

SUPPLEMENTAL INFORMATION SUMMARY

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GLOSSARY OF TERMS AND ACRONYMS

Account - An individual item of expenditure or revenue used in line item budgeting, e.g., books, out-of-state travel, overtime, court fees, interest.

Accounting Method (Accrual Basis & Modified Accrual Basis) - Under the accrual method, revenues are recognized when they are earned, and expenses are recognized when they are incurred. The budgets of the proprietary funds are presented using the accrual basis. Under a modified accrual method, revenues are recognized when they are measurable and available to finance expenditures. Expenditures, on the other hand, are generally recognized when incurred. (Exceptions to this policy are principal and interest expenditures on general long term debt which are budgeted either when due, or in period 12 (June), if the due date falls early in the subsequent fiscal year.) The budgets of the governmental funds are presented on a modified accrual basis.

Activity - An effort of a department that contributes to the achievement of a program objective. The smallest operational element of a strategic budget, organized as follows:

- Program
- Service
- Activity

Ad Valorem Tax - A tax based on the value of property.

ADA - Americans with Disabilities Act - An enactment to protect the employment and accessibility rights of disabled individuals.

Adopted Budget - Per ARS §42-17105, the Board of Supervisors shall "...finally determine and adopt estimates of proposed expenditures" and such "adopted estimates" shall "constitute the budget of the County for the current fiscal year." Per statute, this must be done on or before the fourteenth day before the day on which the Board levies taxes (which, in turn, must be done on or before the third Monday in August each year).

AFCAP - Actual Full Cost Allocation Plan - The plan that identifies the costs of support services provided by the central service departments of Pima County to its operating departments and special revenue, internal service, and enterprise fund departments. The AFCAP for a given fiscal year is based on the actual expenditures of the prior fiscal year. The plan is prepared annually by the Financial Control & Reporting Division of the Department of Finance and Risk Management.

AGAVE - Software used by Pima County Superior Court and Clerk of the Superior Court, primarily for case management, calendaring, arbitration tracking and statistical data collection of criminal, civil, and family law cases.

AHCCCS - Arizona Health Care Cost Containment System - The Arizona Medicaid alternative program that provides prepaid (capitation rate) health care for eligible citizens through health maintenance organizations or fee for service programs.

Alcoholic Beverage License Revenue - Intergovernmental revenue from the State of Arizona, whereby Pima County receives \$3,000 each time a new liquor license is granted to a business operating in the unincorporated area of the county.

ALTCS - Arizona Long Term Care System - The Arizona Medicaid alternative program for long term care added to the AHCCCS program effective January 1, 1989.

Annualized Cost - Operating cost incurred at annual rates for a portion of the prior fiscal year and which must be incurred at similar rates for the entire twelve months of the succeeding fiscal year.

Antiracketeering Fund - A group of special revenue funds administered pursuant to ARS §13-2314.03. The County Attorney and the Sheriff administer their own antiracketeering funds. The County Attorney's fund includes funds held for other local law enforcement agencies. Racketeering is defined as any illegal act committed for financial gain.

AOC Retirement Plan - Administrative Office of Courts Retirement Plan - A qualified pension plan under the Corrections Officer Retirement Plan (CORP) that provides retirement and other benefits to County judiciary probation, surveillance, and juvenile detention officers. The AOC Retirement Plan is administered by the Public Safety Personnel Retirement System (PSPRS).

Appropriation - A legal authorization granted by the County Board of Supervisors to make expenditures/expenses and to incur obligations for specific purposes during a fiscal year.

ARRA - American Recovery and Reinvestment Act - Federal legislation enacted during February 2009 to speed the nation's economic recovery, create and save jobs, and provide services to people affected by the recession. The economic stimulus measures provided by the ARRA include investment in the areas of community and economic development, infrastructure, human services, transportation, and workforce development.

ARS - Arizona Revised Statutes - The revision and codification of the laws of the state of Arizona of a general or public nature and enacted into law as the Arizona Revised Statutes, Laws 1955, Third Special Session, Chapter 3.

ASRS - Arizona State Retirement System - A defined benefit plan as described in section 414(j) of the Internal Revenue Code that provides retirement and other benefits to state employees and employees of participating state political subdivisions not covered by one of the Public Safety Personnel Retirement System (PSPRS) plans. Most Pima County employees are members of the ASRS.

Assessed Valuation - An annual determination of the just or fair value of real estate or other property by the County Assessor and the Arizona Department of Revenue as a basis for levying taxes.

