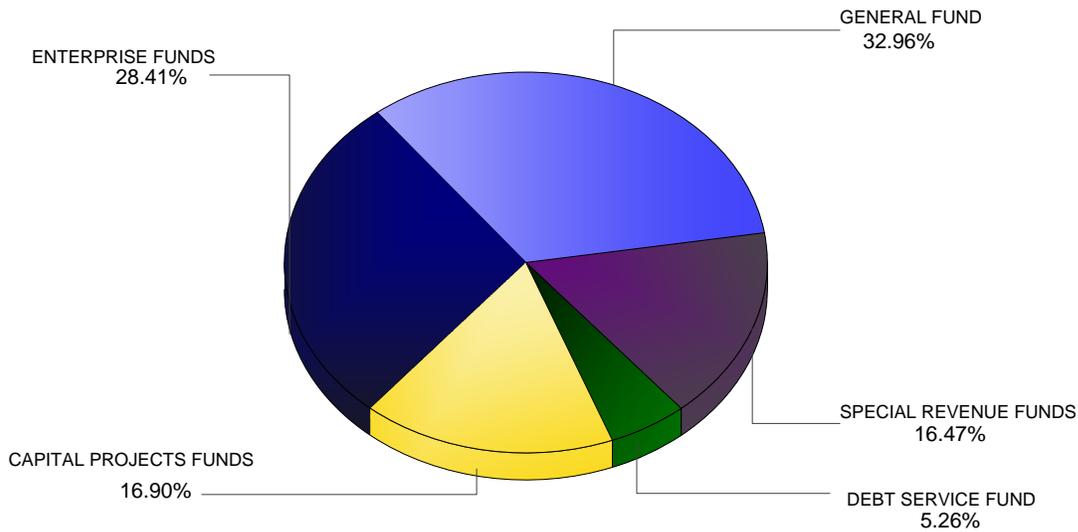
It should be noted that balances from the former General Fixed Asset Account Group and the General Long Term Debt Account Group are now considered subsidiary ledgers and are reported within the County's government-wide financial statements, as required by GASB 34.

CONSOLIDATED OVERVIEW OF COUNTY BUDGET BY FUND

REVENUES BY FUND



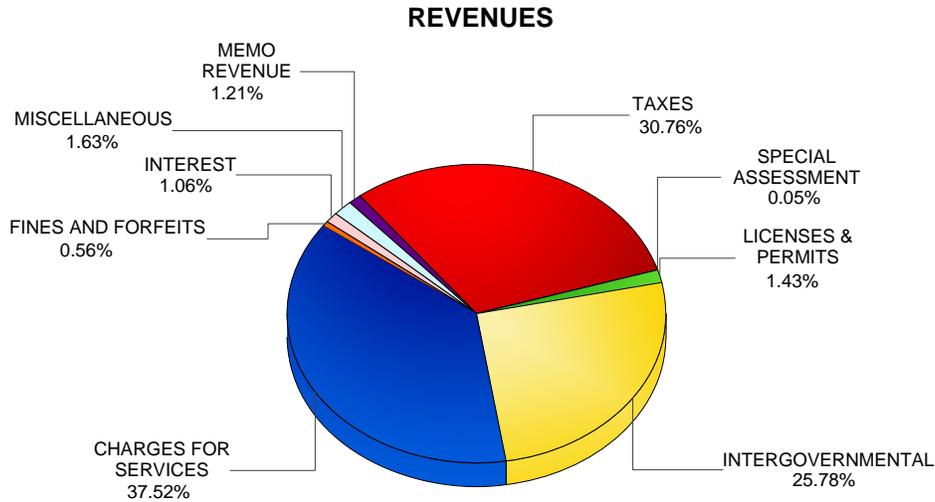
EXPENDITURES BY FUND



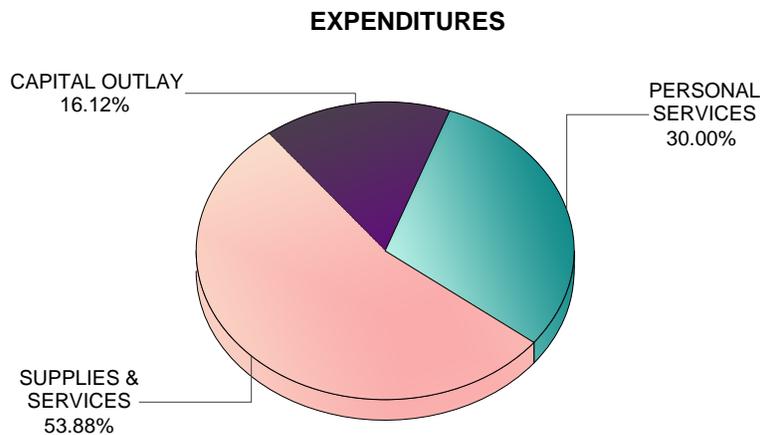
FUNDING SOURCES	EST. BEGINNING FUND BALANCE 2007/2008	ADOPTED REVENUES 2007/2008	ADOPTED EXPENDITURES 2007/2008	OTHER FINANCING SOURCES 2007/2008	INTERFUND TRANSFERS IN / (OUT)	ESTIMATED ENDING FUND BALANCE
GENERAL FUND	43,073,978	469,216,715	(488,769,648)	0	(23,521,045)	0
SPECIAL REVENUE FUNDS	53,575,305	241,727,513	(244,232,031)	0	(17,895,967)	33,174,820
DEBT SERVICE FUND	11,187,528	57,259,988	(77,945,345)	0	21,689,857	12,192,028
CAPITAL PROJECTS FUNDS	106,189,471	41,267,282	(250,542,995)	145,000,000	23,757,617	65,671,375
ENTERPRISE FUNDS	70,077,700	429,661,905	(421,224,477)	50,000,000	(4,282,586)	124,232,542

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

TOTAL COUNTY BUDGET BY SOURCE AND USE



REVENUES	FY 2005/2006 ACTUAL	FY 2006/2007 REVISED	FY 2007/2008 ADOPTED
TAXES	321,475,264	350,439,566	381,106,799
SPECIAL ASSESSMENT	214,757	291,456	560,124
LICENSES & PERMITS	19,665,367	19,705,867	17,752,889
INTERGOVERNMENTAL	294,034,228	299,571,012	319,458,634
CHARGES FOR SERVICES	425,145,483	430,412,081	465,039,585
FINES AND FORFEITS	6,655,450	6,904,517	6,945,192
INTEREST	15,228,020	9,422,527	13,132,323
MISCELLANEOUS	19,461,075	18,101,949	20,137,857
MEMO REVENUE	15,245,877	20,000,000	15,000,000
	1,117,125,521	1,154,848,975	1,239,133,403



