

BUDGET OVERVIEW

Financial Structure

Consolidated Overview of the County Budget by Fund

Total County Budget by Source and Use

Revenues & Expenditures for Fiscal Years 2006/2007 Through 2008/2009

Budget in Brief Fiscal Year 2008/2009

Adopted Full Time Equivalent Positions for Fiscal Years 2006/2007 Through 2008/2009

Pima County Capital Improvement Program

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FINANCIAL STRUCTURE

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

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

The various funds and subsidiary ledgers are classified by category and type as follows:

Fund Type	Description	Funding Source
GOVERNMENTAL FUNDS	Governmental funds use the modified accrual basis of accounting, a current financial resource measurement focus. 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. 	Transient lodging excise (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, 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, Certificates of Participation, 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; transfers from Capital Projects and Wastewater Reclamation Funds for payment of Certificates of Participation.

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	Proprietary funds are used to account for Pima County's business-type activities. These funds use the economic resources measurement focus and accrual basis of accounting. This measurement focus provides for the short term and long term recognition of revenues and expenses. 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. • <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). • <u>Parking Garages</u> - Accounts for the management and operation of eight parking facilities located in downtown Tucson. • <u>Wastewater Reclamation Department</u>- Accounts for the management and operation of wastewater treatment and water pollution control facilities. 	<p>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.</p> <p>Primarily derived from capitation fees.</p> <p>Parking fees from six public parking garages and two parking lots owned by Pima County.</p> <p>Sewer user and connection fees.</p>

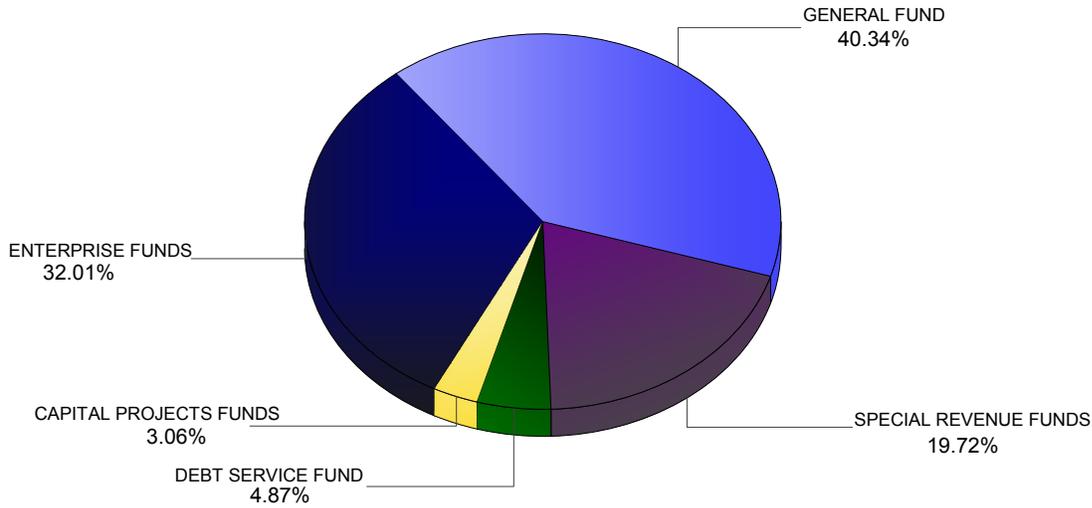
Fund Type	Description	Funding Source
Internal Service Funds	Account for the financing of goods or services provided by one department to other departments of the County on a cost reimbursement basis. Internal Service funds include the following:	
	<ul style="list-style-type: none"> • <u>Self Insurance 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

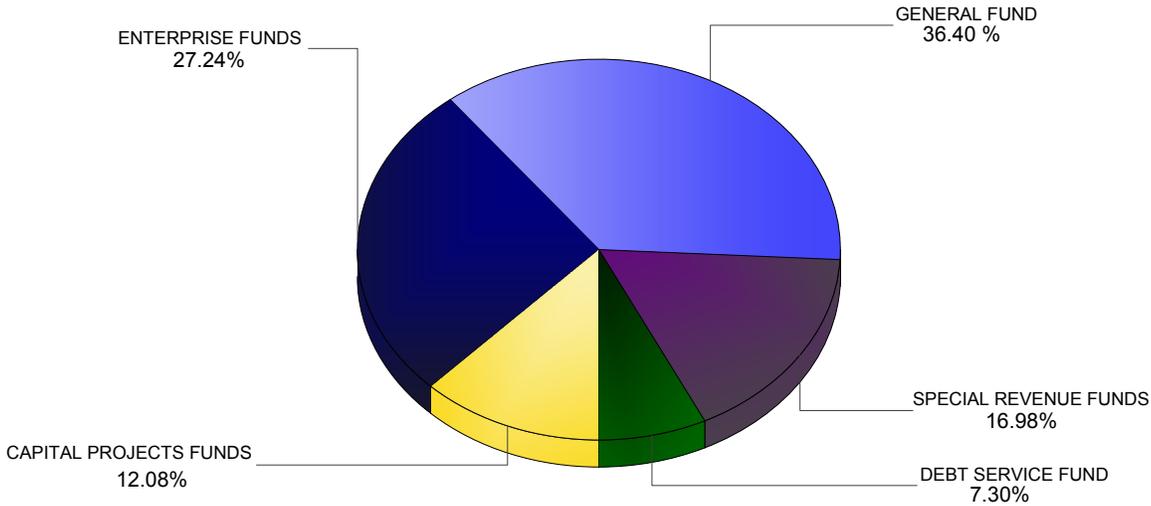
It should be noted that balances from the former General Fixed Asset Account Group and the General Long Term Debt Account Group are now considered subsidiary ledgers and are reported within the County's government-wide financial statements, as required by GASB 34.

