

## **BUDGET OVERVIEW**

Financial Structure

Consolidated Overview of the County Budget by Fund

Total County Budget by Source and Use

Revenues & Expenditures for Fiscal Years 2008/2009 Through 2010/2011

Budget in Brief Fiscal Year 2010/2011

Adopted Full Time Equivalent Positions for Fiscal Years 2008/2009 Through 2010/2011

Pima County Capital Improvement Program Overview

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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
<b>GOVERNMENTAL FUNDS</b>	<b>Governmental funds use the modified accrual basis of accounting, a current financial resource measurement focus. Governmental Funds are comprised of the following:</b>	
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"> <li>• <u>Economic Development &amp; 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.</li> </ul>	Transient lodging excise (hotel/motel) tax revenues.
	<ul style="list-style-type: none"> <li>• <u>Employment &amp; 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.</li> </ul>	Primarily Federal Government revenue.
	<ul style="list-style-type: none"> <li>• <u>Environmental Quality</u> - Accounts for resources specifically identified to be expended for the protection of water, air, and land from pollutants.</li> </ul>	Air quality inspection and application fees; revenues from alternate onsite disposal plans; and federal and state grants.
	<ul style="list-style-type: none"> <li>• <u>Library District</u> – Accounts for resources used for the management and operation of the Pima County Free Library District.</li> </ul>	Secondary property tax revenue.
	<ul style="list-style-type: none"> <li>• <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.</li> </ul>	Federal and state grants; charges for services provided; and operating transfers from the General Fund.

Fund Type	Description	Funding Source
<b>GOVERNMENTAL FUNDS (cont'd)</b>		
Special Revenue Funds (cont'd)		
	<ul style="list-style-type: none"> <li>• <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.</li> </ul>	Secondary taxes on real property.
	<ul style="list-style-type: none"> <li>• <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.</li> </ul>	Federal and state grants; private donations; Arizona Department of Education.
	<ul style="list-style-type: none"> <li>• <u>Solid Waste Fund</u> – Accounts for resources used to provide solid waste disposal facilities and services and tire recycling services.</li> </ul>	Landfill tipping fees; County share of state tax on new tire sales.
	<ul style="list-style-type: none"> <li>• <u>Stadium District</u> – Accounts for resources specifically identified to be expended for the management and operation of Tucson Electric Park.</li> </ul>	Car rental surcharge fees; recreational vehicle surcharge fees; hotel/motel bed taxes; and charges for services provided for special events.
	<ul style="list-style-type: none"> <li>• <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.</li> </ul>	County share of gasoline tax collected by state Highway User revenues; Vehicle License Tax revenues; and charges for services.
	<ul style="list-style-type: none"> <li>• <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.</li> </ul>	Federal and state grants. Antiracketeering funding is provided by court ordered forfeitures, diversion fees, and restitution payments.
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 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 from Capital Projects and Regional Wastewater Reclamation Funds for payment of Certificates of Participation.

Fund Type	Description	Funding Source
<b>GOVERNMENTAL FUNDS (cont'd)</b>		
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.
<b>PROPRIETARY FUNDS</b>	<b>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:</b>	
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"> <li>• <u>Development Services</u> - Accounts for the operations that provide zoning permits, enforce ordinances, and administer uniform building codes.</li> </ul>	License and permit fees for plan examinations and zoning; penalties related to the issuance of building, plumbing, mechanical, electrical and mobile home permits; and charges for services such as plan checks and subdivision coordination.
	<ul style="list-style-type: none"> <li>• <u>Pima Health System &amp; Services</u> - Accounts for health plans funded by the Arizona Health Care Cost Containment System (AHCCCS) and long term care under the Arizona Long Term Care System (ALTCS).</li> </ul>	Primarily derived from capitation fees.
	<ul style="list-style-type: none"> <li>• <u>Parking Garages</u> - Accounts for the management and operation of eight parking facilities located in downtown Tucson.</li> </ul>	Parking fees from six public parking garages and two parking lots owned by Pima County.
	<ul style="list-style-type: none"> <li>• <u>Regional Wastewater Reclamation</u> - Accounts for the management and operation of wastewater treatment and water pollution control facilities.</li> </ul>	Sewer user, sewer connection, and sanitation fees.

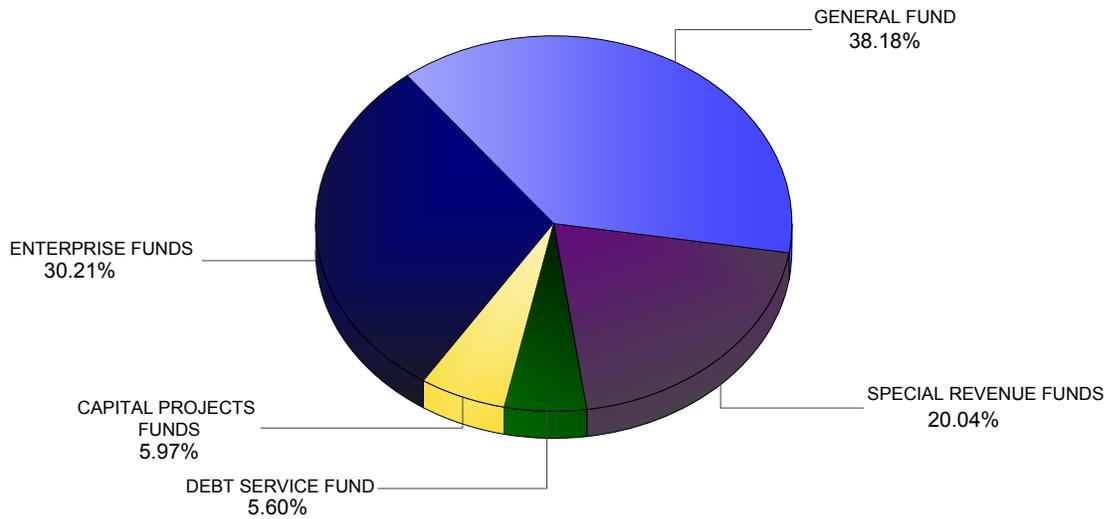
Fund Type	Description	Funding Source
Internal Service Funds	Account for the financing of goods or services provided by one department to other departments of the County on a cost reimbursement basis. Internal Service funds include the following:	
	<ul style="list-style-type: none"> <li>• <u>Self Insurance 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 provides coverage for certain types of litigation.</li> </ul>	Financed by charges to specific user departments and to the General Fund.
	<ul style="list-style-type: none"> <li>• <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.</li> </ul>	Financed by fees and reimbursements charged to user departments.
<b>FIDUCIARY FUNDS</b>	<b>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.</b>	
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