EXPENDITURES	FY 2005/2006 ACTUAL	FY 2006/2007 REVISED	FY 2007/2008 ADOPTED
PERSONAL SERVICES	347,439,720	419,869,688	444,745,930
SUPPLIES & SERVICES	627,933,382	693,158,566	799,016,856
CAPITAL OUTLAY	139,675,151	166,629,787	238,951,710
	1,115,048,253	1,279,658,041	1,482,714,496

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

REVENUES & EXPENDITURES
FISCAL YEARS 2005/2006 - 2007/2008

	ACTUAL FY 2005/2006	REVISED FY 2006/2007	ESTIMATED FY 2006/2007	ADOPTED FY 2007/2008
GENERAL FUND				
REVENUE				
TAXES	242,948,462	253,565,153	253,319,917	267,784,461
LICENSES AND PERMITS	2,535,630	2,473,492	2,473,492	2,926,812
INTERGOVERNMENTAL	143,920,448	145,517,134	151,783,818	152,524,211
CHARGES FOR SERVICES	27,101,623	30,647,847	32,515,195	31,485,850
FINES AND FORFEITS	5,786,442	5,494,916	4,952,794	5,574,591
INTEREST	2,490,854	1,622,683	2,577,553	2,306,654
MISCELLANEOUS	4,935,286	3,731,638	4,293,339	6,614,136
TOTAL	429,718,745	443,052,863	451,916,108	469,216,715
EXPENDITURES				
PERSONAL SERVICES	212,461,871	239,960,001	225,952,911	255,072,228
SUPPLIES & SERVICES	183,459,940	196,949,045	195,109,397	231,128,754
CAPITAL OUTLAY	6,344,804	2,626,381	6,747,690	2,568,666
TOTAL	402,266,615	439,535,427	427,809,998	488,769,648
SPECIAL REVENUE FUNDS				
REVENUE				
TAXES	35,271,645	47,428,571	47,623,023	57,069,850
SPECIAL ASSESSMENT	0	0	0	560,124
LICENSES AND PERMITS	4,916,431	5,265,965	4,474,741	4,974,680
INTERGOVERNMENTAL	133,052,926	137,714,689	142,752,255	148,424,007
CHARGES FOR SERVICES	15,649,862	15,470,277	14,823,530	16,012,140
FINES AND FORFEITS	827,293	1,350,801	1,379,801	1,311,801
INTEREST	2,931,905	1,158,935	1,930,929	2,229,213
MISCELLANEOUS	11,718,201	10,651,875	9,967,483	11,145,698
MEMO REVENUE	638,141	0	0	0
TOTAL	205,006,404	219,041,113	222,951,762	241,727,513
EXPENDITURES				
PERSONAL SERVICES	72,850,368	94,929,202	92,399,267	101,595,531
SUPPLIES & SERVICES	91,634,784	119,882,492	116,224,352	135,782,770
CAPITAL OUTLAY	6,217,865	8,314,613	7,886,387	6,853,730
TOTAL	170,703,017	223,126,307	216,510,006	244,232,031
DEBT SERVICE FUND				
REVENUE				
TAXES	43,255,157	49,445,842	49,551,480	56,252,488
SPECIAL ASSESSMENT	214,757	291,456	291,456	0
INTERGOVERNMENTAL	0	7,500	7,500	7,500
INTEREST	1,316,788	693,000	1,293,000	1,000,000
MISCELLANEOUS	5,102	0	0	0
TOTAL	44,791,804	50,437,798	51,143,436	57,259,988
EXPENDITURES				
SUPPLIES & SERVICES	66,829,440	73,418,403	68,930,128	77,945,345
TOTAL	66,829,440	73,418,403	68,930,128	77,945,345
CAPITAL PROJECTS FUNDS				
REVENUE				
INTERGOVERNMENTAL	11,157,270	11,881,420	11,881,420	13,781,039
CHARGES FOR SERVICES	19,100,807	17,407,915	17,407,915	23,517,156
INTEREST	4,639,069	4,176,652	4,176,652	3,598,141
MISCELLANEOUS	567,219	1,740,695	1,740,695	370,946
TOTAL	35,464,365	35,206,682	35,206,682	41,267,282
EXPENDITURES				
PERSONAL SERVICES	0	799,786	0	711,094
SUPPLIES & SERVICES	0	106,247	0	21,262,196
CAPITAL OUTLAY	121,007,533	154,995,753	163,020,409	228,569,705
TOTAL	121,007,533	155,901,786	163,020,409	250,542,995

**REVENUES & EXPENDITURES
FISCAL YEARS 2005/2006 - 2007/2008**

	ACTUAL FY 2005/2006	REVISED FY 2006/2007	ESTIMATED FY 2006/2007	ADOPTED FY 2007/2008
ENTERPRISE FUNDS				
REVENUE				
LICENSES AND PERMITS	12,213,306	11,966,410	8,309,586	9,851,397
INTERGOVERNMENTAL	5,903,584	4,450,269	4,732,753	4,721,877
CHARGES FOR SERVICES	363,293,191	366,886,042	359,032,487	394,024,439
FINES AND FORFEITS	41,715	58,800	35,000	58,800
INTEREST	3,849,404	1,771,257	4,698,816	3,998,315
MISCELLANEOUS	2,235,267	1,977,741	1,842,638	2,007,077
MEMO REVENUE	14,607,736	20,000,000	19,000,000	15,000,000
TOTAL	402,144,203	407,110,519	397,651,280	429,661,905
EXPENDITURES				
PERSONAL SERVICES	62,127,481	84,180,699	66,955,473	87,367,077
SUPPLIES & SERVICES	286,009,218	302,802,379	308,235,294	332,897,791
CAPITAL OUTLAY	6,104,949	693,040	6,579,371	959,609
TOTAL	354,241,648	387,676,118	381,770,138	421,224,477
TOTAL REVENUES	1,117,125,521	1,154,848,975	1,158,869,268	1,239,133,403
TOTAL EXPENDITURES	1,115,048,253	1,279,658,041	1,258,040,679	1,482,714,496