CONSOLIDATED OVERVIEW OF COUNTY BUDGET BY FUND

REVENUES BY FUND



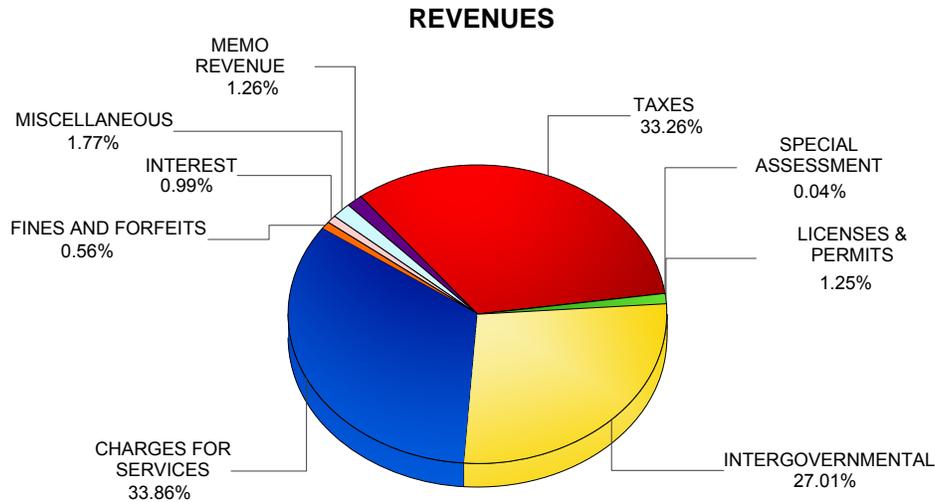
EXPENDITURES BY FUND



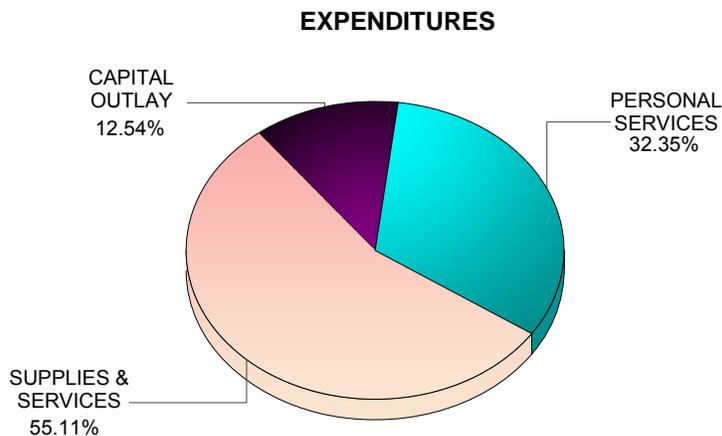
FUNDING SOURCES	EST. BEGINNING FUND BALANCE 2008/2009	ADOPTED REVENUES 2008/2009	ADOPTED EXPENDITURES 2008/2009	OTHER FINANCING SOURCES 2008/2009	INTERFUND TRANSFERS IN / (OUT)	ESTIMATED ENDING FUND BALANCE
GENERAL FUND	27,749,033	481,334,223	(501,413,093)	0	(7,670,163)	0
SPECIAL REVENUE FUNDS	64,191,019	235,248,354	(233,887,133)	0	(26,290,065)	39,262,175
DEBT SERVICE FUND	10,503,587	58,171,572	(100,521,623)	0	44,581,093	12,734,629
CAPITAL PROJECTS FUNDS	137,920,847	36,485,609	(166,449,329)	100,000,000	25,770	107,982,897
ENTERPRISE FUNDS	127,863,167	381,905,318	(375,258,090)	28,942,363	(9,646,635)	153,806,123

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

TOTAL COUNTY BUDGET BY SOURCE AND USE



REVENUES	FY 2006/2007 ACTUAL	FY 2007/2008 REVISED	FY 2008/2009 ADOPTED
TAXES	348,699,313	381,106,799	396,800,896
SPECIAL ASSESSMENT	520,999	560,124	448,619
LICENSES & PERMITS	14,238,521	17,752,889	14,941,892
INTERGOVERNMENTAL	312,330,383	319,458,634	322,259,727
CHARGES FOR SERVICES	423,642,413	465,039,585	404,007,803
FINES AND FORFEITS	6,618,168	6,945,192	6,706,732
INTEREST	19,545,865	13,132,323	11,791,551
MISCELLANEOUS	25,627,549	20,137,857	21,187,856
MEMO REVENUE	26,134,548	15,000,000	15,000,000
	1,177,357,759	1,239,133,403	1,193,145,076



EXPENDITURES	FY 2006/2007 ACTUAL	FY 2007/2008 REVISED	FY 2008/2009 ADOPTED
PERSONAL SERVICES	397,153,101	444,745,930	445,636,555
SUPPLIES & SERVICES	688,824,721	799,016,856	759,115,378
CAPITAL OUTLAY	185,311,271	238,951,710	172,777,335
	1,271,289,093	1,482,714,496	1,377,529,268

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

REVENUES & EXPENDITURES
FISCAL YEARS 2006/2007 - 2008/2009

	ACTUAL FY 2006/2007	REVISED FY 2007/2008	ESTIMATED FY 2007/2008	ADOPTED FY 2008/2009
GENERAL FUND				
REVENUE				
TAXES	252,349,910	267,784,461	268,557,719	282,377,345
LICENSES AND PERMITS	2,794,802	2,926,812	2,926,812	2,955,925
INTERGOVERNMENTAL	152,271,119	152,524,211	148,960,248	148,441,648
CHARGES FOR SERVICES	33,603,427	31,485,850	31,559,495	33,096,008
FINES AND FORFEITS	5,526,344	5,574,591	4,883,698	5,237,632
INTEREST	3,321,177	2,306,654	4,068,154	1,863,981
MISCELLANEOUS	6,827,825	6,614,136	7,128,566	7,361,684
TOTAL	456,694,604	469,216,715	468,084,692	481,334,223
EXPENDITURES				
PERSONAL SERVICES	231,301,819	255,072,228	254,671,870	257,248,501
SUPPLIES & SERVICES	184,772,205	231,128,754	203,441,041	242,933,310
CAPITAL OUTLAY	5,412,810	2,568,666	5,959,704	1,231,282
TOTAL	421,486,834	488,769,648	464,072,615	501,413,093
SPECIAL REVENUE FUNDS				
REVENUE				
TAXES	47,627,143	57,069,850	57,578,026	57,259,479
SPECIAL ASSESSMENT	520,999	560,124	531,294	448,619
LICENSES AND PERMITS	4,337,168	4,974,680	4,474,073	4,804,430
INTERGOVERNMENTAL	136,985,984	148,424,007	147,848,523	142,903,340
CHARGES FOR SERVICES	16,285,374	16,012,140	16,048,897	13,895,080
FINES AND FORFEITS	1,025,015	1,311,801	1,400,500	1,410,300
INTEREST	3,743,560	2,229,213	4,210,337	2,997,287
MISCELLANEOUS	15,253,042	11,145,698	10,260,745	11,529,819
MEMO REVENUE	527,363	0	0	0
TOTAL	226,305,648	241,727,513	242,352,395	235,248,354
EXPENDITURES				
PERSONAL SERVICES	91,599,783	101,595,531	105,936,051	106,665,510
SUPPLIES & SERVICES	103,263,235	135,782,770	119,424,947	122,031,602
CAPITAL OUTLAY	5,706,796	6,853,730	6,599,966	5,190,021
TOTAL	200,569,814	244,232,031	231,960,964	233,887,133
DEBT SERVICE FUND				
REVENUE				
TAXES	48,722,260	56,252,488	56,252,488	57,164,072
INTERGOVERNMENTAL	17,587	7,500	7,500	7,500
INTEREST	1,612,184	1,000,000	1,288,584	1,000,000
TOTAL	50,352,031	57,259,988	57,548,572	58,171,572
EXPENDITURES				
SUPPLIES & SERVICES	68,616,019	77,945,345	76,245,942	100,521,623
TOTAL	68,616,019	77,945,345	76,245,942	100,521,623
CAPITAL PROJECTS FUNDS				
REVENUE				
INTERGOVERNMENTAL	11,027,057	13,781,039	15,081,039	25,848,887
CHARGES FOR SERVICES	12,416,626	23,517,156	20,611,429	9,424,903
INTEREST	5,312,827	3,598,141	4,009,595	1,117,697
MISCELLANEOUS	263,587	370,946	1,770,946	94,122
MEMO REVENUE	390,380	0	0	0
TOTAL	29,410,477	41,267,282	41,473,009	36,485,609
EXPENDITURES				
PERSONAL SERVICES	685,781	711,094	538,077	639,643
SUPPLIES & SERVICES	51,482	21,262,196	40,394	219,054
CAPITAL OUTLAY	201,921,980	228,569,705	158,432,008	165,590,632
TOTAL	202,659,243	250,542,995	159,010,479	166,449,329

REVENUES & EXPENDITURES
FISCAL YEARS 2006/2007 - 2008/2009

	ACTUAL FY 2006/2007	REVISED FY 2007/2008	ESTIMATED FY 2007/2008	ADOPTED FY 2008/2009
ENTERPRISE FUNDS				
REVENUE				
LICENSES AND PERMITS	7,106,551	9,851,397	6,426,465	7,181,537
INTERGOVERNMENTAL	12,028,636	4,721,877	4,721,877	5,058,352
CHARGES FOR SERVICES	361,336,986	394,024,439	387,122,922	347,591,812
FINES AND FORFEITS	66,809	58,800	20,000	58,800
INTEREST	5,556,117	3,998,315	7,500,223	4,812,586
MISCELLANEOUS	3,283,095	2,007,077	2,050,923	2,202,231
MEMO REVENUE	25,216,805	15,000,000	15,000,000	15,000,000
TOTAL	414,594,999	429,661,905	422,842,410	381,905,318
EXPENDITURES				
PERSONAL SERVICES	73,565,718	87,367,077	81,390,003	81,082,901
SUPPLIES & SERVICES	332,121,780	332,897,791	367,445,511	293,409,789
CAPITAL OUTLAY	(27,730,315)	959,609	(30,679,649)	765,400
TOTAL	377,957,183	421,224,477	418,155,865	375,258,090
TOTAL REVENUES	1,177,357,759	1,239,133,403	1,232,301,078	1,193,145,076
TOTAL EXPENDITURES	1,271,289,093	1,482,714,496	1,349,445,865	1,377,529,268