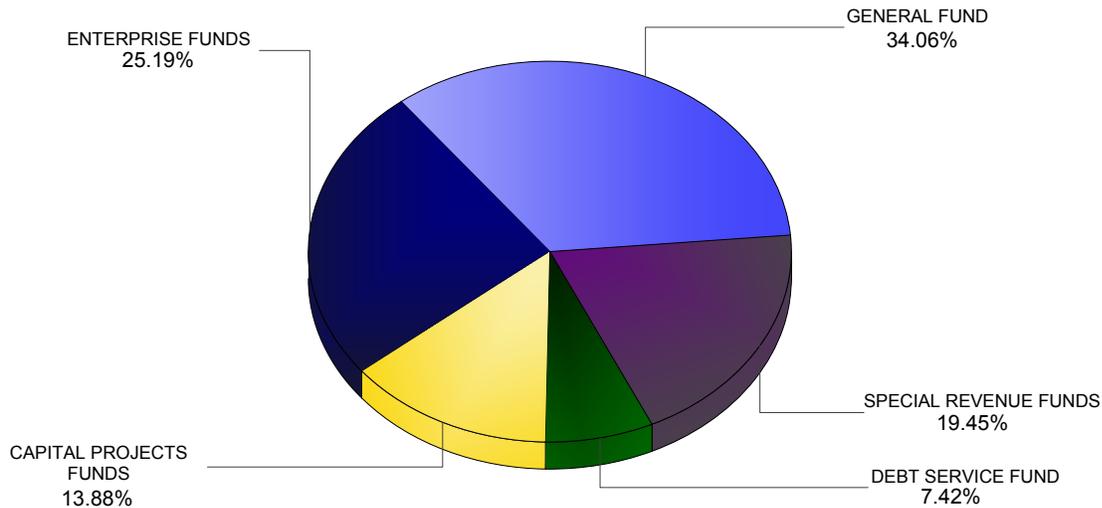
It should be noted that balances from the former General Fixed Asset Account Group and the General Long Term Debt Account Group are now considered subsidiary ledgers and are reported within the County's government-wide financial statements, as required by GASB 34.

## CONSOLIDATED OVERVIEW OF COUNTY BUDGET BY FUND

### REVENUES BY FUND



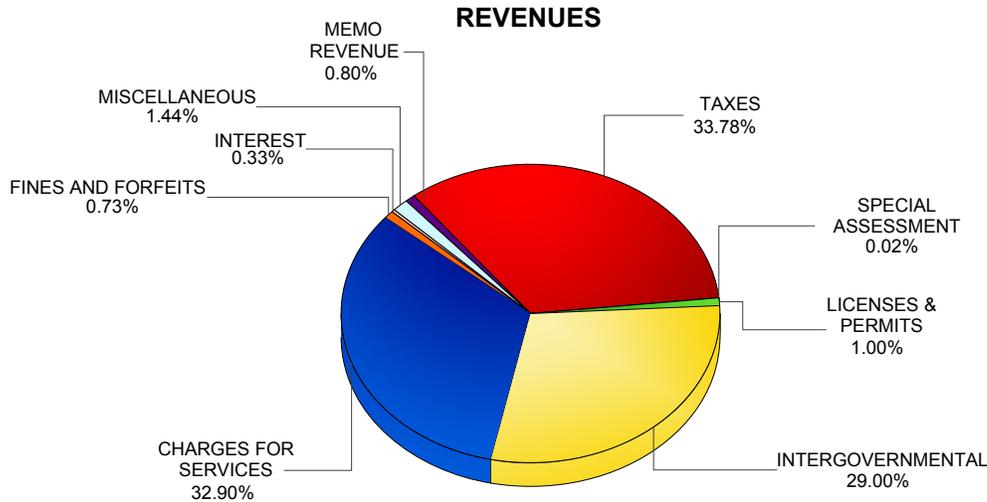
### EXPENDITURES BY FUND



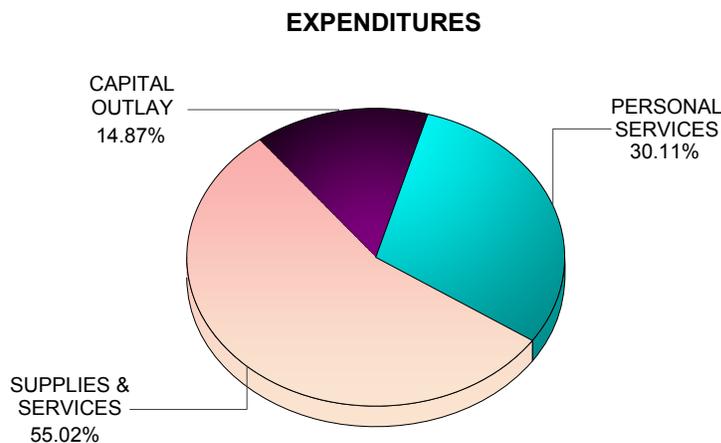
FUNDING SOURCES	EST. BEGINNING FUND BALANCE 2010/2011	ADOPTED REVENUES 2010/2011	ADOPTED EXPENDITURES 2010/2011	OTHER FINANCING SOURCES 2010/2011	INTERFUND TRANSFERS IN / (OUT)	ESTIMATED ENDING FUND BALANCE
<b>GENERAL FUND</b>	53,633,402	475,547,947	(487,666,759)	0	(41,514,590)	0
<b>SPECIAL REVENUE FUNDS</b>	75,146,290	249,652,218	(278,498,230)	0	6,700,435	53,000,713
<b>DEBT SERVICE FUND</b>	38,689,263	69,778,801	(106,277,555)	0	21,425,078	23,615,587
<b>CAPITAL PROJECTS FUNDS</b>	188,234,671	74,330,378	(198,701,642)	75,000,000	14,599,521	153,462,928
<b>ENTERPRISE FUNDS</b>	133,233,362	376,381,044	(360,752,883)	165,000,000	(1,158,386)	312,703,137