Assessment Ratio - The percentage factors that are associated with the various legal classes of a property. The ratios are set by the State Legislature. A history of the values is shown in the table "Assessment Ratios By Class For Tax Years 2006–2010" in this section.

Base Budget - The Financial Planning System contains packages A through Z. Package A refers to a department's Base or Target Budget, or for non-General Fund departments, the level of operating expenditures/expenses which can be supported by a department's current financial resources. The base budget is the prior year's budget adjusted for known financial changes, such as the annualization of approved prior year supplemental packages and prior year salary and benefit adjustments.

Board of Deposit - The Board of Supervisors, sitting as the Board of Deposit, designates the servicing bank for the deposits of state and County monies. ARS §35-325 specifies the requirements and procedures which govern the conduct of this board.

Bond - A written promise to pay a specified sum of money (called the face value or principal amount) at a specified date in the future (called the maturity date), together with periodic interest at a specific rate.

Bond Implementation Ordinances - Ordinances Nos. 1997-35, 1997-80, 2004-18, and 2006-29 that schedule the sale of bonds authorized by Pima County voters in the May and November 1997 bond elections, the May 2004 bond election, and the May 2006 bond election. These ordinances also establish basic parameters as to how the County will program capital improvements funded with bond revenues. Compliance with these restrictions is governed by Truth in Bonding ordinances, which provide specific guidance on bonding disclosure, accountability, and implementation.

Bond Principal - The face value of a written promise to pay a specified sum of money at a specified date(s) in the future, called the maturity date(s).

Budget - A financial plan consisting of an estimate of proposed expenditures/expenses and their purposes for a given period and the proposed means of financing them.

Budget Amendment Process - Procedure a department must follow in order to request modification of its adopted budget. Budget amendments must be approved by the Board of Supervisors.

Budget Stabilization Fund - Prior to fiscal year 1999/2000, the only method of managing budget exceedences was to reserve funding for this purpose in the Board of Supervisors' Contingency fund. In fiscal year 1999/2000, this process was further developed and institutionalized through the establishment of the Budget Stabilization fund within the Contingency department of the General Fund budget. Items which are funded in Budget Stabilization include planned salary compensation, and approved department supplemental packages, where the exact timing or details of the project are not yet determined.

Budget System - Financial Planning System (FPS). See FPS.

Business Licenses and Permits - Revenues derived from businesses and occupations that must be licensed before operating in the unincorporated area of Pima County, i.e., licenses for itinerant peddlers, pawn broker businesses, initial application fees for industrial users of the wastewater system, the initial license to provide cable TV services to residents, and periodic operating charges levied on providers of cable TV services. Most revenues come from operating charges for cable TV in the unincorporated area and the use of County owned rights-of-way by cable and other telecommunications companies.

C-Path - The Critical Path Institute (C-Path), a non-profit institute, is a collaborative partnership involving the University of Arizona, SRI International, and the Federal Drug Administration for the purpose of expediting development and approval of new medications. As an enhancement to local government, Pima County contributed annually to the project through fiscal year 2009/10.

CAA - Community Action Agency - Refers to grants administered by the Community Services, Employment & Training Department to assist community agencies in providing services to families and individuals living at or below poverty level.

CAFR - Comprehensive Annual Financial Report - The official annual report for Pima County prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with standards of financial reporting as established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association (GFOA). The CAFR includes financial statements and analysis, along with statistical data on financial, nonfinancial, and demographic trends. It is also used by bond rating agencies, such as Moody's, Standard & Poor's, and Fitch, to determine credit risk, and thus interest rates, for bonds issued by the County.

Capital Expenditures Object Level - A collection of capital expenditure/expense accounts grouped and assembled by type for budgeting purposes.

Capital Project - Construction, remodeling, infrastructure, or other projects costing \$100,000 or more that are part of the Capital Improvement Program (CIP).

Capital Project Expenditures - Expenditures for construction, remodeling, infrastructure, or other projects costing \$100,000 or more that are part of the CIP.

Capital Projects Fund - A fund used to account for financial resources to be used for the acquisition, remodeling, or construction of major capital facilities (other than those financed by Proprietary Funds).

Carryover Appropriations - Amounts budgeted in the current fiscal year for expenditures that were originally budgeted in the previous fiscal year and for which obligations have been incurred that cannot be met by the end of the previous fiscal year. Carryover appropriations for General Fund departments are reserved in prior year carryovers within the Contingency department. All carryovers must be approved by the County Administrator.