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

BUDGET IN BRIEF

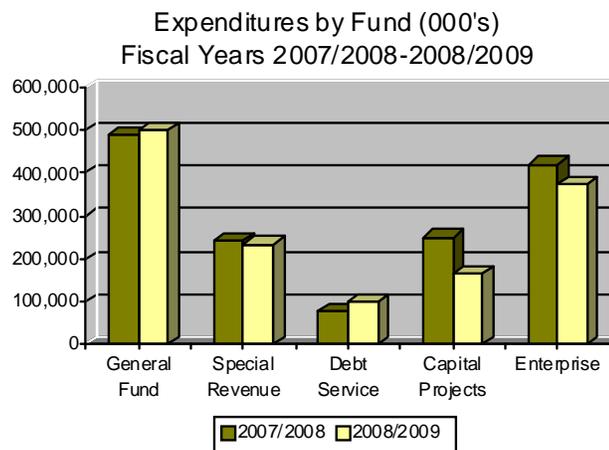
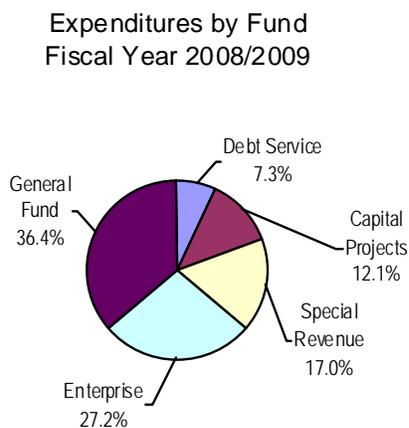
Arizona Revised Statute § 42-17105 requires the Pima County Board of Supervisors to adopt a budget for each fiscal year. On June 17, 2008, the Board adopted the budget for fiscal year 2008/09, which covers the period from July 1, 2008 through June 30, 2009.

Pima County's Fiscal Year 2008/09 Adopted Budget includes:

- \$1.378 billion in expenditures
- \$1.193 billion in revenues
- \$92.8 million in operating transfers between the various operating funds
- \$128.9 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 2008/09 Adopted Budget for General Fund expenditures increased by \$12.6 million over fiscal year 2007/08. Major factors contributing to this net increase include:

- \$7.2 million increase in order to offset the potential negative financial impacts of the state budget for fiscal year 2008/09 which had not been finalized at the time of the County's final budget adoption
- \$4.8 million to fund the costs of the primary and general elections held in 2008 plus \$1.0 million for various schools related elections costs
- \$2.6 million net increase in state mandated employer contributions to the various state retirement systems; \$1.1 million net increase in the County's contribution towards the cost of non-retirement benefits
- \$2.3 million of additional funding related to detention health care costs
- \$2.4 million increase to annualize the cost of FY 2007/08 salary increases awarded to corrections and peace officers
- \$1.7 million of funding to settle Pima County's portion of statewide Tax Court litigation brought by QWEST Corporation to challenge prior central assessment methodology applied to its property by the State
- \$1.6 million of one time unexpended carryover funds from fiscal year 2007/08
- \$1.1 million for increased cost of fuel for vehicles and equipment
- \$561,000 increase for continued match of a federal COPS grant that funds 14 Sheriff's deputies
- \$500,000 increase in reserve for potential Solid Waste Program operating losses
- \$500,000 of additional funds to assume operation of Sportspark
- \$498,000 increase to replace reduced federal grants which fund positions in the criminal justice system
- \$432,000 of additional funding for equipment to facilitate enhanced election security
- \$178,000 increase in the Board of Supervisors' unreserved contingency funds
- \$475,000 decrease in order to bring the General Fund budgeted reserve to 5% of revenues
- \$2.0 million reduction in various fiscal year 2007/08 one-time expenditure items

Pima County FY 2008/2009 Adopted Budget

- \$13.0 million decrease in all General Funded department budgets representing a combined 5% overall reduction plus a 2.5% reduction in overall administrative costs
- also includes the annualization of fiscal year 2007/08 supplemental requests, other position related adjustments, etc.

SPECIAL REVENUE FUNDS: The Fiscal Year 2008/09 Adopted Budget for Special Revenue Funds expenditures decreased by \$10.3 million from fiscal year 2007/08. Major factors contributing to this net decrease include:

- \$2.8 million increase in various special revenue grants
- \$1.0 million increase in Transportation spending for increased public transit spending and motor pool costs
- \$879,000 increase in the Stadium District in order to use part of the fund balance to undertake capital improvements including painting and roof repairs
- \$437,000 increase for Public Health operating budget expenditures
- \$480,000 net decrease in Environmental Quality operating budget expenditures
- \$711,000 decrease in County Free Library District spending due in part to the elimination of a transitional contingency fund that is no longer needed
- \$720,000 decrease in Solid Waste Management in part the result of anticipated landfill closures
- \$1.1 million net decrease in various other departmental special revenue funds
- \$2.6 million decrease in planned expenditures from the Recorder's Document Storage & Retrieval Fund as significant one-time projects are completed
- \$4.5 million decrease in the Regional Flood Control District primarily due to nearly completed flood damage repairs resulting from a significant flood event in July 2006 and a reduction in the district's secondary property tax rate
- \$5.3 million decrease in expenditures in the Property Tax Rate Stabilization Fund as these funds will be moved to the General Fund to offset the impact of reduced state shared sales and vehicle license tax revenue
- also includes other position related adjustments, benefits adjustments, adjustments for one time costs, etc.

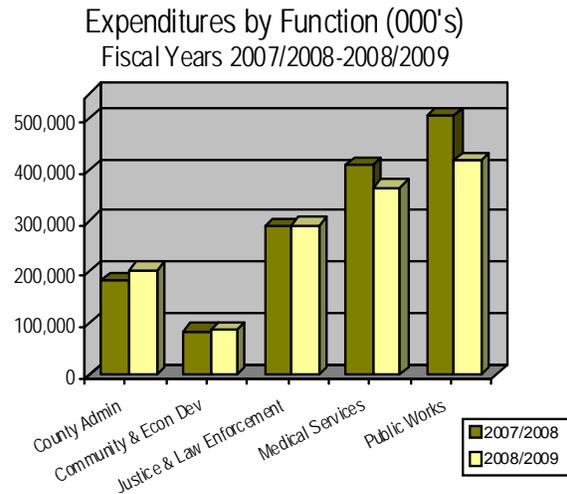
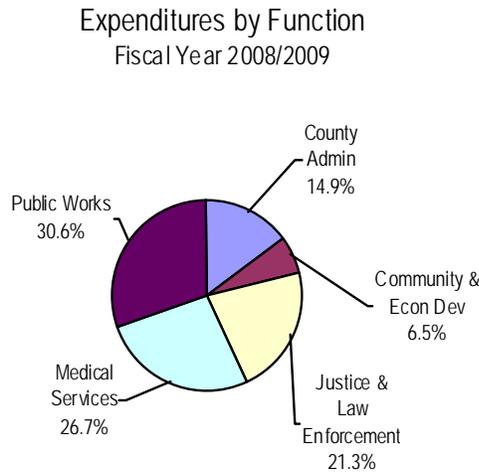
DEBT SERVICE FUND: The Fiscal Year 2008/09 Adopted Budget for Debt Service Fund expenditures increased \$22.6 million over fiscal year 2007/08. This increase is the net of retired debt and anticipated debt service costs related to bond and certificates of participation sales to be made in fiscal year 2008/09.