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

BUDGET IN BRIEF

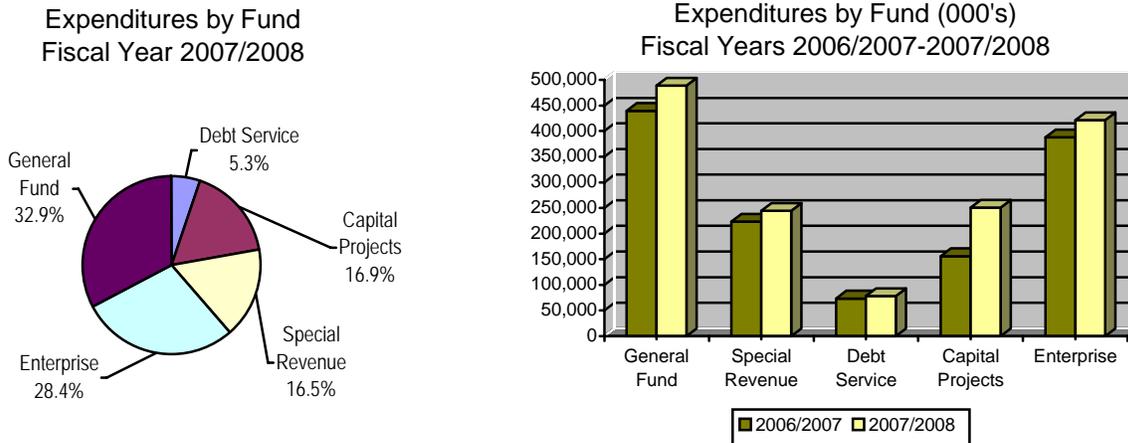
Arizona Revised Statute § 42-17105 requires the Pima County Board of Supervisors to adopt a budget for each fiscal year. On June 19, 2007, the Board adopted the budget for fiscal year 2007/08, which covers the period from July 1, 2007 through June 30, 2008.

Pima County's Fiscal Year 2007/08 Adopted Budget includes:

- \$1.483 billion in expenditures
- \$1.239 billion in revenues
- \$80.7 million in operating transfers between the various operating funds
- \$195.0 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 2007/08 Adopted Budget for General Fund expenditures increased by \$49.2 million over fiscal year 2006/07. Major factors contributing to this net increase include:

- \$24.5 million additional expenditure authority to provide for a General Fund Reserve equal to 5% of General Fund revenues
- \$15.0 million for advance payment under the agreement with University Physicians Healthcare to operate the former Kino Community Hospital
- \$7.5 million for an employee compensation plan (excluding commissioned and corrections officers) for a 2.1% general salary adjustment, a 2.5% market rate adjustment, and a 0.5% increase for employees who are members of the Arizona State Retirement System whose required contribution will increase by that percentage
- \$6.1 million in supplemental funding for individual departments
- \$2.9 million increase in General Fund Debt Service for certificates of participation issued in connection with the acquisition of the Bank of America building
- \$1.4 million net increase in the County's contribution toward the cost of non-retirement benefits; \$1.8 million net increase in state mandated employer contributions to the various state retirement system; \$1.4 million increase for the County's contribution to individual employee's Health Savings Accounts
- \$2.5 million increase in mileage costs charged to various departments
- \$2.4 million for a 10% increase in the step plan for commissioned officers effective January 6, 2008, a 5% increase in the step plan for correction officers and corrections specialists effective January 6, 2008, and a 10% increase in the step plan for corrections sergeants effective January 6, 2008
- \$1.0 million reserved for potential increases to critically deficient starting salaries to be based on a pending market study
- \$500,000 reserve to cover the impact of the Implementation of voter approved Proposition 100
- \$500,000 reserve for potential Solid Waste Program operating losses
- \$527,000 of various increases identified for General Fund departments that underwent the zero base budget process

- \$400,000 increase in Restoration to Competency funding
- \$1.5 million net reduction for the primary and general elections held in 2006 partially offset by cost of the planned Presidential Preference Primary scheduled for early 2008
- \$18.7 million reduction in various fiscal year 2006/07 one-time expenditure items
- also includes the annualization of fiscal year 2006/07 supplemental requests, annualization of fiscal year 2006/07 salary adjustments, other position related adjustments, adjustments for one time costs, etc.

SPECIAL REVENUE FUNDS: The Fiscal Year 2007/08 Adopted Budget for Special Revenue Funds expenditures increased by \$21.1 million over fiscal year 2006/07. Major factors contributing to this net increase include:

- \$8.3 million increase in the Regional Flood Control District primarily due to increased costs for flood damage repairs resulting from a significant flood event in July 2006
- \$5.9 million increase in Transportation spending for increased repairs and maintenance, motor pool, and increased flood emergency planning costs
- \$4.5 million increase in various special revenue grants
- \$2.6 million increase in planned expenditures from the Recorder's Document Storage & Retrieval Fund
- \$2.2 million increase in County Free Library District expenses reflecting additional costs for new Sunday hours, new branches, books, etc.
- \$2.1 million increase in expenditures in the Property Tax Rate Stabilization Fund
- \$1.8 million net increase in various other departmental special revenue funds
- \$725,000 increase for Public Health operating budget expenditures including \$336,000 in supplemental funding
- \$3.3 million decrease in expenditures budgeted for the Facilities Renewal Fund
- \$4.0 million decrease in planned expenditures in the Space Acquisition Fund
- also includes annualization of fiscal year 2006/07 salary adjustments, other position related adjustments, benefits adjustments, adjustments for one time costs, etc.

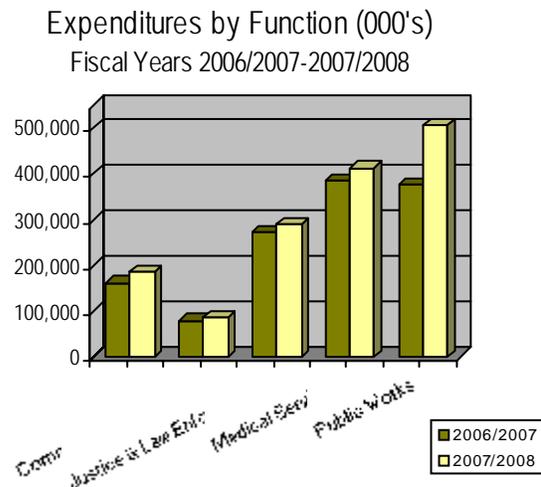
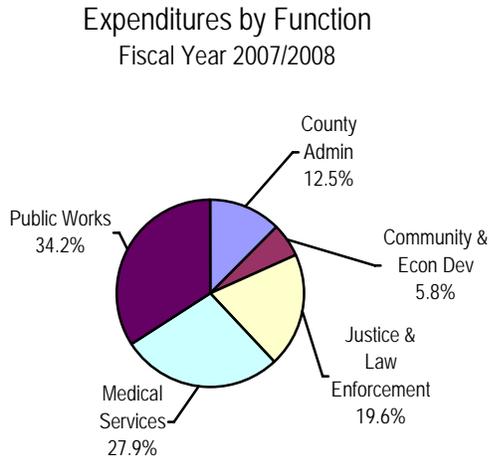
DEBT SERVICE FUND: The Fiscal Year 2007/08 Adopted Budget for Debt Service Fund expenditures increased \$4.5 million over fiscal year 2006/07. This increase is the net of retired debt and anticipated debt service costs related to bond sales to be made in fiscal year 2007/08.

