

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 2005/06, the estimated result for fiscal year 2006/07, and the planned result for fiscal year 2007/08. 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 seven 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 twice, with some having completed the process three times. 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 2007/08 funding approved for supplemental requests includes a net fund impact of \$7,883,891 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 2007/08 Adopted Budget relies on a \$0.2400 decrease in the property tax rate for General Government, a \$0.0300 decrease in the Debt Service tax rate, a \$0.0300 decrease in the Flood Control District tax rate, and a \$0.0300 increase in the Library District tax rate. The total property tax rate for Pima County decreases from \$5.2991 to \$5.0291 per \$100 of assessed valuation.

General Government Revenues other than Property Taxes

Excluding revenues related to primary property taxes, projected fiscal year 2007/08 general government revenue from all other sources is \$164.4 million, an increase of \$7.6 million over the fiscal year 2006/07 adopted budget. State Shared Sales Taxes are expected to increase by \$3.7 million. Other increases in revenue include a \$2.7 million increase in Vehicle License Tax, a \$690 thousand increase in Pooled Investment Interest, and \$453 thousand in Business License and Permit revenue. Transient Lodging tax revenue will increase \$265 thousand. The budget for Other

Miscellaneous Revenue increased \$247 thousand to more closely match actual revenues of the last few years. Contributions for Administrative Overhead from County enterprise funds declined \$389 thousand due to a more refined measurement of actual costs. Alcohol Beverage Tax revenue will decrease by \$42 thousand due to fewer new alcohol sales permits issued in unincorporated areas of the County. The adopted budget assumes that the \$3.8 million in State funding for Proposition 204 hold-harmless will not be forthcoming in fiscal year 2007/08.

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 fourth largest city in the state. The County's share of income tax would be equivalent to more than \$38.8 million each year. If these revenues were received, they could be used to further reduce the primary property tax by \$0.55 per \$100 of assessed value.

Local Sales Tax

Several times over the course of the fiscal year 2007/08 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 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 2007/08 half-cent sales tax revenues of \$55.0 million would have been the equivalent of a primary property tax rate reduction of \$0.7739 per \$100 of assessed value. This issue is discussed at length in the *Budget Issues* section, *Transmittal of Recommended Fiscal Year 2007/08 Budget*.

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 decreased 0.6 percent in fiscal year 2005/06; decreased by 2.2 percent in fiscal year 2006/07, and will decrease by 5.1 percent in fiscal year 2007/08.

Table 1
Comparison of Property Tax Rates*

	<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>	<u>FY 2007/08</u> <u>Tax Rates</u>
Pima County Primary (General Gov't)	\$4.0720	\$4.0720	\$3.8420	\$3.6020
Debt Service	0.8150	0.7150	0.7150	0.6850
Library District	0.2124	0.2575	0.3675	0.3975
Flood Control District	<u>0.3546</u>	<u>0.3746</u>	<u>0.3746</u>	<u>0.3446</u>
Total	\$5.4540	\$5.4191	\$5.2991	\$5.0291

* Does not include Fire District Assistance Tax, which is set by State formula.

Maintain an Adequate Ending General Fund Balance

Over the past eight years, the unreserved ending General Fund balance ranged from an actual low of \$19.7 million for fiscal year 2000/01 to an actual high of \$46.4 million for fiscal year 2005/06. The Board of Supervisors has adopted an unreserved ending General Fund Balance of \$24.5 million for fiscal year 2007/08, 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 eight years, actual unreserved ending fund balance typically has been significantly higher than the amount that had been budgeted, as seen in Table 2 below. 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. If this trend continues, in fiscal year 2007/08 Pima County can expect to see an actual unreserved ending fund balance that exceeds the budgeted 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	\$46,423,513	10.8
Fiscal Year 2006/07	\$23,000,000	\$41,007,375 *	9.1
Fiscal Year 2007/08	\$24,500,000 **		5.2

* projected

** In compliance with State statute, what has formerly been budgeted as ending fund balance will henceforth be budgeted as reserved contingency expenditure.

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 Stadium District, and the Graphic Services Internal Service Fund.

At this point, no fund entities have a cash deficit. However, it is possible that the Solid Waste Fund will have a cash deficit of approximately \$500,000 at the end of fiscal year 2007/08. In anticipation of this possible deficit, and including the taking of steps to stave off such a deficit, \$500,000 has been included in the General Fund Budget Stabilization Fund. This issue is discussed at length in the *Budget Issues* section, *Transmittal of Recommended Fiscal Year 2007/08 Budget*.

Provide Board of Supervisors General Contingency Funding

The Board of Supervisors unreserved Contingency Fund is funded at \$1.0 million (less \$422,000 in adjustments for Outside Agency funding), 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 2007/08 ending General Fund balance will be substantially higher than the budgeted amount. In recent years similar planned management was responsible for a large part of the increase in the General Fund ending fund balances as noted in Table 2 above.