CAPITAL PROJECTS FUND: The Fiscal Year 2008/09 Adopted Budget for the Capital Projects Fund expenditures decreased by \$84.1 million from fiscal year 2007/08, based on the implementation of the approved current year Capital Improvement Budget, as detailed in the County's Fiscal Year 2008/09 to Fiscal Year 2012/13 Capital Improvement Plan. (See the *Summary Schedules section - Summary of Active Capital Improvement Projects.*)

ENTERPRISE FUNDS: The Fiscal Year 2008/09 Adopted Budget for Enterprise Fund expenses decreased by \$46.0 million from fiscal year 2007/08. Significant changes include:

- \$7.0 million increase in the Wastewater Reclamation Enterprise Fund, relating to the rehabilitation of the system, increased inspection/assessment work, increased depreciation, debt service, etc.
- \$417,000 increase in the Parking Garages Enterprise Fund
- \$2.8 million decrease in Development Services reflecting a slowdown in construction activity
- \$50.6 million net decrease in Pima Health System & Services primarily due to the state not awarding the County an AHCCCS Ambulatory Contract and capping the enrollment for this program at a significantly reduced amount effective October 1, 2008
- also includes position related adjustments, benefits adjustments, adjustments for one time costs, etc.

Comparison of Expenditures by Functional Area



COUNTY ADMINISTRATION: The Fiscal Year 2008/09 Adopted Budget for expenditures for the County Administration functional area increased by \$22.7 million over fiscal year 2007/08. Major reasons for the net increase include:

- Fiscal Year 2008/09 Adopted Budget for Debt Service Fund expenditures increased \$22.6 million over fiscal year 2007/08. This increase is the net of retired debt and anticipated debt service costs related to bond and certificates of participation sales to be made in fiscal year 2008/09
- \$7.2 million increase is reserved in the Budget Stabilization Fund in order to offset the potential negative financial impacts of the state budget for fiscal year 2008/09 which had not been finalized at the time of the County's final budget adoption
- \$4.8 million to fund the costs of the primary and general elections held in 2008
- \$1.7 million of funding to settle Pima County's portion of statewide Tax Court litigation brought by QWEST Corporation to challenge prior central assessment methodology applied to its property by the State
- \$1.6 million of one time unexpended carryover funds from fiscal year 2007/08
- \$500,000 increase in reserve for potential Solid Waste Program operating losses
- \$498,000 increase in Contingency Funds to replace reduced federal grants which fund positions in the criminal justice system
- \$432,000 of additional funding for equipment to facilitate enhanced election security
- \$178,000 increase in the Board of Supervisor's unreserved contingency funds
- \$475,000 decrease in order to bring the General Fund budgeted reserve to 5% of revenues
- \$1.8 million reduction in various fiscal year 2007/08 one-time expenditure items in the General Fund
- \$2.3 million decrease in all General Funded department budgets representing a combined 5% overall reduction plus a 2.5% reduction in overall administrative costs
- \$2.4 million of Contingency funds used for an increase in the step plans for commissioned officers, corrections officers, corrections specialists, and corrections sergeants in FY 2007/08 moved to Sheriffs' budget in FY 2008/09
- \$2.6 million decrease in planned expenditures from the Recorder's Document Storage & Retrieval Fund as significant one-time projects are completed
- \$5.3 million decrease in expenditures in the Property Tax Rate Stabilization Special Revenue Fund as these funds will be moved to the General Fund to offset the impact of reduced state shared sales and vehicle license tax revenue
- also includes the annualization of fiscal year 2007/08 supplemental requests, other position related adjustments, benefits adjustments, adjustments for one time costs in other funds, etc.

COMMUNITY & ECONOMIC DEVELOPMENT: The Fiscal Year 2008/09 Adopted Budget for expenditures for the Community & Economic Development functional area increased by \$3.3 million over fiscal year 2007/08. Major factors contributing to this net increase are:

- \$3.0 million increase in various Employment & Training and Community Services grants
- \$1.0 million increase for various schools related elections costs
- \$879,000 increase in the Stadium District in order to use part of the fund balance to undertake capital improvements including painting and roof repairs
- \$455,000 decrease in Economic Development & Tourism Special Revenue Fund
- \$711,000 decrease in County Free Library District spending due in part to the elimination of a transitional contingency fund that is no longer needed
- \$963,000 decrease in all General Funded department budgets representing a combined 5% overall reduction plus a 2.5% reduction in overall administrative costs
- also includes the annualization of fiscal year 2007/08 supplemental requests, other position related adjustments, benefits adjustments, adjustments for one time costs in other funds, etc.

JUSTICE & LAW ENFORCEMENT: The Fiscal Year 2008/09 Adopted Budget for the Justice & Law Enforcement functional area increased by \$2.5 million over fiscal year 2007/08. This net increase is due primarily to:

- \$2.4 million of funds budgeted in County Administration in FY 2007/08 used for an increase in the step plans for commissioned officers, corrections officers, corrections specialists, and corrections sergeants in FY 2007/08 moved to Sheriffs budget in FY 2008/09; additional \$2.4 million increase in FY 2008/09 to annualize the cost of FY 2007/08 salary increases.
- \$791,000 in net increases to various Justice & Law Enforcement Special Revenue Funds
- \$561,000 increase for continued match of a federal COPS grant that funds 14 Sheriff's deputies
- \$2.3 million decrease in all General Funded department budgets representing a combined 5% overall reduction plus a 2.5% reduction in overall administrative costs
- also includes annualization of fiscal year 2007/08 supplemental requests, other position related adjustments, benefits adjustments, adjustments for one time costs in other funds, etc.

MEDICAL SERVICES: The Fiscal Year 2008/09 Adopted Budget for the Medical Services functional area decreased by \$45.1 million from fiscal year 2007/08. The main reasons for this net decrease include:

- \$2.3 million of additional funding related to detention health care costs
- \$437,000 increase for Public Health operating budget expenditures
- \$671,000 increase in Public Health Grants
- \$50.6 million net decrease in Pima Health System & Services primarily due to the state not awarding the County an AHCCCS Ambulatory Contract and capping the enrollment for this program at a significantly reduced amount effective October 1, 2008
- also includes annualization of fiscal year 2007/08 supplemental requests, other position related adjustments, benefits adjustments, adjustments for one time costs in other funds, etc.

PUBLIC WORKS: The Fiscal Year 2008/09 Adopted Budget for the Public Works functional area decreased by a net \$85.6 million from fiscal year 2007/08. Significant changes include the following:

- \$7.0 million increase in the Wastewater Reclamation Enterprise Fund, relating to the rehabilitation of the system, increased inspection/assessment work, increased depreciation, debt service, etc.
- \$1.0 million increase in Transportation spending for increased public transit spending and motor pool costs
- \$500,000 of additional funds to assume operation of Sportspark
- \$417,000 increase in the Parking Garages Enterprise Fund
- \$480,000 net decrease in Environmental Quality operating budget expenditures
- \$720,000 decrease in Solid Waste Management in part the result of anticipated landfill closures
- \$2.8 million decrease in Development Services reflecting a slowdown in construction activity
- \$4.5 million decrease in the Regional Flood Control District primarily due to nearly completed flood damage repairs resulting from a significant flood event in July 2006 and a reduction in the district's secondary property tax rate

Pima County FY 2008/2009 Adopted Budget

- \$84.1 million decrease in Capital Projects Fund expenditures based on the implementation of the approved current year Capital Improvement Budget, as detailed in the County's Fiscal Year 2008/09 to Fiscal Year 2012/13 Capital Improvement Plan. (See *the Summary Schedules section – Summary of Active Capital Improvement Projects.*)
- also includes annualization of fiscal year 2007/08 supplemental requests, other position related adjustments, benefits adjustments, adjustments for other one time costs, increased depreciation, 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 2008/09:

General Fund

Due to a change in the method of budgeting for the ending fund balance implemented in fiscal year 2007/08, the adopted ending fund balance for the General Fund is zero, a net decrease of \$27.7 million from the budgeted beginning fund balance. General Fund expenditures include \$24.0 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 \$3.7 million from the beginning fund balance. Major factors contributing to this decrease are discussed under the Budget Issues Tab (pages 4-10 thru 4-12).