CAPITAL PROJECTS FUND: The Fiscal Year 2007/08 Adopted Budget for the Capital Projects Fund expenditures increased by \$94.6 million over fiscal year 2006/07, based on the implementation of the approved current year Capital Improvement Budget, as detailed in the County's Fiscal Year 2007/08 to Fiscal Year 2011/12 Capital Improvement Plan. (See the *Summary Schedules* section - *Summary of Active Capital Improvement Projects*.)

ENTERPRISE FUNDS: The Fiscal Year 2007/08 Adopted Budget for Enterprise Fund expenses increased by \$33.5 million over fiscal year 2006/07. Significant changes include:

- \$17.2 million net increase in Pima Health System & Services primarily due to increased enrollment anticipated in the Arizona Long Term Care System and significant inflation in medical costs
- \$18.1 million increase in the Wastewater Management Enterprise Fund, relating to the rehabilitation and expansion of the system, increased depreciation, debt service, etc.
- \$1.9 million decrease in Development Services reflecting a slowdown in construction activity and the elimination of remodeling costs budgeted as expenditures in fiscal year 2006/07
- also includes position related adjustments, benefits adjustments, adjustments for one time costs, etc.

Comparison of Expenditures by Functional Area



COUNTY ADMINISTRATION: The Fiscal Year 2007/08 Adopted Budget for expenditures for the County Administration functional area increased by \$21.9 million over fiscal year 2006/07. Major reasons for the net increase include:

- \$24.5 million additional expenditure authority to provide for a General Fund Reserve equal to 5% of General Fund revenues
- Fiscal Year 2007/08 Adopted Budget for Debt Service Fund expenditures increased \$4.5 million over fiscal year 2006/07. This increase is the net of retired debt and anticipated debt service costs related to bond sales to be made in fiscal year 2007/08
- \$2.9 million increase in General Fund Debt Service for certificates of participation issued in connection with the acquisition of the Bank of America building
- \$2.6 million increase in planned expenditures from the Recorder's Document Storage & Retrieval Fund
- \$2.1 million increase for Property Tax Rate Stabilization Fund
- \$2.4 million of Contingency funds for the increase in the step plans for commissioned officers, corrections officers, corrections specialists, and corrections sergeants effective January 6, 2008
- \$1.0 million reserved for potential increases to critically deficient starting salaries base on a pending market study
- \$540,000 in supplemental funding for individual departments
- \$500,000 of Contingency funds reserved for potential Solid Waste Program operating losses
- \$400,000 increase in Restoration to Competency funding
- \$1.5 million net reduction for the primary and general elections held in 2006 partially offset by cost of the planned Presidential Preference Primary scheduled for early 2008
- \$3.3 million decrease in expenditures for the Facilities Renewal Fund
- \$4.0 million decrease in planned expenditures in the Space Acquisition Fund
- \$5.0 million decrease in reserve budgeted in fiscal year 2006/07 for possible reimbursement of fiscal year 2004/05 Vehicle License Tax funds
- \$8.2 million reduction of expenditure authority in the Budget Stabilization Fund due to the reversal of provisions for various legislative relief actions in fiscal year 2006/07
- also includes current year salary adjustments, other position related adjustments, benefits adjustments, adjustments for one time costs, etc.

COMMUNITY & ECONOMIC DEVELOPMENT: The Fiscal Year 2007/08 Adopted Budget for expenditures for the Community & Economic Development functional area increased by \$4.5 million over fiscal year 2006/07. Major factors contributing to this net increase are:

- \$2.2 million increase in County Free Library District expenses reflecting additional costs for new Sunday hours, new branches, books, etc.
- \$729,000 increase in various Community Services grants

- \$420,000 net increase in Community Development & Neighborhood Conservation primarily due to additional Outside Agency funding
- \$321,000 increase in Economic Development & Tourism Special Revenue Fund
- \$249,000 increase in the Community Services department operations
- \$227,000 increase in the Employment and Training Special Revenue Fund
- also includes current year salary adjustments, other position related adjustments, benefits adjustments, adjustments for one time costs, etc.

JUSTICE & LAW ENFORCEMENT: The Fiscal Year 2007/08 Adopted Budget for the Justice & Law Enforcement functional area increased by \$17.9 million over fiscal year 2006/07. This net increase is due primarily to:

- \$4.2 million of supplemental funding for various Justice & Law Enforcement departments
- \$3.6 million net increase in anticipated grant funds
- \$2.0 million net increase in base motor pool costs
- \$1.3 million in net increases to various other Justice & Law Enforcement Special Revenue Funds
- also includes annualization of fiscal year 2006/07 supplemental requests, annualization of fiscal year 2006/07 step adjustments, current year salary adjustments, other position related adjustments, benefits adjustments, adjustments for one time costs, etc. These miscellaneous adjustments account for a significant portion of the increase between the fiscal years

MEDICAL SERVICES: The Fiscal Year 2007/08 Adopted Budget for the Medical Services functional area increased by \$27.2 million over fiscal year 2006/07. The main reasons for this net increase include:

- \$17.2 million net increase in Pima Health System & Services primarily due to increased enrollment anticipated in the Arizona Long Term Care System and significant inflation in medical costs
- \$15.0 million for advance payment under the agreement with University Physicians Healthcare to operate the former Kino Community Hospital
- \$725,000 increase for Public Health operating budget expenditures including \$336,000 in supplemental funding
- \$153,000 increase in Public Health Grants
- \$500,000 decrease in Institutional Health Grants
- also includes current year salary adjustments, other position related adjustments, benefits adjustments, adjustments for one time costs, etc.