CDBG - Community Development Block Grant - Housing and Urban Development block grant funds to be used for increasing available housing and to assist in the physical improvement of low and moderate income communities.

Charges for Services - Fees charged for performance of a service.

Chart of Accounts - A listing of the asset, liability, equity, expenditure, and revenue accounts that are used in the accounting, operations, and budgeting processes.

CIP - Capital Improvement Program - A program outlining all the acquisition, remodeling, and construction of projects costing \$100,000 or more to be undertaken by Pima County during the current budget year and the following four fiscal years.

CJEF - Criminal Justice Enhancement Fund - A 47 percent surcharge on all traffic fines collected. The state treasurer administers the funds and allocates them among different agencies such as law enforcement, courts, and health services.

Classification - A title and code assigned to a grouping of similar personnel positions as described in the appropriate class specification (the official document defining the type and level of duties and responsibilities and the minimum qualifications of positions assigned to a particular classification).

COLA - Cost of Living Adjustment - An adjustment of the compensation rates of regular County employees who are not elected officials. The frequency of such adjustments is determined by the Board of Supervisors, as is the manner in which the COLA is applied.

Combined Property Tax Rate – The overall rate at which property is taxed, including both the primary property tax rate and secondary property tax rate.

Community & Economic Development - The organizational entity comprised of the following departments: Community & Economic Development Administration; Community Development & Neighborhood Conservation; Community Services, Employment & Training; County Free Library District; Economic Development & Tourism; Kino Sports Complex; School Superintendent; and the Stadium District.

Contingency Funds - Funds reserved by the Board of Supervisors for services or programs which the Board may release for departments to use during the course of the fiscal year. The current reserve categories are Prior Year Carryovers, General Contingency (unreserved), Budget Stabilization, Tax Reduction/Debt Retirement, and General Fund Reserve.

COPs - Certificates of Participation - A common form of lease-purchase financing, Certifications of Participation are lease-purchase agreements that are divided into fractions and sold to multiple investors, similar to stocks, usually in \$5,000 denominations. COPs are tax-exempt agreements that fund capital improvement projects, with the underlying project assets serving as collateral for investors who receive a share of whatever revenue is derived from the lease or lease-purchase.

COPS Grants - As a component of the U.S. Department of Justice, the Office of Community Oriented Policing Services (COPS) was created through the Violent Crime Control and Law Enforcement Act of 1994. Funds from COPS Grants are used to advance the practice of community policing, provide training and technical assistance at all levels of law enforcement, and provide resources to acquire and deploy innovative crime-fighting technologies.

CORP - Corrections Officer Retirement Plan - A qualified pension plan under section 401 of the Internal Revenue Code that provides retirement and other benefits to various state and municipal corrections/detention employees, county detention officers, and non-uniformed county sheriff department employees whose primary duties require direct contact with inmates. The CORP is administered by the Public Safety Personnel Retirement System (PSPRS).

Cost Allocation Plan - The documents identifying, accumulating, and allocating or developing billing rates based on the allowable cost of services provided by a governmental unit to its departments. Pima County uses an Internal Cost Allocation Plan to recover indirect costs from Enterprise Funds, Internal Service Funds, and some Special Revenue Funds. The County recovers indirect costs based on a combination of actual costs and usage information from prior fiscal years. Pima County uses a second Cost Allocation Plan to recover indirect costs from federal grant programs. This plan is prepared following federal guidelines specified in Circular A-87.

Cost Center - The lowest financial organization unit. Each center is identified by a unique seven-digit identifier. The first three digits (numeric digits or a combination of alpha characters and numeric digits) identify the department to which the center is assigned. Financial transactions are recorded by fund/center/account.

County Administration - The organizational entity comprised of the departments of Assessor, Board of Supervisors, Clerk of the Board, County Administrator, Elections, Finance and Risk Management, Forensic Science Center, Human Resources, Information Technology (includes Communications, an internal service fund department), Non Departmental (Contingency, Debt Service, General Fund Debt Service, General Government Revenues, and Non Departmental), Procurement, Recorder, and Treasurer.

County Free Library District - A special countywide taxing district established under Arizona Revised Statutes, Title 48, Chapter 24, and Title 11, Chapter, 7, to provide county residents with free and equitable access to information resources needed for full participation in the community and for the enrichment of individual lives. In addition to other powers, the Board of Supervisors, sitting as the board of directors for the County Free Library District, is authorized to levy a secondary property tax on all property within the district to fund necessary expenditures/expenses for the benefit of property holders in the district.