Special Revenue Funds

The fiscal year 2008/09 adopted ending fund balance for all Special Revenue Funds is \$39.3 million, a net decrease of \$24.9 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 2008/09 adopted ending fund balance for the Debt Service Fund is \$12.7 million, a net increase of \$2.2 million from the budgeted beginning fund balance. Major factors contributing to this increase include:

- \$22.6 million increase in overall debt service payments. This increase is the net of retired debt and anticipated debt service costs related to bond sales and the issuance of Certificates of Participation to be made in fiscal year 2008/09
- \$912,000 dollar increase in projected secondary property tax collections
- \$22.9 million net increase in operating transfers in

Capital Projects Fund

The fiscal year 2008/09 adopted ending fund balance for the Capital Projects Fund is \$108.0 million, a net decrease of \$29.9 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 2008/09 to 2012/13 Capital Improvement Plan. (See *the Summary Schedules section - Summary of Active Capital Improvement Projects*)

Enterprise Funds

The fiscal year 2008/09 adopted ending net assets for all Enterprise Funds is \$153.8 million, a net increase of \$25.9 million over the budgeted beginning net assets. Major factors contributing to this increase include:

- \$26.5 million increase in the Wastewater Reclamation Enterprise Fund due to a combination of increases in sewer revenue and connection fees offset by increased operating costs, and \$28.9 million in additional bond funds
- \$956,000 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 2006/2007 - 2008/2009**

FUNCTIONAL AREA/SUPER DEPARTMENT	ADOPTED 2006/2007	REVISED 2007/2008	ADOPTED 2008/2009	CHANGE 07/08 to 08/09
<u>COUNTY ADMINISTRATION</u>				
ASSESSOR	161.0	161.0	160.5	(0.5)
BOARD OF SUPERVISORS	21.1	24.4	23.7	(0.7)
CLERK OF THE BOARD	19.0	19.0	18.0	(1.0)
COUNTY ADMINISTRATOR	16.3	15.8	14.8	(1.0)
ELECTIONS	14.0	15.0	18.0	3.0
FINANCE & RISK MANAGEMENT	112.6	123.5	125.9	2.4
FORENSIC SCIENCE CENTER	27.5	30.1	29.0	(1.1)
HUMAN RESOURCES	40.9	37.5	38.0	0.5
INFORMATION TECHNOLOGY	120.6	137.0	129.7	(7.3)
PROCUREMENT	33.8	34.0	32.5	(1.5)
RECORDER	66.0	57.0	67.0	10.0
TREASURER	41.0	41.0	40.0	(1.0)
TOTAL COUNTY ADMINISTRATION	673.8	695.3	697.1	1.8
<u>COMMUNITY & ECONOMIC DEVELOPMENT</u>				
COMMUNITY & ECONOMIC DEVELOPMENT ADMIN	7.6	8.0	7.0	(1.0)
COMMUNITY DEVELOP & NEIGHBORHOOD CONSERV	27.5	27.5	26.5	(1.0)
COMMUNITY RESOURCES	72.9	77.0	85.7	8.7
COMMUNITY SVCS, EMPLOYMENT & TRAINING	115.3	116.9	117.3	0.4
COUNTY FREE LIBRARY	337.9	357.5	378.5	21.0
ECONOMIC DEVELOPMENT & TOURISM	2.0	5.0	5.0	0.0
SCHOOL SUPERINTENDENT	15.4	16.0	15.0	(1.0)
STADIUM DISTRICT	11.4	14.6	4.6	(10.0)
TOTAL COMMUNITY & ECONOMIC DEVELOPMENT	590.0	622.5	639.6	17.1
<u>JUSTICE & LAW ENFORCEMENT</u>				
CLERK OF SUPERIOR COURT	230.1	226.2	221.5	(4.7)
CONSTABLES	13.0	13.0	13.0	0.0
COUNTY ATTORNEY	402.2	441.3	447.4	6.1
INDIGENT DEFENSE	197.7	218.5	225.5	7.0
JUSTICE COURT AJO	9.8	10.8	10.8	0.0
JUSTICE COURT GREEN VALLEY	8.5	9.1	9.5	0.4
JUSTICE COURTS TUCSON	118.0	122.3	122.1	(0.2)
JUVENILE COURT	557.3	582.1	569.5	(12.6)
OFFICE OF COURT APPOINTED COUNSEL	11.0	10.0	9.2	(0.8)
PUBLIC FIDUCIARY	36.1	37.6	37.1	(0.5)
SHERIFF	1,365.0	1,386.6	1,411.2	24.6
SUPERIOR COURT	653.2	664.0	663.5	(0.5)
TOTAL JUSTICE & LAW ENFORCEMENT	3,601.9	3,721.5	3,740.3	18.8

**ADOPTED FULL TIME EQUIVALENT POSITIONS
FISCAL YEARS 2006/2007 - 2008/2009**

FUNCTIONAL AREA/SUPER DEPARTMENT	ADOPTED 2006/2007	REVISED 2007/2008	ADOPTED 2008/2009	CHANGE 07/08 to 08/09
<u>MEDICAL SERVICES</u>				
INSTITUTIONAL HEALTH	27.0	27.0	31.5	4.5
PIMA HEALTH SYSTEM & SERVICES	968.2	992.4	700.2	(292.2)
PUBLIC HEALTH	368.5	375.1	391.8	16.7
TOTAL MEDICAL SERVICES	1,363.7	1,394.5	1,123.5	(271.0)
<u>PUBLIC WORKS</u>				
CAPITAL PROJECTS	11.0	10.5	10.5	0.0
DEVELOPMENT SERVICES	183.0	182.0	135.3	(46.7)
ENVIRONMENTAL QUALITY	62.8	60.4	52.5	(7.9)
FACILITIES MANAGEMENT	166.6	173.0	176.0	3.0
FLEET SERVICES	56.0	57.0	62.2	5.2
GRAPHIC SERVICES	20.6	20.6	21.6	1.0
NATURAL RESOURCES, PARKS & RECREATION	261.8	283.8	293.0	9.2
PUBLIC WORKS ADMINISTRATION	35.5	37.5	38.4	0.9
REGIONAL FLOOD CONTROL DISTRICT	63.0	75.4	67.0	(8.4)
SOLID WASTE MANAGEMENT	52.6	53.0	42.6	(10.4)
TRANSPORTATION	416.7	425.9	414.7	(11.2)
WASTEWATER RECLAMATION	570.7	583.7	599.1	15.4
TOTAL PUBLIC WORKS	1,900.3	1,962.8	1,912.9	(49.9)
TOTAL FUNCTIONAL AREAS	8,129.7	8,396.6	8,113.4	(283.2)

Pima County FY 2008/2009 Adopted Budget

Major net changes in Full Time Equivalent (FTE) positions from fiscal year 2007/08 to 2008/09 are generally explained below:

FTEs in County Administration increased by 1.8 or less than 0.3%. Major factors contributing to this net increase include:

- 10.0 FTE increase in the Recorder due to the addition of temporary elections workers for the 2008 primary and general elections
- 3.0 FTE increase in Communications due to the transfer of three positions from the Information Technology Department
- 3.0 FTE increase in the Elections department due to the addition of three new positions to help with increased elections activities and reporting requirements
- 2.4 FTE net increase in Finance & Risk Management primarily due to the transfer of financial systems information technology positions from Information Technology to other County departments, partially offset by eliminating some vacant positions and reducing hours for some positions
- 6.3 FTE net decrease in various other County Administration departments mainly due to eliminating or reducing hours of vacant positions
- 10.3 FTE net decrease in Information Technology due to the transfer of some positions to other departments, eliminating some vacant positions, and reducing hours for some positions