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

## TOTAL COUNTY BUDGET BY SOURCE AND USE



REVENUES	FY 2008/2009 ACTUAL	FY 2009/2010 REVISED	FY 2010/2011 ADOPTED
TAXES	396,239,319	419,319,386	420,814,770
SPECIAL ASSESSMENT	440,351	401,105	303,619
LICENSES & PERMITS	10,363,043	10,861,177	12,480,140
INTERGOVERNMENTAL	296,396,372	335,262,690	361,199,316
CHARGES FOR SERVICES	377,919,264	397,606,822	409,746,291
FINES AND FORFEITS	6,292,274	10,188,170	9,057,190
INTEREST	8,562,811	4,183,156	4,097,330
MISCELLANEOUS	27,917,698	17,943,808	17,991,732
MEMO REVENUE	16,731,148	10,120,000	10,000,000
	<b>1,140,862,280</b>	<b>1,205,886,314</b>	<b>1,245,690,388</b>



EXPENDITURES	FY 2008/2009 ACTUAL	FY 2009/2010 REVISED	FY 2010/2011 ADOPTED
PERSONAL SERVICES	425,793,018	432,878,204	431,113,216
SUPPLIES & SERVICES	715,041,050	749,456,312	787,873,763
CAPITAL OUTLAY	128,329,069	205,537,357	212,910,090
	<b>1,269,163,137</b>	<b>1,387,871,873</b>	<b>1,431,897,069</b>

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

**REVENUES & EXPENDITURES  
FISCAL YEARS 2008/2009 - 2010/2011**

	ACTUAL FY 2008/2009	REVISED FY 2009/2010	ESTIMATED FY 2009/2010	ADOPTED FY 2010/2011
<b>GENERAL FUND</b>				
<b>REVENUE</b>				
TAXES	281,748,647	301,095,303	298,490,676	301,397,635
LICENSES AND PERMITS	2,746,957	2,442,172	2,448,870	2,463,032
INTERGOVERNMENTAL	131,966,325	128,650,688	136,565,808	122,016,410
CHARGES FOR SERVICES	35,329,711	37,611,266	38,455,331	36,590,770
FINES AND FORFEITS	4,720,314	8,829,613	8,154,709	7,681,832
INTEREST	1,083,732	615,565	612,237	871,336
MISCELLANEOUS	7,099,195	4,345,308	4,319,469	4,526,932
MEMO REVENUE	370,881	0	0	0
<b>TOTAL</b>	<b>465,065,762</b>	<b>483,589,915</b>	<b>489,047,100</b>	<b>475,547,947</b>
<b>EXPENDITURES</b>				
PERSONAL SERVICES	254,819,503	252,777,551	248,763,451	255,279,227
SUPPLIES & SERVICES	206,254,694	240,950,712	0	231,372,395
CAPITAL OUTLAY	1,202,529	1,037,382	0	1,015,137
<b>TOTAL</b>	<b>462,276,726</b>	<b>494,765,645</b>	<b>451,290,237</b>	<b>487,666,759</b>
<b>SPECIAL REVENUE FUNDS</b>				
<b>REVENUE</b>				
TAXES	57,269,002	49,293,946	49,276,219	50,645,834
SPECIAL ASSESSMENT	440,351	401,105	524,292	303,619
LICENSES AND PERMITS	4,242,441	5,193,905	4,574,810	4,850,672
INTERGOVERNMENTAL	134,750,173	150,798,989	141,364,849	166,792,012
CHARGES FOR SERVICES	15,417,201	14,379,331	13,645,948	13,875,282
FINES AND FORFEITS	1,563,248	1,348,557	1,190,059	1,360,358
INTEREST	1,551,208	1,136,677	1,394,149	1,109,439
MISCELLANEOUS	16,404,560	11,078,675	10,613,507	10,715,002
MEMO REVENUE	1,428,124	120,000	0	0
<b>TOTAL</b>	<b>233,066,308</b>	<b>233,751,185</b>	<b>222,583,833</b>	<b>249,652,218</b>
<b>EXPENDITURES</b>				
PERSONAL SERVICES	95,692,087	102,929,297	106,045,000	104,872,473
SUPPLIES & SERVICES	97,141,797	132,170,871	107,651,554	160,703,515
CAPITAL OUTLAY	4,771,388	4,727,199	5,287,604	12,922,242
<b>TOTAL</b>	<b>197,605,272</b>	<b>239,827,367</b>	<b>218,984,157</b>	<b>278,498,230</b>
<b>DEBT SERVICE FUND</b>				
<b>REVENUE</b>				
TAXES	57,221,670	68,930,137	68,720,911	68,771,301
INTERGOVERNMENTAL	17,386	7,500	67,500	7,500
INTEREST	945,419	1,000,000	1,383,781	1,000,000
<b>TOTAL</b>	<b>58,184,475</b>	<b>69,937,637</b>	<b>70,172,192</b>	<b>69,778,801</b>
<b>EXPENDITURES</b>				
SUPPLIES & SERVICES	120,414,383	110,138,905	116,588,655	106,277,555
<b>TOTAL</b>	<b>120,414,383</b>	<b>110,138,905</b>	<b>116,588,655</b>	<b>106,277,555</b>
<b>CAPITAL PROJECTS FUNDS</b>				
<b>REVENUE</b>				
INTERGOVERNMENTAL	25,036,741	51,473,938	51,870,489	67,260,836
CHARGES FOR SERVICES	3,651,870	10,991,612	3,645,958	6,665,200
INTEREST	2,634,977	750,688	807,539	0
MISCELLANEOUS	323,035	0	1,686,753	404,342
<b>TOTAL</b>	<b>31,646,623</b>	<b>63,216,238</b>	<b>58,010,739</b>	<b>74,330,378</b>
<b>EXPENDITURES</b>				
PERSONAL SERVICES	594,685	723,504	702,582	0
SUPPLIES & SERVICES	(139,274)	0	(164,543)	0
CAPITAL OUTLAY	145,878,607	199,401,008	172,346,146	198,701,642
<b>TOTAL</b>	<b>146,334,018</b>	<b>200,124,512</b>	<b>172,884,185</b>	<b>198,701,642</b>