PUBLIC WORKS: The Fiscal Year 2007/08 Adopted Budget for the Public Works functional area increased by a net \$131.5 million over fiscal year 2006/07. Significant changes include the following:

- Capital Projects Fund expenditures increased by \$94.6 million, due to the implementation of the approved current year Capital Improvement Budget, as detailed in the County's proposed fiscal year 2007/08 to 2011/12 Capital Improvement Plan (*See the Summary Schedules section – Summary of Active Capital Improvement Projects*)
- \$18.1 million increase in the Wastewater Management Enterprise Fund, relating to the rehabilitation and expansion of the system, increased depreciation, debt service, etc.
- \$8.3 million increase in the Regional Flood Control District primarily due to increased costs for flood damage repairs resulting from a significant flood event in July 2006
- \$5.9 million increase in Transportation spending for increased repairs and maintenance, motor pool, and increased flood emergency planning costs
- \$2.4 million increase in the Facilities Management department due to increased operations in newly acquired County office space, increased motor pool costs, etc.
- \$1.1 million of supplemental funding in Natural Resources, Parks and Recreation
- \$1.9 million decrease in Development Services reflecting a slowdown in construction activity and the elimination of remodeling costs budgeted as expenditures in fiscal year 2006/07
- also includes annualization of fiscal year 2006/07 supplemental requests, annualization of fiscal year 2006/07 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 2007/08:

General Fund

Due to a change in the method of budgeting for the ending fund balance, the fiscal year 2007/08 adopted ending fund balance for the General Fund is zero, a net decrease of \$43.1 million from the budgeted beginning fund balance. General Fund expenditures were increased by \$24.5 million, an amount equal to the expected ending fund balance, to represent a General Fund Reserve in order for the County to be in compliance with state statute. Changes other than this reserve represent a net decrease of \$18.6 million from the beginning fund balance. Major factors contributing to this decrease are discussed under the Budget Issues Tab (pages 4-12 thru 4-18).

Special Revenue Funds

The fiscal year 2007/08 adopted ending fund balance for all Special Revenue Funds is \$33.2 million, a net decrease of \$20.4 million from the budgeted beginning fund balance. Major factors contributing to this decrease include net reductions/increases in the various special revenue fund and grant fund balances reflecting increases or decreases in the 8 major and nearly 60 minor County funds due to restricted funds being spent on their specified services. These funds account for such diverse functions as Transportation, Flood Control, Public Health, Solid Waste Management, the County Free Library, Stadium District, Justice and Law Enforcement Grants, etc.

Debt Service Fund

The fiscal year 2007/08 adopted ending fund balance for the Debt Service Fund is \$12.2 million, a net increase of \$1.0 million from the budgeted beginning fund balance. Major factors contributing to this decrease include:

- \$4.5 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 2007/08
- \$6.8 million dollar increase in projected secondary property tax collections
- \$339,000 net decrease in operating transfers in

Capital Projects Fund

The fiscal year 2007/08 adopted ending fund balance for the Capital Projects Fund is \$65.7 million, a net decrease of \$40.5 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 2007/08 to 2011/12 Capital Improvement Plan. (See the *Summary Schedules section - Summary of Active Capital Improvement Projects*)

Enterprise Funds

The fiscal year 2007/08 adopted ending net assets for all Enterprise Funds is \$124.2 million, a net increase of \$54.2 million over the budgeted beginning net assets. Major factors contributing to this increase include:

- \$54.3 million increase in the Wastewater Management Enterprise Fund due to a combination of increases in sewer revenue and connection fees, and \$50 million in additional bond funds
- \$1.8 million increase in net assets of Pima County's Medical Services Enterprise Fund
- \$2.0 million decrease in net assets of the Development 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 2005/2006 - 2007/2008**

FUNCTIONAL AREA/SUPER DEPARTMENT	ADOPTED 2005/2006	REVISED 2006/2007	ADOPTED 2007/2008	CHANGE 06/07 to 07/08
<u>COUNTY ADMINISTRATION</u>				
ASSESSOR	161.0	161.0	161.0	0.0
BOARD OF SUPERVISORS	23.2	21.1	24.4	3.3
CLERK OF THE BOARD	19.0	19.0	19.0	0.0
COUNTY ADMINISTRATOR	16.2	16.3	15.8	(0.5)
ELECTIONS	15.4	14.0	15.0	1.0
FINANCE & RISK MANAGEMENT	113.8	112.6	123.5	10.9
FORENSIC SCIENCE CENTER	25.0	27.5	30.1	2.6
HUMAN RESOURCES	42.4	40.9	37.5	(3.4)
INFORMATION TECHNOLOGY	111.5	120.6	137.0	16.4
NON DEPARTMENTAL	0.0	0.0	0.0	0.0
PROCUREMENT	30.0	33.8	34.0	0.2
RECORDER	57.0	66.0	57.0	(9.0)
TREASURER	41.0	41.0	41.0	0.0
TOTAL COUNTY ADMINISTRATION	655.5	673.8	695.3	21.5
<u>COMMUNITY & ECONOMIC DEVELOPMENT</u>				
COMMUNITY & ECONOMIC DEVELOPMENT ADMIN	8.0	7.6	8.0	0.4
COMMUNITY DEVELOPMENT & NEIGHBORHOOD CONSERV	22.2	27.5	27.5	0.0
COMMUNITY RESOURCES	76.6	72.9	77.0	4.1
COMMUNITY SERVICES, EMPLOYMENT & TRAINING	105.6	115.3	116.9	1.6
COUNTY FREE LIBRARY	1.0	337.9	357.5	19.6
ECONOMIC DEVELOPMENT & TOURISM	2.0	2.0	5.0	3.0
SCHOOL SUPERINTENDENT	15.9	15.4	16.0	0.6
STADIUM DISTRICT	0.0	11.4	14.6	3.2
TOTAL COMMUNITY & ECONOMIC DEVELOPMENT	231.3	590.0	622.5	32.5
<u>JUSTICE & LAW ENFORCEMENT</u>				
CLERK OF SUPERIOR COURT	219.5	230.1	226.1	(4.0)
CONSTABLES	12.7	13.0	13.0	0.0
COUNTY ATTORNEY	404.2	402.2	441.3	39.1
INDIGENT DEFENSE	177.5	197.7	218.5	20.8
JUSTICE COURT AJO	9.8	9.8	10.8	1.0
JUSTICE COURT GREEN VALLEY	8.5	8.5	9.1	0.6
JUSTICE COURTS TUCSON	107.0	118.0	122.3	4.3
JUVENILE COURT	565.4	557.3	582.1	24.8
OFFICE OF COURT APPOINTED COUNSEL	10.0	11.0	10.0	(1.0)
PUBLIC FIDUCIARY	35.3	36.1	37.6	1.5
SHERIFF	1,328.7	1,365.0	1,386.6	21.6
SUPERIOR COURT	647.2	654.7	664.0	9.3
TOTAL JUSTICE & LAW ENFORCEMENT	3,525.8	3,603.4	3,721.4	118.0