FTEs in Community & Economic Development increased by 17.1 or 2.7%. Major factors contributing to this net increase include:

- 21.0 FTE net increase in County Free Library due to positions added for 2 branches opening in May 2008 and one planned for fiscal year 2008/09
- 8.7 FTE net increase in Community Resources primarily due to the addition of 8 Trades Maintenance positions that were previously budgeted in the Stadium District. In addition Pima Vocational High School budgeted additional hours for an Educational Services Coordinator
- 10.0 FTE net decrease in the Stadium District primarily due to the transfer of Trades Maintenance positions to Community Resources
- 2.6 FTE net decrease in various other Community & Economic Development departments

FTEs in Justice & Law Enforcement increased by 18.8 or 0.5%. Major factors contributing to this net increase include:

- 6.2 FTE increase in Indigent Defense General Fund positions due to the increase in attorney positions to offset contract attorney costs
- 9.7 FTE increase in Sheriff General Fund positions due to annualization from supplemental package funding for new Border Crime Unit, the transfer of positions from the Risk Management, and positions for Restoration to Competency program.
- 13.7 FTE net increase in various Justice and Law enforcement special revenue fund and grant departments
- 3.0 FTE decrease in the County Attorney General Fund positions due to a decrease in hours funded to existing positions
- 5.4 FTE decrease in Clerk of the Superior Court General Fund positions due to a decrease in hours funded to existing positions

Pima County FY 2008/2009 Adopted Budget

- 1.0 FTE decrease in Juvenile Court General Fund positions due to a decrease in hours funded to existing positions.
- 0.8 FTE decrease in Office of Court Appointed Counsel positions due to a decrease in hours funded to existing positions.

FTEs in Medical Services decreased by 271.0 or 19.4%. Major factors contributing to this net decrease include:

- 4.5 FTE increase in Institutional Health primarily due to personnel for Restoration to Competency program
- 292.2 FTE decrease in Pima Health System and Services primarily due to contracting out the Attendant Care Worker program and the reduction in membership for the AHCCCS acute care plan requiring less personnel
- 16.7 FTE increase in Public Health primarily due to adjustments to hours funded for existing positions

FTEs in Public Works decreased by 49.9 or 2.5%. Major factors contributing to this net increase include:

- 3.0 FTE increase in Facilities Management due to 2 new Industrial Hygienists positions and additional hours for existing positions
- 5.2 FTE increase in Fleet Services due to new 6 Trades Maintenance positions and a new OSL III position all budgeted at 1560 hours
- 9.2 FTE increase in Natural Resources, Parks & Recreation due to a new Accounting Support Specialist, 3 new Trades Maintenance positions, and additional hours for existing regular and intermittent positions to maintain new parks facilities coming on line in fiscal year 2008/09
- 15.4 increase in Wastewater Reclamation due to 9.0 FTEs transferring in from other County departments, 6.0 FTEs for new positions and additional hours
- 46.7 FTE decrease in Development Services due to unfunding of 33.7 FTEs and transfer out to other County departments of 13.0 FTEs
- 11.2 FTE decrease in Transportation due to reducing hours or unfunding FTEs
- 10.4 FTE decrease in Solid Waste Management due to reducing hours or unfunding FTEs
- 8.4 FTE decrease in Regional Flood Control due to unfunding or reducing hours of 6.4 FTEs and net transfers resulting in a decrease of 2.0 FTEs
- 7.9 FTE decrease in Environmental Quality due to unfunding of 7.0 FTEs and reducing hours
- 1.9 net FTE increase in various other Public Works departments

PIMA COUNTY CAPITAL IMPROVEMENT PROGRAM SUMMARY

Introduction

Pima County's Fiscal Year 2008/09 Adopted Budget for its Capital Improvement Program (CIP) consists of eleven categories: Wastewater Reclamation; Transportation; Facilities Management; Open Space; the Regional Flood Control District; Natural Resources, Parks and Recreation; Cultural Resources; Sheriff's for the Regional Public Safety Communications System; Neighborhood/Housing Reinvestment; Solid Waste Management; and Information Technology.

Distinct from the CIP, Pima County's Capital Projects Fund includes the approved projects for all categories except Wastewater Reclamation. Because Wastewater Reclamation is an Enterprise Fund, its projects are accounted for within the Wastewater Reclamation operating fund, and expenditures are capitalized according to generally accepted accounting principles. Wastewater Reclamation 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 2008/09, summary data for projects that are part of the adopted Capital Projects Fund for fiscal year 2008/09, and projected operations and maintenance (O&M) data for fiscal year 2008/09 and the following four years.

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.

Wastewater Reclamation is the largest component of the capital improvement program in terms of budget, although it is budgeted separately from the Capital Projects Fund. Transportation is the second largest, followed by 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. Open Space has the fourth largest, Regional Flood Control District has the fifth largest, Natural Resources, Parks and Recreation has the sixth largest, and the Regional Public Safety Communications System is the seventh largest in terms of budget.

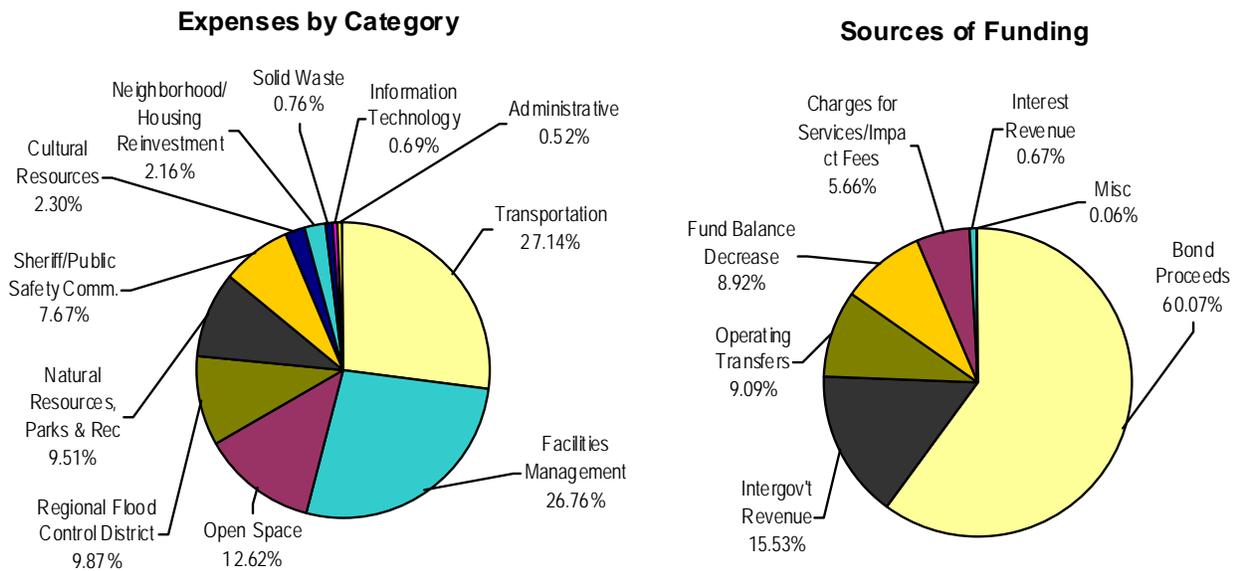
The Regional Flood Control District has a number of projects being developed in cooperation with the Army Corps of Engineers, which typically funds from two-thirds to three-quarters of project costs. The magnitude of the public improvements associated with the Regional Flood Control District's portion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

Pima County FY 2008/2009 Adopted Budget

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. Information Technology provides data and voice infrastructure needs, and Solid Waste programs consist of environmental remediation projects and solid waste infrastructure management.