**REVENUES & EXPENDITURES  
FISCAL YEARS 2008/2009 - 2010/2011**

	<b>ACTUAL FY 2008/2009</b>	<b>REVISED FY 2009/2010</b>	<b>ESTIMATED FY 2009/2010</b>	<b>ADOPTED FY 2010/2011</b>
<b>ENTERPRISE FUNDS</b>				
<b>REVENUE</b>				
LICENSES AND PERMITS	3,373,645	3,225,100	4,374,161	5,166,436
INTERGOVERNMENTAL	4,625,747	4,331,575	152,724,014	5,122,558
CHARGES FOR SERVICES	323,520,482	334,624,613	187,848,254	352,615,039
FINES AND FORFEITS	8,712	10,000	14,500	15,000
INTEREST	2,347,475	680,226	1,302,399	1,116,555
MISCELLANEOUS	4,090,908	2,519,825	2,709,720	2,345,456
MEMO REVENUE	14,932,143	10,000,000	10,000,000	10,000,000
<b>TOTAL</b>	<b>352,899,112</b>	<b>355,391,339</b>	<b>358,973,048</b>	<b>376,381,044</b>
<b>EXPENDITURES</b>				
PERSONAL SERVICES	74,686,743	76,447,852	76,013,232	70,961,516
SUPPLIES & SERVICES	291,369,450	266,195,824	296,544,378	289,520,298
CAPITAL OUTLAY	(23,523,455)	371,768	(23,941,248)	271,069
<b>TOTAL</b>	<b>342,532,738</b>	<b>343,015,444</b>	<b>348,616,362</b>	<b>360,752,883</b>
<b>TOTAL REVENUES</b>	<b>1,140,862,280</b>	<b>1,205,886,314</b>	<b>1,198,786,912</b>	<b>1,245,690,388</b>
<b>TOTAL EXPENDITURES</b>	<b>1,269,163,137</b>	<b>1,387,871,873</b>	<b>1,308,363,596</b>	<b>1,431,897,069</b>

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

### BUDGET IN BRIEF

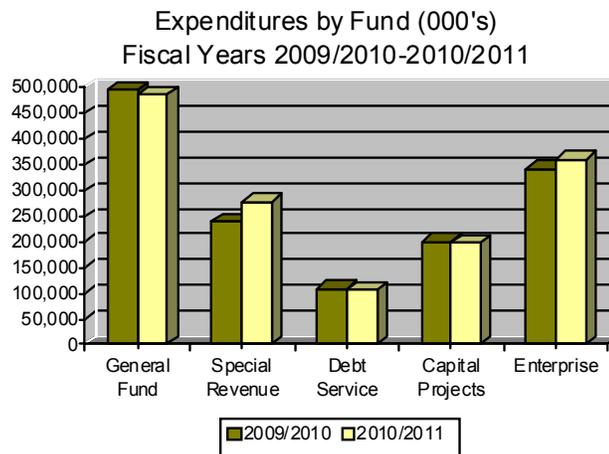
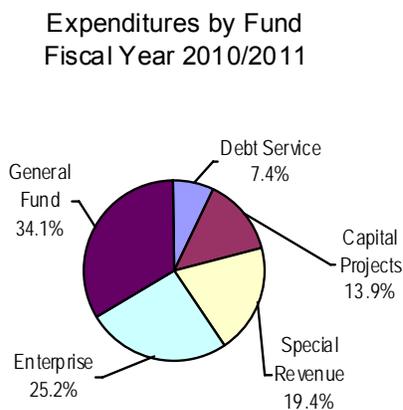
Arizona Revised Statute § 42-17105 requires the Pima County Board of Supervisors to adopt a budget for each fiscal year. On June 15, 2010, the Board adopted the budget for fiscal year 2010/11, which covers the period from July 1, 2010 through June 30, 2011.

Pima County’s Fiscal Year 2010/11 Adopted Budget includes:

- \$1.432 billion in expenditures
- \$1.246 billion in revenues
- \$88.8 million in operating transfers between the various operating funds
- \$240.0 million total in debt issues including \$75.0 million in General Obligation bonds and \$165.0 million in Sewer Revenue Obligations

Graphic analyses of expenditures by fund and functional area are presented below:

#### Comparison of Expenditures by Fund



**GENERAL FUND:** The Fiscal Year 2010/11 Adopted Budget for General Fund expenditures decreased by \$7.1 million from fiscal year 2009/10. Major factors contributing to this net decrease include:

- \$9.3 million decrease in the County’s contribution to the Arizona Long Term Care System (ALTCS) due to American Recovery and Reinvestment Act (ARRA)/stimulus funding
- \$6.4 million decrease from a 2% across-the-board base budget reduction
- \$5.0 million decrease in General Fund support to University Physicians Healthcare Hospital
- \$2.1 million decrease from capitalization of PimaCore development expenditures
- \$1.0 million decrease in total contingency reserves for potential revenue shortfalls in Solid Waste Management and Development Services
- \$800,000 decrease in payments to the Metropolitan Tucson Convention and Visitor’s Bureau
- \$505,000 decrease due to transfer of the Kino Teen Health Program to the Public Health department
- \$408,000 decrease to bring the General Fund budgeted reserve to 5% of revenues
- \$376,000 decrease in motor pool costs
- \$1.1 million increase in the General Fund portion of the County self-insurance reserve
- \$1.5 million increase in contingency reserve for Stadium District operating deficit
- \$1.7 million increase in medical insurance costs
- \$2.4 million increase in mandated retirement contributions and other employee benefits
- \$5.3 million net increase in costs for primary and general elections in Recorder and Elections departments
- \$6.0 million increase for mandated contribution to the state for budget deficit relief
- also includes minor departmental adjustments, other position related adjustments, etc.

**SPECIAL REVENUE FUNDS:** The Fiscal Year 2010/11 Adopted Budget for Special Revenue Funds expenditures increased by \$38.7 million over fiscal year 2009/10. Major factors contributing to this net increase include:

- \$22.4 million increase in the Property Tax Stabilization Fund in anticipation of future decreases in taxable property values
- \$9.8 million increase in Public Health Grants primarily due to federal stimulus funded Communities Putting Prevention to Work (CPPW) program
- \$7.9 million increase for Sheriff Grants for the Pima County Wireless Integrated Network (PCWIN) project, from the federal High Intensity Drug Trafficking Area (HIDTA) program and various other projects and equipment
- \$6.3 million increase in stimulus grant funding for the Neighborhood Stabilization Program
- \$1.7 million increase in the IT Enhancement Fund for ongoing upgrades to various hardware and software
- \$1.5 million net increase in Facilities Renewal Fund due to a \$1.8 million project to improve lighting in County parks
- \$800,000 increase in grants for the Office of Emergency Management and Homeland Security
- \$734,000 decrease due to ongoing reductions in the Neighborhood Conservation Fund portion of the Neighborhood Reinvestment Program
- \$1.1 million decrease in Indigent Defense Fill The Gap departmental expenditures as funds are being budgeted in Capital Projects for major systems development in fiscal year 2010/11
- \$2.4 million reduction in budgeted expenditures of ARRA stimulus for energy efficiency/conservation
- \$2.5 million reduction in budgeted expenditures of ARRA stimulus in Employment & Training
- \$2.7 million reduction in spending for the County Free Library for maintenance and materials purchases
- \$3.3 million decrease in Transportation as a result of reduced street and highway user revenue collections
- also includes other position related adjustments, benefits adjustments, adjustments for one time costs, etc.