Debt Service Fund – A segregated fund used to account for the accumulation of resources for, and the payment of, general long term debt principal and interest.

Debt Service Requirement - The amount of money required to pay both the interest and principal on outstanding debt over a set period of time.

Department - A grouping of cost centers that share a common purpose and funding source. In the accounting and budget systems, cost centers are represented/denoted by a seven-digit alphanumeric code. Cost centers that are a component of a department have in common the first three digits of the numeric or alphanumeric identifier. For example, the aggregation of all cost centers beginning with the digits "160" is the County Attorney Department and the aggregation of all cost centers beginning with the digit "W" is Regional Wastewater Reclamation. (Also see Super Department definition.)

DSH – Disproportionate Share Hospital Program - Program whereby hospitals that serve a disproportionate number of low income patients receive a separate payment in addition to their standard Medicare and/or Medicaid reimbursement. Pass through funding is received by Pima County from the Arizona Board of Regents and paid to AHCCCS as the state match to draw down federal DSH matching funds.

Direct Cost - A cost that can be identified with a specific cost objective and not a common, joint, or collective purpose.

Discretionary Programs - Programs that are not mandated by law or any other authority.

Division – An element or segment of government that is organized as a specific administrative or functional unit.

ECAP - Employee Combined Appeal Program - The annual Pima County work site fund raiser, allowing employees to contribute to their favorite charity through payroll deduction or a one time donation.

Economic Estimates Commission - Commission mandated under the Arizona Constitution to establish each year an aggregate expenditure limitation from local revenues for counties, cities and towns, community college districts, and local school districts.

Enterprise Fund - A fund used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

EORP - Elected Officials' Retirement Plan - A qualified pension plan under section 401 of the Internal Revenue Code that provides retirement and other benefits to state and county elected officials, supreme court justices, superior court and court of appeals judges, and full-time superior court commissioners. The EORP is administered by the Public Safety Personnel Retirement System (PSPRS).

Excise Tax - A tax imposed by federal, state, or local governments on the sale or consumption of specific goods or services. In its broadest meaning, an excise tax is similar to a sales tax, which typically levies a fixed percentage tax on the monetary value of goods or services when purchased by consumers. Title 42, Chapter 6, Article 3, of the Arizona Revised Statutes allows the voters in most Arizona counties to enact countywide jail facilities, capital projects, and transportation excise taxes. More than twenty years ago, the County approved a 1 percent tax (now 6 percent) on the rental of hotel/motel rooms in the unincorporated area of the County, and in May 2006 voters approved the Regional Transportation Authority's countywide 0.5 percent transportation excise tax. Upon the unanimous vote of the Board of Supervisors, the County is allowed by statute to enact up to a 0.5 percent general county excise tax. At this time, Pima County does not impose such an excise tax. (Also see Sales Tax and Transaction Privilege Tax.)

Exemption from Property Taxes - The Arizona Constitution exempts property held by federal, state, or local governments and educational, charitable, and religious nonprofit organizations from property tax. The few remaining veterans of certain foreign wars, widows/widowers, and disabled persons are eligible for partial exemptions determined by income and value of their property. All household goods used in a residence and owned by the user are also exempt from a personal property tax.

Expenditure - Refers to the outflow of funds paid for assets, goods, or services obtained which are used for funds other than the Enterprise Fund and Internal Service Fund departments (the Proprietary Funds). A capital expenditure is an expenditure from a departmental operating budget for the acquisition of, or addition to, a fixed asset that costs more than \$1,000 and has a useful life of at least one year.

Expenditure Limitation - On June 3, 1980, Arizona voters approved Arizona Constitution, Article IX, §20 and §21, prescribing an expenditure limitation for each county, city, town, and community college district. The purpose of the expenditure limitation is to control expenditures and limit future changes in spending to adjustments for inflation, deflation, and population growth.

Expense - Charges incurred (whether paid immediately or unpaid) for Proprietary Funds.

Facilities Renewal Fund - A fund established, subject to annual appropriation, to provide resources for the on-going need to repair and rehabilitate existing, aging County buildings.

FARE - Fines/Fees and Restitution Enforcement – A program administered by the Arizona Supreme Court to assist courts in obtaining payment for court ordered fines, fees, and restitution cases in default.

Fill The Gap - A funding mechanism enacted by the state in 1999 to provide counties with resources to improve criminal case processing. A state appropriation in addition to a seven percent surcharge on court fines and forfeitures, as well as a five percent contribution of court collections by each county to its own Local Courts Assistance Fund, provides funding for this program.