**ADOPTED FULL TIME EQUIVALENT POSITIONS
FISCAL YEARS 2005/2006 - 2007/2008**

FUNCTIONAL AREA/SUPER DEPARTMENT	ADOPTED 2005/2006	REVISED 2006/2007	ADOPTED 2007/2008	CHANGE 06/07 to 07/08
<u>MEDICAL SERVICES</u>				
INSTITUTIONAL HEALTH	18.0	27.0	27.0	0.0
PIMA HEALTH SYSTEM & SERVICES	940.0	968.3	992.4	24.1
PUBLIC HEALTH	358.4	368.5	375.1	6.6
TOTAL MEDICAL SERVICES	1,316.4	1,363.8	1,394.5	30.7
<u>PUBLIC WORKS</u>				
CAPITAL PROJECTS	7.3	11.0	10.5	(0.5)
DEVELOPMENT SERVICES	170.0	183.0	182.0	(1.0)
ENVIRONMENTAL QUALITY	53.9	62.8	60.4	(2.4)
FACILITIES MANAGEMENT	157.7	166.6	173.0	6.4
FLEET SERVICES	59.5	56.0	57.0	1.0
GRAPHIC SERVICES	20.5	20.6	20.6	0.0
NATURAL RESOURCES, PARKS & RECREATION	246.9	261.8	283.8	22.0
PUBLIC WORKS ADMINISTRATION	32.5	35.5	37.5	2.0
REGIONAL FLOOD CONTROL DISTRICT	60.8	63.0	75.4	12.4
SOLID WASTE MANAGEMENT	52.5	52.6	53.0	0.4
TRANSPORTATION	417.5	416.7	425.9	9.2
WASTEWATER MANAGEMENT	531.8	570.7	583.7	13.0
TOTAL PUBLIC WORKS	1,810.9	1,900.3	1,962.8	62.5
TOTAL ALL FUNCTIONAL AREAS	7,539.9	8,131.3	8,396.5	265.2

Major net changes in Full Time Equivalent (FTE) positions from fiscal year 2006/07 to 2007/08 are generally explained below:

FTEs in County Administration increased by 21.5 or 3%. Major factors contributing to this net increase include:

- 3.3 FTE increase in the Board of Supervisors due to increased workloads
- 1.0 FTE increase in Communications due to the addition of a new wireless services support supervisor position
- 0.5 FTE decrease in County Administrator due to the transfer of one position to the Board of Supervisors and increasing one position from part time to full time
- 1.0 FTE increase in the Elections department due to the addition of a new voting machine maintenance position
- 10.9 FTE net increase in Finance & Risk Management primarily due to the transfer of seven safety positions from other departments to Risk Management, two new enterprise resource system project manager positions, and a new Family & Medical Leave Act program manager position
- 2.6 FTE increase in Forensic Science Center due to supplemental funding for two additional Forensic Field Agents and one additional Forensic Medical Investigator.
- 3.4 FTE decrease in the Human Resources department due to the elimination of three positions and a reduction of hours in one position
- 15.4 FTE net increase in Information Technology due to the transfer of eight IT-related positions from other departments and the addition of seven new positions due to increased County information technology needs
- 0.2 FTE increase in Procurement due to annualizing previous year supplemental package positions
- 9.0 FTE decrease in the Recorder primarily due to the reduction of voter registration workers and the elimination of one position

FTEs in Community & Economic Development increased by 32.5 or 5.5%. Major factors contributing to this net increase include:

- 4.0 FTE net increase in Community Resources primarily due to the addition of a Trades Maintenance Technician, a Trades Maintenance Specialist, and an Administrative Support Specialist in Community Resources; the addition of a Driver/Messenger, a Grants Writer, and an Educational Services Coordinator in Pima Vocational High School, and the net reduction of hours for existing positions transferred to the Stadium District
- 1.7 FTE net increase for Community Services, Employment & Training due to the budgeting of increased hours for a number of existing positions
- 19.6 FTE net increase in County Free Library due to 25.6 FTEs added for two new branches and new Sunday hours, less six FTEs transferred to the Information Technology Department
- 3.0 FTE increase in Economic Development and Tourism due to the transfer in of two positions from other departments, and the addition of one new position to help manage six Outside Agencies and 15 County leased properties transferred to the department
- 3.3 FTE net increase in Stadium District primarily due to the transfer of funded hours from Community Resources to recognize a number of County employees providing services to the District
- 0.9 FTE net increase in various other Community & Economic Development departments

FTEs in Justice & Law Enforcement increased by 118.0 or 3%. Major factors contributing to this net increase include:

- 18.6 FTE increase in Indigent Defense General Fund positions due to the annualization of additional positions that became effective during FY 2006/07 and supplemental package funding for new attorney, support staff and law clerk positions
- 27.5 FTE increase in Sheriff General Fund positions for supplemental package funding for new Border Crime Unit, the transfer of positions from the Clerk of the Superior Court for processing bonds, annualization of positions that became effective during FY 2006/07 for additional commissioned staff, the transfer of positions from the Commissary, and new positions for the mandatory tow program and providing dispatching services for the town of Sahuarita
- 32.6 FTE net increase in various Justice and Law enforcement special revenue fund and grant departments
- 2.6 FTE increase in the Superior Court General Fund positions as a result of new positions for first floor security and interpreter services
- 2.0 FTE increase in Justice Courts Tucson General Fund positions due to supplemental package funding for court security staff
- 26.8 FTE increase in the County Attorney General Fund positions for the Criminal Division due to the annualization of additional positions that became effective during FY 2006/07 and supplemental package funding for felony prosecution, misdemeanor case management and victim notification
- 4.0 FTE decrease in Clerk of the Superior Court General Fund positions due to the net effect of the transfer of positions to the Sheriff for processing bonds and a decrease in hours funded to existing positions which was partially offset by new positions for court hearing officers and for processing an increase in passport requests.
- 10.0 FTE increase in Juvenile Court General Fund positions due to increases in the budgeted FTEs for the Administrative and Probation Divisions
- 1.0 FTE decrease in Office of Court Appointed Counsel positions due to the transfer of a position to the Information Technology Department
- 1.0 FTE increase in Justice Court Ajo General Fund positions primarily due to supplemental package funding for a court interpreter
- 0.6 FTE increase in Justice Court Green Valley General Fund positions due to supplemental funding for court security