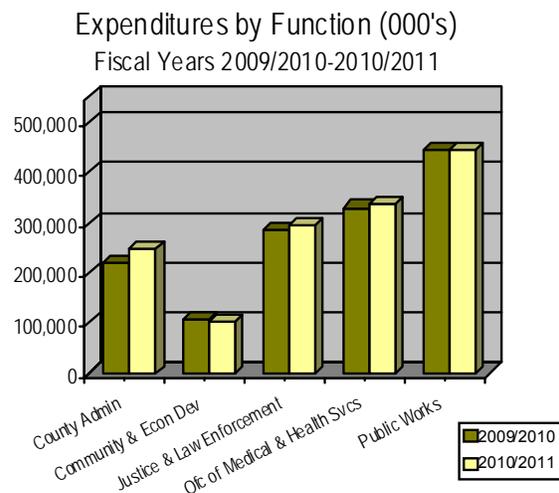
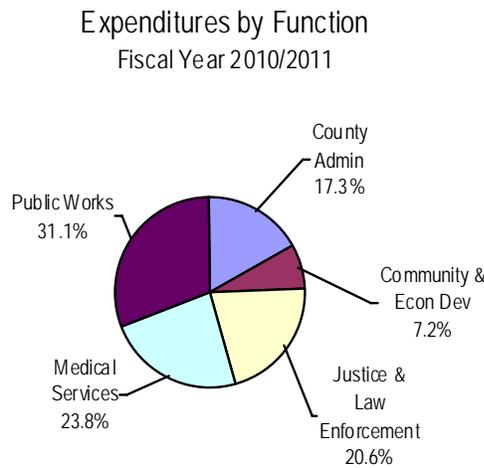
**DEBT SERVICE FUND:** The Fiscal Year 2010/11 Adopted Budget for Debt Service Fund expenditures decreased \$3.9 million from fiscal year 2009/10. This decrease is the net of retired debt and anticipated debt service costs related to bond and certificates of participation sales to be made in fiscal year 2010/11.

**CAPITAL PROJECTS FUND:** The Fiscal Year 2010/11 Adopted Budget for the Capital Projects Fund expenditures decreased by \$1.4 million from fiscal year 2009/10, based on the implementation of the approved current year Capital Improvement Budget, as detailed in the County's Fiscal Year 2010/11 to Fiscal Year 2014/15 Capital Improvement Plan. (*See the Capital Improvement Projects section - Summary of Active Capital Improvement Projects.*)

**ENTERPRISE FUNDS:** The Fiscal Year 2010/11 Adopted Budget for Enterprise Fund expenses increased by \$17.7 million over fiscal year 2009/10. Significant changes include:

- \$11.1 million increase in the Regional Wastewater Reclamation Enterprise Fund, relating to the rehabilitation of the system, inspection/assessment work, increased depreciation, debt service, etc.
- \$8.5 million net increase in Pima Health System & Services primarily due to increased enrollment compared to estimated levels used for the fiscal year 2009/10 budget
- \$1.7 million decrease in Development Services reflecting the continuing slowdown in construction activity
- also includes position related adjustments, benefits adjustments, adjustments for one time costs, etc.

### Comparison of Expenditures by Functional Area



**COUNTY ADMINISTRATION:** The Fiscal Year 2010/11 Adopted Budget for expenditures for the County Administration functional area increased by \$28.7 million over fiscal year 2009/10. Major reasons for the net increase include:

- \$22.4 million increase in the Property Tax Stabilization Fund in anticipation of future decreases in taxable property values
- \$6.0 million increase for anticipated contribution to the state for budget deficit relief
- \$5.3 million increase in costs for primary and general elections in Recorder and Elections departments
- \$1.5 million net increase in Facilities Renewal Fund due to a \$1.8 million project to improve lighting in County parks
- \$1.5 million increase in contingency reserve for Stadium District operating deficit
- \$934,000 increase in medical insurance costs
- \$888,000 decrease from a 2.0% across-the-board base budget reduction
- \$408,000 decrease to bring the General Fund budgeted reserve to 5% of revenues
- \$1.0 million decrease in total contingency reserves for deficits in Solid Waste Management and Development Services
- \$1.6 million decrease in General Fund support to University Physicians Healthcare Hospital
- \$2.1 million decrease from capitalization of PimaCore development expenditures
- The Fiscal Year 2010/11 Adopted Budget for Debt Service Fund expenditures decreased \$3.9 million from fiscal year 2009/10. This decrease 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 2010/11
- also includes other position related adjustments, benefits adjustments, adjustments for one time costs in other funds, etc.

**COMMUNITY & ECONOMIC DEVELOPMENT:** The Fiscal Year 2010/11 Adopted Budget for expenditures for the Community & Economic Development functional area decreased by \$2.5 million from fiscal year 2009/10. Major factors contributing to this net decrease are:

- \$2.7 million reduction in spending for the County Free Library for maintenance and materials purchases
- \$2.5 million reduction in budgeted expenditures of ARRA/stimulus in Employment & Training
- \$754,000 decrease in the School Reserve Fund from reduced state spending on education
- \$734,000 decrease due to ongoing reductions in the Neighborhood Conservation Fund portion of the Neighborhood Reinvestment Program
- \$707,000 decrease in Stadium District from anticipated reduction in future operations
- \$505,000 decrease due to transfer of the Kino Teen Health Program to the Public Health department

## Pima County FY 2010/2011 Adopted Budget

- \$526,000 combined decrease in spending in Community Development & Neighborhood Conservation and Economic Development & Tourism
- \$6.3 million increase in stimulus grant funding for the Neighborhood Stabilization Program

**JUSTICE & LAW ENFORCEMENT:** The Fiscal Year 2010/11 Adopted Budget for the Justice & Law Enforcement functional area increased by \$9.6 million over fiscal year 2009/10. This net increase is due primarily to:

- \$7.9 million increase for Sheriff Grants for the Pima County Wireless Integrated Network (PCWIN) project, from the federal High Intensity Drug Trafficking Area (HIDTA) program and various other projects and equipment
- \$1.5 million in net increases in various Justice & Law Enforcement Special Revenue Funds
- also includes other position related adjustments, benefits adjustments, adjustments for one time costs in other funds, etc.