The following charts provide summary information for Pima County’s fiscal year 2008/09 adopted expenditures, revenues, and other funding sources for all Capital Projects Fund projects.

Pima County FY 2008/09 Capital Projects Fund¹



Expenses by Category

Transportation	\$45,182,383
Facilities Management	44,540,056
Open Space	21,000,000
Regional Flood Control District	16,423,922
Natural Resources, Parks and Recreation	15,823,364
Sheriff/Public Safety Communications	12,766,002
Cultural Resources	3,834,372
Neighborhood/Housing Reinvestment	3,595,814
Solid Waste Management	1,265,419
Information Technology	1,150,300
Administrative Costs	867,697
TOTAL	\$166,449,329

Sources of Funding

Other Funding: Bond Proceeds	\$100,000,000
Intergovernmental Revenue	25,848,887
Other Funding: Operating Transfers	15,122,135
Other Funding: Fund Balance Decrease	14,841,585
Charges for Services/Impact Fees	9,424,903
Interest Revenue	1,117,697
Miscellaneous Revenue	94,122
TOTAL	\$166,449,329

¹ Capital Projects Fund only; does not include Wastewater Reclamation projects. Refer to the *Summary Schedules* section - *Summary of Active Capital Improvement Projects* for a complete list of all projects, including Wastewater Reclamation 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 2008/09 operating budget may be found in the final section of this report.

Capital Projects by Category: Summary

Transportation

The fiscal year 2008/09 CIP associated with Transportation consists of 56 projects with total expenditures of \$45.2 million. Twenty-eight, or 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 42 address capacity improvements to major, critical roadway segments throughout Pima County's metropolitan areas.

Twenty-four Transportation projects are projected to be under partial or full construction during the course of fiscal year 2008/09. Construction expenditures are estimated at \$30 million, or approximately 66 percent, of Transportation's portion of CIP for fiscal year 2008/09. The remaining expenditures will be for planning and design, land acquisition, and miscellaneous other expenditures. Major projects include Kinney Road, Ajo Way to Bopp Road; RTA Safety & Capacity Intersection Improvements; and I-19 Frontage Rd: Continental Road to Canoa Road, Canoa Road Interchange.

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 19 active projects in fiscal year 2008/09. Only one of the 19 projects was approved by voters in the May 20, 1997 bond elections; eight were approved in the May 18, 2004 bond election, and six are non-bond funded projects. Four of the largest projects in relation to the budget are: \$16 million for Psychiatric Hospital & Crisis Recovery Center; \$6.2 million for Justice Court/Municipal Court Complex; \$5 million for Psychiatric Urgent Care Center; and \$3.2 million for the Animal Control Center.

All 19 of the Facilities Management projects active in fiscal year 2008/09 will have some construction during the course of this fiscal year; construction expenditures are projected to be \$38.1 million or 86% of the total Facilities Management CIP. The remaining projects are in pre-construction phases, and the expenditures for those projects are earmarked for planning and design and miscellaneous startup requirements.

Open Space

There is \$19 million designated for open space acquisitions and \$2 million designated for 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 seventeen active CIP projects in fiscal year 2008/09, with total budget of \$16.4 million. One of the projects is part of the bond package approved by voters in the 1997 special elections and six projects are part of the bond package approved by voters in 2004. The remaining ten projects are non-bond funded. The Regional Flood Control District will partner with the Army Corps of Engineers on six projects in fiscal year 2008/09, with the Army Corps of Engineers contributing an additional \$3.8 million to those projects.

Eighty-four percent, or \$13.7 million of fiscal year 2008/09 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 View Wash; Arroyo Chico Detention Basin; and Canada del Oro River Park, Thornydale to Magee.

Natural Resources, Parks & Recreation

There are 22 CIP projects, with total projected expenditures of \$15.8 million, scheduled for activity in fiscal year 2008/09 for Natural Resources, Parks & Recreation. All of the projects are part of the bond packages approved by voters, six in the 1997 special elections and sixteen in the 2004 special election.

Eighteen of the 22 Natural Resources, Parks & Recreation projects are scheduled to be under construction during the course of fiscal year 2008/09. The estimated construction expenditures of \$10.7 million represent sixty-eight percent of total expenditures for the year; the balance is planning and design and startup expenditures. Major projects include Southeast Community Park, Mehl-Foothills Park, and Houghton Greenway.

Sheriff's Department Regional Public Safety Communications System

The fiscal year 2008/09 CIP budget for the Regional Public Safety Communications System is \$12.8 million and construction expenditures are estimated to be \$5.6 million or 44%. This is the second year of significant expenditures for this estimated \$111 million project.

Cultural Resources

There are 10 CIP projects, with total expenditures of \$3.8 million, scheduled for activity in fiscal year 2008/09. 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 ten projects in the bond elections; one was approved in the 1997 special elections, nine were approved in the 2004 election. The largest three projects with relation to the budget are Fort Lowell Acquisition & San Pedro Chapel, Canoa Ranch Buildings Rehabilitation, and Dunbar School.

Eight of the ten Cultural Resources projects will have construction activity during fiscal year 2008/09. The estimated construction expenditures of \$3.1 million are approximately eighty-two percent of the projected Cultural Resources activity. The remaining expenditures will be for land acquisition, planning and design, and miscellaneous other expenditures.

Neighborhood/Housing Reinvestment

The Neighborhood/Housing Reinvestment category for fiscal year 2008/09 consists of small, bond-funded individual projects grouped under three master bond and project numbers. All of the projects will be under construction during the course of the year; the projected expenditures total is \$3.6 million.

Solid Waste Management

The fiscal year 2008/09 CIP budget for Solid Waste Management consists of two projects, both of which were approved by voters at the May 20, 1997 special election. Projected expenditures for the projects are \$1.3 million for Environmental Remediation/El Camino Del Cerro and the preliminary work for Tangerine Landfill Closure.

Information Technology

The fiscal year 2008/09 CIP budget for Information Technology is \$1.2 million and consists of three projects that are not part of a bond funded program. The three projects are: Library Phone System Replacement; Radio Equipment and Tower Upgrade; and 33 N Stone Upgrades.

Wastewater Reclamation

The fiscal year 2008/09 adopted CIP budget for Wastewater Reclamation consists of 61 projects with total expenditures of \$117.2 million. Major projects for fiscal year 2008/09 include \$25.3 million for the Avra Valley Biological Nutrient Removal Oxidation Ditch (BNROD) Expansion; \$15.5 million for the Santa Cruz Interceptor, Phase III; and \$12.7 million for the Roger Road Wastewater Treatment Plant (WWTP) to Ina Road Water Pollution Control Facility (WPCF) Plant Interconnect.

Complete Capital Project List FY 2008/09

For a comprehensive list of the active and new projects comprising Pima County's fiscal year 2008/09CIP 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 2008/09**

During the budget cycle for fiscal year 2008/09, 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. On the following page, refer to *Projected Operations and Maintenance Expenditures and Revenue from CIP* for a listing of projected Operations and Maintenance Expenditures and Revenue by project.