FTEs in Medical Services increased by 30.7 or 2%. Major factors contributing to this net increase include:

- 24.1 FTE increase in Pima Health System and Services due to additional personnel needed to support a projected increase in ALTCS membership and the growing demands of administering the ALTCS and Ambulatory programs
- 6.6 FTE increase in Public Health primarily due to supplemental funding for four West Nile response positions, two additional Animal Care Technician positions, and one additional Communicable Disease Investigator position

FTEs in Public Works increased by 62.5 or 3%. Major factors contributing to this net increase include:

- 6.4 FTE increase in Facilities Management due to new positions needed for the Bank of America building and garage, and other new County properties
- 22.0 FTE increase in Natural Resources, Parks & Recreation primarily representing positions needed to maintain new parks facilities coming on line in fiscal year 2007/08 and annualization of positions that became effective during fiscal year 2006/07
- 12.4 FTE increase in Regional Flood Control District primarily representing new positions to keep up with the demands of the Department
- 9.2 FTE increase in Transportation due to increased hours in existing PCNs
- 13.1 FTE net increase in Wastewater Management primarily due to enhanced maintenance and rehabilitation activities
- 0.5 net FTE decrease in various other Public Works departments

PIMA COUNTY CAPITAL IMPROVEMENT PROGRAM SUMMARY

Introduction

Pima County's Fiscal Year 2007/08 Adopted Budget for its Capital Improvement Program (CIP) consists of eleven categories: Facilities Management; Transportation; the Regional Flood Control District; Natural Resources, Parks and Recreation; Open Space; Cultural Resources; Neighborhood/Housing Reinvestment; Wastewater Management; Solid Waste Management; Sheriff's Department for the Regional Public Safety Communications System; and Information Technology.

Distinct from the Capital Improvement Program, 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 2007/08, summary data for projects that are part of the adopted Capital Projects Fund for fiscal year 2007/08, and summary operations and maintenance (O&M) data for fiscal year 2007/08.

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.

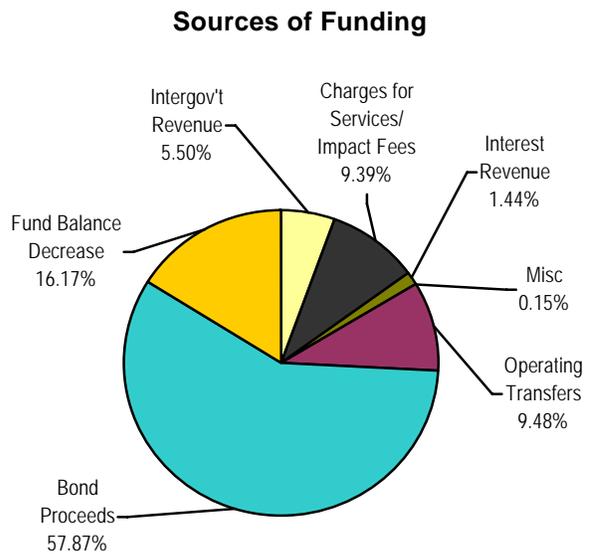
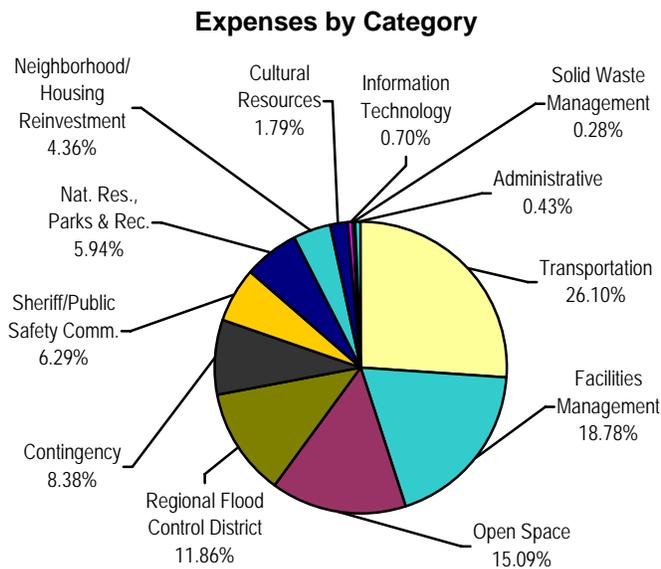
Transportation is the largest component of the budget for CIP in terms of expenditures. Facilities Management – which manages projects related to County facilities as well as capital improvements for the Sheriff's Department, the Superior Court, Medical Services, and Community and Economic Development – has the next largest CIP expenditure authorization. Open Space has the third largest, Regional Flood Control District has the fourth largest, and The Public Safety Wireless Integrated Radio Communication Network and Natural Resources Parks and Recreation are the fifth and sixth largest expenditures components.

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 Reinvestment Program funds infrastructure investments in high stress neighborhoods throughout the community. Solid Waste programs consist of environmental remediation projects and infrastructure expansion. Information Technology projects provide for networking and telecommunications infrastructure needs.

The following charts provide summary information for Pima County's fiscal year 2007/08 adopted expenditures, revenues, and other funding sources for all Capital Projects Fund projects.

Pima County FY 2007/2008 Capital Projects Fund¹



Expenses by Category

Transportation	\$65,381,165
Facilities Management	47,049,935
Open Space	37,800,000
Regional Flood Control District	29,722,171
Contingency	21,000,000
Sheriff/Public Safety Communications	15,755,456
Natural Resources, Parks & Recreation	14,872,950
Neighborhood/Housing Reinvestment	10,921,579
Cultural Resources	4,479,449
Information Technology	1,756,000
Solid Waste Management	722,000
Administrative Costs	1,082,290
TOTAL	\$250,542,995

Sources of Funding

Intergovernmental Revenue	\$13,781,039
Charges for Services/Impact Fees	23,517,156
Interest Revenue	3,598,141
Miscellaneous Revenue	370,946
Other Funding: Operating Transfers	23,757,617
Other Funding: Bond Proceeds	145,000,000
Other Funding: Fund Balance Decrease	40,518,096
TOTAL	\$250,542,995

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 Justice Court/Municipal Court Complex, although not scheduled to be completed for several years, will eventually 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 2007/08 operating budget may be found in the final section of this report.