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 2007/08, budgeted expenditure authority in the Budget Stabilization Fund amounts to \$8,135,254. Funding is reserved for the items listed in the following table:

Table 3

Budget Stabilization Fund

Pima Animal Control Center staffing	\$	35,296
Justice Courts Tucson - pro tem costs		58,880
Assessor – pictometry		60,000
Superior Court Mandated Services		150,000
MWBE Disparity Study		250,000
Critical Path		375,000

Courts Market Study	400,000
Proposition 100	500,000
Solid Waste Operating Loss	500,000
Corrections Officers Compensation	608,000
Deficient Starting Salaries	1,000,000
Commissioned Officers Compensation	1,798,078
Superior Court – restoration to competency	<u>2,400,000</u>
Total Budget Stabilization Fund	\$ 8,135,254

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 \$6.0 million in federal State Criminal Alien Assistance Program (SCAAP) revenue; over \$975 thousand in federal Southwest Border Prosecution Initiative (SWBPI) revenue; over \$3.6 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); over \$370 thousand in Arizona Border Security Emergency revenue, 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. In fiscal year 2007/08 an additional \$5.3 million is budgeted. The 23 cent reduction in the primary property tax rate for fiscal year 2006/07 and the 24 cent reduction for fiscal year 2007/08 were made possible in substantial part by the extraordinary growth in state shared sales tax collections that have occurred during the last year and are projected to continue through the remainder of calendar year 2007. However, the pace of this growth is projected to slow beginning in 2008 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-coastering 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 tax 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.

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 *Transmittal of Recommended Fiscal Year 2007/08 Budget* (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 2007/08 budget, the Board of Supervisors approved a general salary adjustment of 2.1 percent (reflective of the rise in the Consumer Price Index from January 2006 to January 2007) effective July 8, 2007. Additionally, as a first step toward addressing market disparity, effective July 8, 2007 most employees (notable exception: Sheriff's deputies and corrections officers) are awarded a 2.5 percent market adjustment. The Board also approved an additional 0.5 percent general salary adjustment to compensate employees for an equal percentage increase in employee contributions to the Arizona State Retirement System. Finally, Sheriff's deputies and corrections sergeants will receive a 10 percent increase in their Step Plans effective January 6, 2008, and other corrections officers will receive a 5 percent Step Plan increase on the same date. The following table summarizes the salary increases over the past nine 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
FY 2007/08	2.1% <u>general adjustment</u> effective Jul 8, 2007 2.5% <u>market adjustment</u> effective Jul 8, 2007 0.5% <u>general adjustment</u> effective Jul 8, 2007 to compensate for increased retirement rate contribution for members of the Arizona State Retirement System 10% and 5% <u>step adjustment</u> for Sheriff's deputies, sergeants, and corrections non-command staff effective January 6, 2008

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 \$1.7 billion in active projects fully or partially funded by bonds and \$1.1 billion in active non-bond projects, resulting in a total capital improvement program of \$2.8 billion. The proposed Capital Improvement Plan (CIP) for fiscal years 2007/08 - 2011/12 identifies, among other items: active projects, funding sources, debt profiles, unfunded needs, and a schedule of bond sales. The CIP currently has 231 capital improvement projects, including 47 funded by Wastewater

Management and a total of \$343.9 million budgeted for fiscal year 2007/08. Of this amount, Wastewater Management funds \$93.4 million, with \$250.5 million approved in the fiscal year 2007/08 Capital Projects Adopted Budget. In addition, \$11.3 million is expected in matching funds with the primary source being \$10.9 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, \$771 million in bonds have been sold with \$727 million remaining.

Table 5
1997, 2004 and 2006 Bond Authorizations

	<u>Authorization</u> (million)	<u>Sold</u> (million)	<u>Remaining</u> (million)
1997 General Obligation Bonds	\$ 256.98	\$ 229.20	\$ 27.78
1997 Sewer Revenue Bonds	105.00	101.00	4.00
1997 Transportation Bonds	350.00	202.20	147.80
2004 General Obligation Bonds	582.25	186.10	396.15
2004 Sewer Revenue Bonds	150.00	50.00	100.00
2006 General Obligation Bonds	54.00	2.30	51.70
Total	\$1,498.23	\$ 770.80	\$ 727.43

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, 2006, is as follows (in thousands):

Net assessed valuation:	\$6,050,950
<u>Debt Limit (15% of net assessed valuation):</u>	\$ 907,643
<u>Amount of debt applicable to debt limit:</u>	
General obligation bonds outstanding	\$ 231,310
Less net assets in debt service fund available for payment of general obligation bond principal	(5,571)
	<u>(225,739)</u>
Legal debt margin available	<u>\$ 681,904</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, 2006, is as follows (in thousands):

Net assessed valuation:		\$5,323,433
<u>Debt Limit (5% of net assessed valuation):</u>		\$ 266,171
<u>Amount of debt applicable to debt limit:</u>		
Flood Control general obligation bonds outstanding	\$2,230	
Less net assets in debt service fund available for payment of flood control bond principal	<u>(24)</u>	<u>(2,206)</u>
Legal debt margin available		<u>\$ 263,965</u>

For fiscal year 2006/07, debt percentages are estimated to be 3.82 percent for general obligation bonds and 0.04 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 2006/07, the County issued \$21 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 2007/08. HURF revenues are budgeted at \$60,808,267, and \$18,057,251 in Street and Highway Revenue Bonds debt service is scheduled, providing approximately 3.4 times coverage.