**PROJECTED OPERATIONS AND MAINTENANCE EXPENDITURES AND REVENUE FROM CIP
FISCAL YEARS 2008/2009 - 2012/2013**

Department/Program	FY 2008/09 Adopted	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	Total
O&M Expenditures						
<u>Facilities Management</u>						
FM-04-206 Green Valley Performing Arts Center Phase 2	208,292	356,584	356,584	356,584	356,584	1,634,628
FM-04-305 Interagency Victim Advocacy Center	141,019	158,264	158,264	158,264	158,264	774,075
FM-04-444 Marana Continental Ranch New Library	511,890	511,890	511,890	511,890	511,890	2,559,450
FM-05-005 Flowing Wells Library	375,716	375,716	375,716	375,716	375,716	1,878,580
FM-07-001 Jackson Employment Center		840	840	840	840	3,360
Facilities Management Totals:	\$1,236,917	\$1,403,294	\$1,403,294	\$1,403,294	\$1,403,294	\$6,850,093
<u>Transportation</u>						
TR-93-011 Wetmore Rd and Ruthrauff Rd, La Cholla Blvd to Fairview Ave	34,500	34,500	34,500	34,500	34,500	172,500
TR-97-013 Alvernon Way, Ft Lowell Road to River Road		18,000	18,000	18,000	18,000	72,000
TR-97-018 Cortaro Farms Road, Union Pacific RR Crossing to Thornydale Rd					36,000	36,000
TR-97-019 Craycroft Road, River Road to Sunrise Drive		36,000	36,000	36,000	36,000	144,000
TR-98-006 Country Club Road, 36th Street to Milber			30,000	30,000	30,000	90,000
TR-98-010 I-19 SB Frontage Road at Continental Rd		4,500	4,500	4,500	4,500	18,000
TR-98-027 La Cholla Boulevard, River Road to Magee Road	90,000	90,000	90,000	90,000	90,000	450,000
TR-98-028 Sunrise Drive, Craycroft Road to Kolb Road			31,500	31,500	31,500	94,500
TR-98-030 Valencia Road, Mission Road to Interstate-19		27,000	27,000	27,000	27,000	108,000
TR-98-031 Kinney Road, Ajo Way to Bopp Road			9,000	9,000	9,000	27,000
TR-98-048 Drexel Road, Tucson Boulevard to Alvernon Way	22,500	22,500	22,500	22,500	22,500	112,500
TR-RT-027 Tanque Verde Road: Catalina Highway to Houghton Road			25,500	25,500	25,500	76,500
TR-RT-035 I-19 Frontage Rd: Continental Road to Canoa Road				18,000	18,000	36,000
Transportation Totals:	\$147,000	\$232,500	\$328,500	\$346,500	\$382,500	\$1,437,000
<u>Regional Flood Control District</u>						
FC-87-001 Agua Caliente Wash at Tanque Verde Road	5,500	5,638	5,775	5,913	6,050	28,876
FC-87-046 Floodprone Land Acquisition Program	4,000		8,000	10,000	12,000	34,000
FC-92-005 Arroyo Chico Detention Basin (USACOE)	972	1,944	1,944	14,912	20,362	40,134
FC-97-009 T.V. Creek: Sabino Canyon to Craycroft (USACOE)					5,000	5,000
FC-97-028 Mission View Wash			25,000	25,625	26,250	76,875
FC-98-003 Santa Cruz River: Paseo de Las Iglesias Restoration (USACOE)				46,100	46,100	92,200
FC-98-005 Rillito/Swan Wetlands (USACOE)	37,802	95,270	116,738	114,740	112,742	477,292
FC-03-001 El Rio Medio (USACOE Study)				18,100	33,100	51,200
FC-03-002 Urban Drainage	175	350	525	700	3,875	5,625
FC-04-501 Floodprone and Riparian Land Acquisition			8,600	9,100	9,800	27,500
FC-04-502 Urban Drainage Infrastructure Program	5,775	17,050	17,775	23,500	24,350	88,450
FC-04-507 Santa Cruz River, Grant Road to Camino del Cerro River Park	125	250	231,869	161,644	161,919	555,807
FC-04-508 Rillito River Linear Park, Alvernon to Craycroft	42,933	49,866	49,866	49,866	49,866	242,397
FC-04-510 Canada del Oro River Park, Thornydale to Magee	86,340	102,680	212,441	187,568	400,687	989,716
FC-05-003 Cienega - Empirita Restoration	200	200	205	210	215	1,030
Regional Flood Control District Totals:	\$183,822	\$273,248	\$678,738	\$667,978	\$912,316	\$2,716,102
<u>Natural Resources, Parks and Recreation</u>						
P-36 Santa Cruz River Park, Irvington to Valencia			186,279	144,279	144,279	474,837
P-56 Thomas Jay Community Center		68,349	68,465	68,465	68,465	273,744
PR-04-419 Southeast Regional Park/Shooting Range - Phase II		743,673	663,673	663,673	663,673	2,734,692
PR-04-420 Sports Field Lighting of Existing Fields	204,104	1,513,277	1,513,277	1,513,277	1,513,277	6,257,212
PR-04-425 Mehl-Foothills Park	(4,500)	50,701	26,701	26,701	26,701	126,304
PR-04-426 Rillito Race Track	(12,289)	(12,289)	(12,289)	(12,289)	(12,289)	(61,445)
Natural Resources, Parks and Recreation Totals:	\$187,315	\$2,363,711	\$2,446,106	\$2,404,106	\$2,404,106	\$9,805,344

**PROJECTED OPERATIONS AND MAINTENANCE EXPENDITURES AND REVENUE FROM CIP
FISCAL YEARS 2008/2009 - 2012/2013**

Department/Program	FY 2008/09 Adopted	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	Total
<u>Solid Waste Management</u>						
SW-97-002 Tangerine Closure	500,000	(3,196,600)	(14,500)	(14,500)		(2,725,600)
SW-97-004 Environmental Remediation/EI Camino Del Cerro		23,000	46,000	46,000	46,000	161,000
Solid Waste Management Totals:	\$500,000	(\$3,173,600)	\$31,500	\$31,500	\$46,000	(\$2,564,600)
<u>Sheriff</u>						
SD-04-301 Regional Public Safety Communications System	19,000	44,000	761,796	761,796	761,796	2,348,388
Sheriff Totals:	\$19,000	\$44,000	\$761,796	\$761,796	\$761,796	\$2,348,388
<u>Information Technology</u>						
IT-07-002 33 N Stone IT Upgrades		4,000	8,000	12,000	12,000	36,000
Information Technology Totals:		\$4,000	\$8,000	\$12,000	\$12,000	\$36,000
<u>Wastewater Reclamation</u>						
WL-04-610 New Marana WWTP BNRD Expansion (2.2 mgd)	109,423	177,800	221,358	273,878	319,409	1,101,868
WL-04-611 Avra Valley BNRD Expansion	207,901	1,170,998	1,259,944	1,343,441	1,427,593	5,409,877
Wastewater Reclamation Totals:	\$317,324	\$1,348,798	\$1,481,302	\$1,617,319	\$1,747,002	\$6,511,745
Total O&M Expenditures	\$2,591,378	\$2,495,951	\$7,139,236	\$7,244,493	\$7,669,014	\$27,140,072
Revenue						
<u>Facilities Management</u>						
FM-04-206 Green Valley Performing Arts Center Phase 2	10,000	20,000	20,000	20,000	20,000	90,000
FM-04-305 Interagency Victim Advocacy Center		127,150	152,580			279,730
Facilities Management Totals:	\$10,000	\$147,150	\$172,580	\$20,000	\$20,000	\$369,730
<u>Natural Resources, Parks and Recreation</u>						
PR-04-419 Southeast Regional Park/Shooting Range - Phase II		100,000	100,000	100,000	100,000	400,000
PR-04-420 Sports Field Lighting of Existing Fields	250,000	250,000	250,000	250,000	250,000	1,250,000
PR-04-425 Mehl-Foothills Park		1,500	1,500	1,500	1,500	6,000
Natural Resources, Parks and Recreation Totals:	\$250,000	\$351,500	\$351,500	\$351,500	\$351,500	\$1,656,000
<u>Solid Waste Management</u>						
SW-97-002 Tangerine Closure		(3,680,000)				(3,680,000)
Solid Waste Management Totals:		(\$3,680,000)				(\$3,680,000)
Total Revenue	\$260,000	(\$3,181,350)	\$524,080	\$371,500	\$371,500	(\$1,654,270)