**OFFICE OF MEDICAL AND HEALTH SERVICES:** The Fiscal Year 2010/11 Adopted Budget for the Office of Medical and Health Services functional area increased by \$8.7 million over fiscal year 2009/10. The main reasons for this net increase include:

- \$9.8 million increase in Public Health Grants primarily due to federal stimulus funded Communities Putting Prevention to Work (CPPW) program and Emergency Management/Homeland Security grants
- \$8.5 million net increase in Pima Health System & Services primarily due to increased enrollment compared to estimated levels used for the fiscal year 2009/10 budget
- \$800,000 increase in grants for the Office of Emergency Management and Homeland Security
- \$3.4 million reduction to County support for University Physicians Healthcare Hospital from \$10 million in fiscal year 2009/10 to \$6.6 million in fiscal year 2010/11 according to the original contract; an additional \$1.6 million reduction is budgeted in Contingency from \$15 million in fiscal year 2009/10 to \$13.4 million in fiscal year 2010/11
- \$9.3 million decrease in the County's contribution to the Arizona Long Term Care System (ALTCS) due to American Recovery and Reinvestment Act (ARRA)/stimulus funding

**PUBLIC WORKS:** The Fiscal Year 2010/11 Adopted Budget for the Public Works functional area decreased by a net \$0.5 million from fiscal year 2009/10. Significant changes include the following:

- \$11.1 million increase in the Regional Wastewater Reclamation Enterprise Fund, relating to the rehabilitation of the system, inspection/assessment work, increased depreciation, debt service, etc.
- \$3.3 million decrease in Transportation as a result of reduced street and highway user revenue collections
- \$2.4 million reduction in budgeted expenditures of ARRA/stimulus for energy efficiency/conservation
- \$1.7 million decrease in Development Services reflecting the continuing slowdown in construction activity
- \$1.4 million decrease in Capital Projects based on the implementation of the approved current year Capital Improvement Budget, as detailed in the County's Fiscal Year 2010/11 to Fiscal Year 2014/15 Capital Improvement Plan. (See the *Capital Improvement Projects* section - *Summary of Active Capital Improvement Projects*.)
- \$1.3 million in reduced General Fund expenditures in Facilities Management and Natural Resources Parks & Recreation
- \$640,000 decrease in Department of Environmental Quality
- also includes 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 is a discussion of changes in ending fund balances or net assets in fiscal year 2010/11:

### 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 in future years will be zero, a net decrease for fiscal year 2010/11 of \$53.6 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 \$29.6 million from the beginning fund balance. Major factors contributing to this decrease are discussed under the Budget Issues Tab (pages 4-10 through 4-15).

### Special Revenue Funds

The fiscal year 2010/11 adopted ending fund balance for all Special Revenue Funds is \$53.0 million, a net decrease of \$22.1 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, Regional Flood Control District, Public Health, Solid Waste Management, the County Free Library, Stadium District, Justice and Law Enforcement Grants, etc.

### Debt Service Fund

The fiscal year 2010/11 adopted ending fund balance for the Debt Service Fund is \$23.6 million, a net decrease of \$15.1 million from the budgeted beginning fund balance. Major factors contributing to this increase include:

- \$19.6 million net decrease in operating transfers in
- \$3.9 million decrease in overall debt service payments. This decrease 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 2009/10
- \$159,000 decrease property tax revenues

### Capital Projects Fund

The fiscal year 2010/11 adopted ending fund balance for the Capital Projects Fund is \$153.5 million, a net decrease of \$34.8 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 2010/11 to 2014/15 Capital Improvement Plan. (See the *Capital Improvement Project section - Summary of Active Capital Improvement Projects*)

### Enterprise Funds

The fiscal year 2010/11 adopted ending net assets for all Enterprise Funds is \$312.7 million, a net increase of \$179.5 million over the budgeted beginning net assets. Major factors contributing to this increase include:

- \$165.0 million in additional sewer revenue obligation proceeds
- \$14.2 million increase in the Regional Wastewater Reclamation Enterprise Fund due to a combination of increases in sewer revenue fees partially offset by decreased connection fees, and increased debt repayments