Capital Projects by Category: Summary

Transportation

The fiscal year 2007/08 CIP associated with Transportation consists of forty-five projects with total expenditures of \$65.4 million. Twenty-two, or approximately half 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, thirty-seven address capacity improvements to major, critical roadway segments throughout Pima County's metropolitan areas.

Twenty-seven Transportation projects are projected to be under construction during the course of fiscal year 2007/08. Construction expenditures are estimated at \$53 million, or approximately 81 percent, of Transportation's portion of CIP for fiscal year 2007/08. The remaining expenditures will be for planning and design, land acquisition, and miscellaneous other expenditures. Major projects include Craycroft Road, River Road to Sunrise; Kinney Road, Ajo Way to Bopp Road; Valencia Road, Mark Road to Camino de la Tierra; and Country Club Road, 36th Street to Milber.

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 2007/08. Eleven were approved in the May 18, 2004 bond election, and six are non-bond funded projects. One of the 2004 bond projects is substantial: \$14.9 million for continuation of the Justice Court/Municipal Court Complex.

Sixteen of the seventeen Facilities Management projects active in fiscal year 2007/08 will be under construction during the course of this fiscal year; construction expenditures are projected to be \$32.8 million or seventy percent of the total Facilities Management CIP. The remaining project is in pre-construction and the expenditures are earmarked for planning and design.

Open Space

There is designated \$30 million for open space acquisitions and \$7.8 million designated for the Davis Monthan Air Force Base Encroachment Prevention. All of the projects are part of the \$173.4 million approved in the 2004 bond election.

Regional Flood Control District

The Regional Flood Control District has twenty-five active CIP projects in fiscal year 2007/08, with total estimated expenditures of \$29.7 million. One of the projects is part of the bond package approved by voters in the 1997 special elections and nine projects are part of the bond package approved by voters in 2004. The remaining fifteen projects are non-bond funded. The Regional Flood Control District will partner with the Army Corps of Engineers on seven projects in fiscal year 2007/08, with the Army Corps of Engineers contributing an additional \$10.9 million to those projects.

Seventy-four percent, or \$22 million of fiscal year 2007/08 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 Mission Wash; Rillito River Linear Park, Alvernon to Craycroft; Urban Drainage Infrastructure Program; and Floodprone Land Acquisition.

Contingency

Beginning in fiscal year 2007/08, the CIP budget will include a 10% contingency in excess of the budgeted project expenditures. This \$21 million reserve will ensure that the CIP, in actual implementation, does not exceed its authorized budget and that no project or program is unreasonably delayed in implementation. This contingency is budgeted in its own separate category.

Sheriff's Department Regional Public Safety Communications System

The fiscal year 2007/08 CIP budget for the Regional Public Safety Communications System is \$15.8 million. This is the first year of significant expenditures for this now estimated \$106 million project.

Natural Resources, Parks & Recreation

There are thirty-four CIP projects, with total projected expenditures of \$14.9 million, scheduled for activity in fiscal year 2007/08 for Natural Resources, Parks & Recreation. Thirty-three of the projects are part of the bond packages approved by voters, fourteen in the 1997 special elections and nineteen in the 2004 special election.

Twenty-five of the thirty-four Natural Resources, Parks & Recreation projects are scheduled to be under construction during the course of fiscal year 2007/08. The estimated construction expenditures of \$11.3 million represent seventy-six percent of total expenditures for the year; the balance is planning and design, land acquisition, and startup expenditures. Major projects include Pantano River Park, 22nd Street to Michael Perry Park; Julian Wash Linear Park; and Columbus Park.

Neighborhood/Housing Reinvestment

The Neighborhood/Housing Reinvestment category for fiscal year 2007/08 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; projected expenditures are \$10.9 million.

Cultural Resources

There are fourteen CIP projects, with total expenditures of \$4.5 million, scheduled for activity in fiscal year 2007/08. 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 fourteen projects in the bond elections; three were approved in the 1997 special elections, eleven were approved in the 2004 election. The largest project is the Fort Lowell Acquisition and San Pedro Chapel.

Twelve of the fourteen Cultural Resources projects will have construction activity during fiscal year 2007/08. The estimated construction expenditures of \$3.3 million are approximately seventy-four percent of the projected Cultural Resources activity. The remaining expenditures will be for land acquisition, planning and design, and miscellaneous other expenditures.

Information Technology

There are two projects in this category with a total budget of \$1.8 million. Information technology upgrades to the newly acquired facilities is budgeted at \$1.2 million and the library phone system is budgeted at \$556 thousand.

Solid Waste Management

The fiscal year 2007/08 CIP budget for Solid Waste Management consists of three projects, all of which were approved by voters at the May 20, 1997 special election. Projected expenditures for the projects are \$722 thousand and will be used for planning and design only.

Wastewater Management

The fiscal year 2007/08 adopted CIP budget for Wastewater Management consists of thirty-nine projects with total expenditures of \$93.4 million. Major projects for fiscal year 2007/08 include Avra Valley Expansion, Marana Expansion, and the Santa Cruz Interceptor, Prince to Franklin.

Complete Capital Project List FY 2007/08

For a comprehensive list of the active and new projects comprising Pima County's fiscal year 2007/08 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 2007/08

During the budget cycle for fiscal year 2007/08, 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 2007/08.

Completed CIP Project Operations and Maintenance Expenditures and Revenue by Category

	Number of Projects Scheduled for Completion FY 2007/08	FY 2007/08 O&M Expenditures Associated with Completed Projects	Annualized Future O&M Expenditures Associated with Completed Projects	FY 2007/08 Revenue Associated with Completed Projects	Annualized Future Revenue Associated with Completed Projects
Facilities Management	11	\$1,587,110	\$1,856,406	\$1,673,205	\$1,679,940
Transportation	16	191,920	217,102	0	0
Regional Flood Control District	14	69,119	123,600	0	0
Natural Resources, Parks & Recreation	19	747,746	625,539	26,200	26,600
Open Space	16	24,060	18,956	0	0
Cultural Resources	12	96,238	75,825	0	0
Neighborhood/Housing Reinvestment	19	0	0	0	0
Solid Waste	0	0	0	0	0
Public Safety Communications System	0	0	0	0	0
Information Technology	1	19,541	19,541	0	0
	<u>107</u>	<u>\$2,735,734</u>	<u>\$2,936,969</u>	<u>\$1,699,405</u>	<u>\$1,706,540</u>