- 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, as amended, 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 \$0.7150 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. For fiscal year 2007/08, the secondary tax rate is \$0.6850, down 3 cents from the fiscal year 2006/07 rate of \$0.7150 per \$100 of assessed valuation

As regards sewer revenue bonds, user and connection fees are examined annually to ensure that they recover all direct and indirect costs of service, including bond debt, and are approved by the Board of Supervisors. Rate adjustments for user and connection fees are based on five-year financial plans. 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.

The following table presents the increases in sewer user and connection fees since fiscal year 1997/98.

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%
2007/08 (effective 7/1/2007)	6.0%	6.0%
2007/08 (effective 1/1/2008)	0.0%	6.0%

Continue to Conduct Departmental Operating Studies, Implementing Reforms Leading to Financial Stability

A number of departmental operating studies and organizational reforms have been conducted in recent years, all leading to the overall increased financial stability of Pima County Government. Notable among these studies and reforms are the following:

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.

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.

Criminal Justice System Departments

In recent years, 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.

The first study was a performance/operations audit of the departments comprising the criminal justice system. Departments included in the audit were the Superior Court, Juvenile Court, Justice Courts, Indigent Defense, County Attorney, and Sheriff. The Harvey M. Rose Accountancy Corporation was selected to perform the audit.

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, APRI found the Pima County Attorney's Office to be efficient and effective in its processing of criminal cases.

In another study, the Spangenburg Group conducted 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.

Under the direction of the County Administrator, the Pima County Justice Coordinating Council was formed. 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.

Wastewater Management

Wastewater Management's Fiscal Year 2007/08 Budget continues to build upon the findings and recommendations of the January 2005 Black & Veatch Management Audit, the 2005 Black & Veatch Rate Study, the 2006 Five-Year Financial Plan, and the 2006 Metropolitan Facility Plan Update.

The 2005 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.

The Wastewater Management Department updates their Five-Year Financial Plan on an annual basis. The 2007 Financial Plan will be completed and presented to the Board of Supervisors in October 2007.

Solid Waste Management

Due to diminishing landfill capacity and possible financial deficit, the County commissioned a financial and operational audit of Solid Waste Management. As a result, fees will be increased, services will be curtailed, illegal dumping will be tracked closely, and possible partnership opportunities with the city of Tucson (which has its own solid waste operations) will be discussed.

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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, and Voting Rights Act. Department goals address:

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

FINANCE & RISK MANAGEMENT

Provide centralized financial and risk management services for the County. Financial and risk management operations include administration, bond financing, budget development and monitoring, tax levy and rate compilation, tax assembly coordination, financial statement preparation, financial systems control, accounts payable, payroll processing, Family and Medical Leave Act administration, records maintenance, mail services, workman's compensation, loss control and prevention, internal audit, cash management, collection of delinquent accounts, and formation and collection function of improvement districts. Department goals include:

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

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 a 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
- 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 and 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

To enhance the economic and cultural well-being of Pima County constituents, with particular focus on improving the status of the economically disadvantaged, and to meet and report performance and fiscal requirements of federal, state, and private grantors. The department oversees the Community Development and Neighborhood Conservation, Community Resources, Community Services-Employment and Training, Economic Development and Tourism departments, and the Pima County Public Library. 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
- 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

To provide Pima County residents with free and equitable access to the information resources needed for full participation in the community and for the enrichment of individual lives. 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 and economic growth with various community partners located in Pima County and the state of Arizona. Create leisure opportunities through Pima County leased assets. 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 school district financial information for the Board of Supervisors for setting the property tax rates. Maintain mandated programs involving the parents of children that are either in private schools or being taught at home. Operate Pima Accommodation District, educational services, and school bus service for students in unorganized territory in Pima County. Plan and operate multi-district educational programs. Department goals address:

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

STADIUM DISTRICT

Provide family entertainment for Pima County residents through sports recreation and community events. Continue to develop relationships with professional baseball teams that will have a positive impact on the local economy. 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 Courts. 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
- Monitoring and audit of correctional health care vendor performance
- Improvement in effectiveness of health care delivery
- Appropriate County funding of UPHH operations and monitoring of services

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 4.4 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. 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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