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 2008/2009 - 2010/2011**

<b>FUNCTIONAL AREA/SUPER DEPARTMENT</b>	<b>ADOPTED 2008/2009</b>	<b>REVISED 2009/2010</b>	<b>ADOPTED 2010/2011</b>	<b>CHANGE 09/10 to 10/11</b>
<b><u>COUNTY ADMINISTRATION</u></b>				
ASSESSOR	160.5	160.5	160.5	0.0
BOARD OF SUPERVISORS	23.7	24.0	24.0	0.0
CLERK OF THE BOARD	18.0	17.0	16.0	(1.0)
COUNTY ADMINISTRATOR	14.8	17.8	17.8	0.0
ELECTIONS	18.0	17.0	16.0	(1.0)
FINANCE & RISK MANAGEMENT	125.9	123.5	236.6	113.1
FORENSIC SCIENCE CENTER	29.0	27.0	27.0	0.0
HUMAN RESOURCES	38.0	37.0	51.1	14.1
INFORMATION TECHNOLOGY	129.7	128.0	200.0	72.0
PROCUREMENT	32.5	31.8	30.8	(1.0)
RECORDER	67.0	50.3	61.8	11.5
TREASURER	40.0	40.0	38.6	(1.4)
<b>TOTAL COUNTY ADMINISTRATION</b>	<b>697.1</b>	<b>673.9</b>	<b>880.2</b>	<b>206.3</b>
<b><u>COMMUNITY &amp; ECONOMIC DEVELOPMENT</u></b>				
COMMUNITY & ECONOMIC DEVELOPMENT ADMIN	7.0	6.6	4.0	(2.6)
COMMUNITY DEVELOP & NEIGHBORHOOD CONSERV	26.5	25.6	30.4	4.8
COMMUNITY SVCS, EMPLOYMENT & TRAINING	136.5	159.0	155.5	(3.5)
COUNTY FREE LIBRARY	378.5	383.7	387.5	3.8
ECONOMIC DEVELOPMENT & TOURISM	5.0	2.9	3.1	0.2
KINO SPORTS COMPLEX	66.5	20.2	19.0	(1.2)
SCHOOL SUPERINTENDENT	15.0	14.0	14.5	0.5
STADIUM DISTRICT	4.6	30.7	31.2	0.5
<b>TOTAL COMMUNITY &amp; ECONOMIC DEVELOPMENT</b>	<b>639.6</b>	<b>642.7</b>	<b>645.2</b>	<b>2.5</b>
<b><u>JUSTICE &amp; LAW ENFORCEMENT</u></b>				
CLERK OF SUPERIOR COURT	221.5	217.5	212.6	(4.9)
CONSTABLES	13.0	13.0	13.0	0.0
COUNTY ATTORNEY	447.4	448.3	457.6	9.3
INDIGENT DEFENSE	225.5	208.0	202.8	(5.2)
JUSTICE COURT AJO	10.8	10.6	10.6	0.0
JUSTICE COURT GREEN VALLEY	9.5	9.5	11.5	2.0
JUSTICE COURTS TUCSON	122.1	139.1	135.0	(4.1)
JUVENILE COURT	569.6	541.6	530.6	(11.0)
OFFICE OF COURT APPOINTED COUNSEL	9.2	9.2	14.6	5.4
PUBLIC FIDUCIARY	37.1	38.3	35.5	(2.8)
SHERIFF	1,411.2	1,412.2	1,413.2	1.0
SUPERIOR COURT	663.5	672.5	667.6	(4.9)
<b>TOTAL JUSTICE &amp; LAW ENFORCEMENT</b>	<b>3,740.4</b>	<b>3,719.8</b>	<b>3,704.6</b>	<b>(15.2)</b>
<b><u>OFFICE OF MEDICAL AND HEALTH SERVICES</u></b>				
INSTITUTIONAL HEALTH	31.5	30.0	31.0	1.0
OFC OF EMERG MGMT & HOMELAND SECURITY	0.0	0.0	11.0	11.0
PIMA HEALTH SYSTEM & SERVICES	700.2	680.5	586.4	(94.1)
PUBLIC HEALTH	391.8	390.6	367.0	(23.6)
<b>TOTAL OFFICE OF MEDICAL AND HEALTH SERVICES</b>	<b>1,123.5</b>	<b>1,101.1</b>	<b>995.4</b>	<b>(105.7)</b>

**ADOPTED FULL TIME EQUIVALENT POSITIONS  
FISCAL YEARS 2008/2009 - 2010/2011**

<b>FUNCTIONAL AREA/SUPER DEPARTMENT</b>	<b>ADOPTED 2008/2009</b>	<b>REVISED 2009/2010</b>	<b>ADOPTED 2010/2011</b>	<b>CHANGE 09/10 to 10/11</b>
<b><u>PUBLIC WORKS</u></b>				
CAPITAL PROJECTS	10.5	9.5	4.0	(5.5)
DEVELOPMENT SERVICES	135.3	71.2	65.8	(5.4)
ENVIRONMENTAL QUALITY	52.5	43.9	35.2	(8.7)
FACILITIES MANAGEMENT	176.0	173.0	168.0	(5.0)
FLEET SERVICES	62.2	62.7	54.0	(8.7)
GRAPHIC SERVICES	21.6	15.6	15.6	0.0
NATURAL RESOURCES, PARKS & RECREATION	293.0	251.3	236.2	(15.1)
PUBLIC WORKS ADMINISTRATION	38.4	34.0	30.0	(4.0)
REGIONAL FLOOD CONTROL DISTRICT	67.0	70.3	70.3	0.0
REGIONAL WASTEWATER RECLAMATION	599.0	580.0	519.7	(60.3)
SOLID WASTE MANAGEMENT	42.6	34.5	33.5	(1.0)
TRANSPORTATION	414.7	354.1	295.6	(58.5)
<b>TOTAL PUBLIC WORKS</b>	<b>1,912.8</b>	<b>1,700.1</b>	<b>1,527.9</b>	<b>(172.2)</b>
<b>TOTAL FUNCTIONAL AREAS</b>	<b>8,113.4</b>	<b>7,837.6</b>	<b>7,753.3</b>	<b>(84.3)</b>

## Pima County FY 2010/2011 Adopted Budget

Major net changes in Full Time Equivalent (FTE) positions from fiscal year 2009/10 to 2010/11 are generally explained below:

FTEs in County Administration increased by 206.3 or 30.6%. Major factors contributing to this net increase include:

- 113.1 FTE net increase in Finance & Risk Management mainly due to the consolidation of central services
- 72.0 FTE net increase in Information Technology mainly due to the consolidation of central services
- 14.0 FTE net increase in Human Resources mainly due to the consolidation of central services
- 11.5 FTE increase in the Recorder mainly from the addition of temporary elections worker positions for the 2010 primary and general elections
- 4.4 FTE net decrease in various other County Administration departments mainly from eliminating or reducing hours of vacant positions

FTEs in Community & Economic Development increased by 2.5 or 0.4%. Major factors contributing to this net increase include:

- 3.8 FTE increase in County Free Library due to the addition of 4.8 intermittent FTEs less 1.0 FTE due to the consolidation of central services
- 2.6 FTE decrease in Community & Economic Development Administration due to the consolidation of central services
- 4.8 FTE increase in Community Development & Neighborhood Conservation mainly due to positions needed to administer new grants
- 3.5 FTE decrease in Community Services, Employment & Training due to the transfer of 8.0 Teen Center FTEs to Public Health, the transfer of 4.2 FTEs due to the consolidation of central services, partially offset by 8.7 additional FTEs needed to administer new grants
- Minor changes in other Community & Economic Development departments net to a zero FTE change

FTEs in Justice & Law Enforcement decreased by 15.2 or 0.4%. Major factors contributing to this net decrease include:

- 5.0 FTE decrease in Clerk of the Superior Court resulting from the reduction of funded hours to existing positions.
- 3.2 FTE decrease in Indigent Defense General Fund positions due to the elimination of vacant positions
- 10.3 FTE net decrease in various Justice and Law enforcement special revenue fund and grant departments
- 2.0 FTE increase in Justice Court Green Valley General Fund positions due to the transfer of Photo Traffic Enforcement program positions from Justice Court Tucson
- 3.5 FTE decrease in Justice Court Tucson General Fund positions due to the transfer of Photo Traffic Enforcement program positions to Justice Court Green Valley and Justice Court Tucson Photo Traffic Enforcement Special Revenue Fund
- 5.4 net FTE increase in Office of Court Appointed Counsel departments General Fund positions due to the creation of the Dependent Child Representation Department partially offset by the elimination of vacant positions
- 2.0 FTE increase in Sheriff General Fund positions due to the transfer of grant positions resulting from the loss of grant funding

## Pima County FY 2010/2011 Adopted Budget

FTEs in Office of Medical and Health Services decreased by 105.7 or 9.6%. Major factors contributing to this net decrease include:

- 1.0 FTE increase in Institutional Health due to the addition of two FTEs to address behavioral health concerns, and the decrease of one FTE that was transferred to the new department Office of Emergency Management & Homeland Security
- 11.0 FTE increase in Office of Emergency Management & Homeland Security mainly due to the transfer of FTEs from Public Health
- 94.1 FTE decrease in Pima Health System and Services due to the consolidation of central services and the unfunding of member care positions
- 23.6 FTE decrease in Public Health mainly due to the consolidation of central services

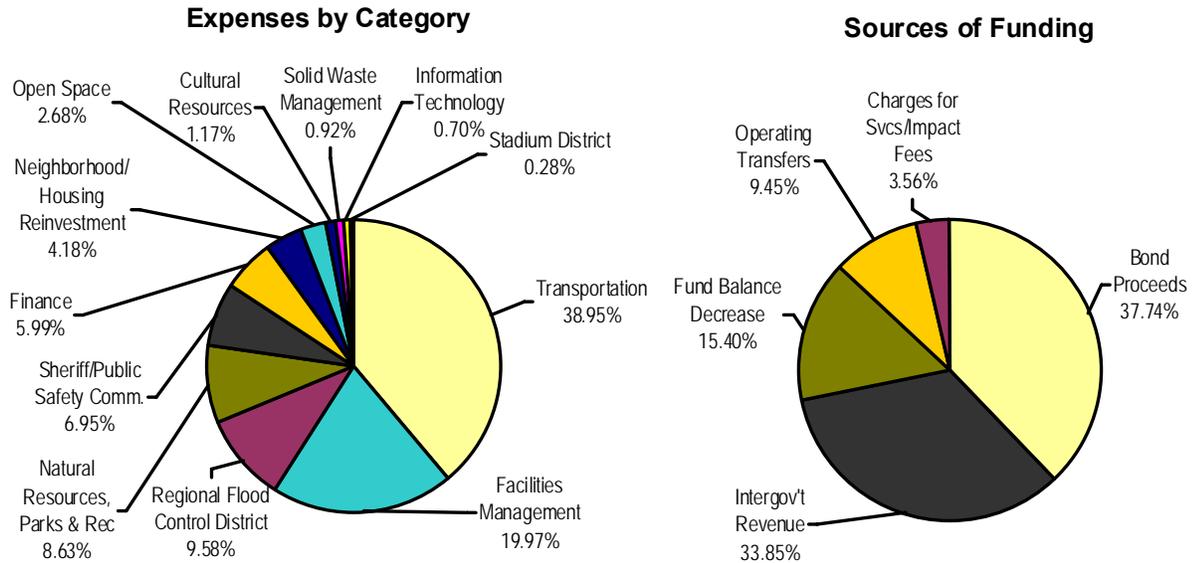
FTEs in Public Works decreased by 172.2 or 10.1%. Major factors contributing to this net increase include:

- 5.0 FTE decrease in Facilities Management due to the consolidation of central services
- 15.1 FTE decrease in Natural Resources, Parks & Recreation due to the transfer of 8.0 FTEs as part of the consolidation of central services and the unfunding of 7.1 vacant FTEs mainly in the Trades Maintenance Technician and Trades Maintenance Specialist positions
- 5.4 FTE decrease in Development Services due to the transfer of 3.0 FTEs as part of the consolidation of central services, unfunding of 2.0 FTEs, and the reduction in hours for 0.4 FTE
- 58.5 FTE decrease in Transportation due to the transfer of 55.6 FTEs as part of the consolidation of central services, the unfunding of 4.5 FTEs, and increase in hours for 1.6 FTEs
- 60.3 FTE decrease in Regional Wastewater Reclamation due to the transfer of 26.4 FTEs as part of the consolidation of central services and the unfunding of 32.6 FTE vacant positions and reducing hours for several classification resulting in a decrease of 1.3 FTEs
- 8.7 FTE decrease in Environmental Quality due to unfunding of 6.0 FTEs, the transfer of 3.0 FTEs as part of the consolidation of central services, and the increase in hours for 0.3 FTE
- 1.0 FTE decrease in Solid Waste Management due to unfunding of 1.0 FTE
- 4.0 FTE decrease in Public Works Administration due to unfunding of 4.0 FTEs
- 5.0 FTE decrease in Capital Projects due to consolidation of central services
- 0.5 FTE decrease in Graphic Services Design due to the allocation of 0.5 FTE of an OSL III position to Graphic Services Production
- 0.5 FTE increase in Graphic Services Production due to the allocation of 0.5 FTE of an OSL III position from Graphic Services Design
- 8.7 FTE decrease in Fleet Services due to the transfer of 5.0 FTEs as part of the consolidation of central services and the unfunding of 3.7 vacant FTEs mainly in Trades Maintenance positions

## PIMA COUNTY CAPITAL IMPROVEMENT PROGRAM OVERVIEW

The following charts provide summary information for Pima County's fiscal year 2010/11 adopted expenditures, revenues, and other funding sources for all Capital Projects Fund projects.

### Pima County FY 2010/11 Capital Projects Fund<sup>1</sup>



**Expenses by Category**

Transportation	\$77,371,716
Facilities Management	39,681,788
Regional Flood Control	19,032,132
Parks and Recreation	17,143,494
Sheriff	13,817,554
Finance	11,900,000
Neighborhood/Housing Reinvestment	8,304,506
Open Space	5,329,505
Cultural Resources	2,334,470
Solid Waste Management	1,836,041
Information Technology	1,390,436
Stadium District	560,000
<b>Total</b>	<b>\$198,701,642</b>

**Sources of Funding**

Other Funding: Bond Proceeds	\$75,000,000
Intergovernmental Revenue	67,260,836
Other Funding: Fund Balance Decrease	30,598,365
Other Funding: Operating Transfers	18,772,899
Charges for Services/Impact Fees	7,069,542
<b>Total</b>	<b>\$198,701,642</b>

<sup>1</sup> Capital Projects Fund only; does not include enterprise and internal services projects. Refer to the *CIP* section - *Summary of Active Capital Improvement Projects* for a complete list of all projects, including enterprise and internal services projects and related expenditures.