Fines and Forfeits - Revenue from penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations, neglect of official duty, and the forfeiture of deposits held as performance or appearance guarantees.

Fire District Assistance Tax - Established by ARS §48-807, which requires, in part, that the Board of Supervisors shall “levy a County Fire District Assistance Tax on the taxable property in the County...” The funds raised by this secondary property tax supplement the operating budgets of the nineteen fire districts in the county.

Flood Control District - See Regional Flood Control District.

FMAP - Federal Medical Assistance Percentage - The share of each state’s Medicaid program paid by the federal government. The share runs from a minimum of 50% to a maximum of 83%, and is determined by the per capita income of each state.

FMS - Financial Management System - Computerized central data system that performs the County’s accounting and financial reporting functions.

Forecast - A projection of future revenues, expenses, population, building permits, assessed values, etc. based on historical and current economic, financial, and demographic information.

FPS - Financial Planning System - Computerized network based budgetary planning system used by Pima County. The Financial Planning System is also known as the Budget System.

FTE - Full Time Equivalent - Decimal conversion of the number of hours authorized for a position into a full time position. One FTE is defined as 2,080 funded hours per fiscal year, i.e., one FTE represents 26 pay periods per fiscal year times 80 hours per pay period for 2,080 hours per fiscal year.

Full Cash Value - The appraised value of a property approximating the “market value” of the property. The Full Cash Value is used to determine the Secondary Net Assessed Value which is then used to levy Secondary Property Taxes.

Functional Area - Grouping of departments with similar programs and services. Groupings used by Pima County are: Community & Economic Development, County Administration, Justice & Law Enforcement, Medical Services, and Public Works.

Fund - A system of accounts that segregates all financial transactions for restricted or designated uses by a government entity. The fund categories used by Pima County are the General Fund, Special Revenue Funds, Capital Projects Fund, Debt Service Fund, Enterprise Funds, and Internal Service Funds. (Also see individual fund definitions.)

Fund Balance - The difference between the assets and liabilities of governmental funds. Governmental funds include the General Fund, Special Revenue Funds, Capital Projects Fund, and Debt Service Fund.

FY - Fiscal Year - A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations. For Pima County, the fiscal year is from July 1 through June 30.

GASB - Government Accounting Standards Board - An independent, rule making body that establishes and improves standards of financial accounting and reporting for state and local governments. It is recognized as the official source of generally accepted accounting principles for state and local governments. Organized in 1984, GASB is the successor to the National Council on Governmental Accounting, whose standards remain in force unless amended or superseded by the GASB.

General Fund - The General Fund is used to account for all financial resources except those accounted for in other funds. The General Fund is the County’s principal financing vehicle for general government services and is funded largely by primary property tax revenue and state shared sales tax revenue.

General Fund Reserve - An amount of money held to cover expenses associated with unforeseen events. The reserve is a contingency expense budgeted at about five percent of general fund revenues in accordance with the recommendations of the Government Finance Officers Association (GFOA). Such a reserve is looked upon favorably by bond underwriters. Maintaining this reserve has the effect of lowering the interest rates on bonds sold by the County.

General Obligation Bonds - Bonds backed by the full faith and credit of Pima County used to finance a variety of public projects. These bonds require voter approval. General Obligation Bonds are limited tax bonds that are secured by the County’s secondary property tax.

GFOA – Government Finance Officers Association – A professional association of state, provincial, and local government finance officers in the U.S. and Canada founded to enhance and promote professional management of government for the public benefit by identifying and developing financial policies and practices.

GME – Graduate Medical Education Program – Postgraduate training program for physicians after medical school, also known as a residency program. Pass through funding is received by Pima County from the Arizona Board of Regents and paid to AHCCCS as the state match to draw down federal GME matching funds.

Governmental Funds - Funds that are used to account for the County's expendable financial resources and related current liabilities, except those accounted for in Proprietary Funds. Governmental funds include the General Fund, Special Revenue Funds, Capital Projects Fund, and Debt Service Fund.

Graffiti Abatement Program – A Pima County Department of Transportation program that provides graffiti removal service free of charge to private, residential property owners in the unincorporated area of the county.

Grants - Contributions or gifts of cash or other assets from another government or private entity to be used or expended for a specified purpose, activity, or facility.

HAVA - Help America Vote Act – A federal law that established a program to provide funds to states to replace punch card voting systems; established the Election Assistance Commission to assist in the administration of Federal elections and to otherwise provide assistance with the administration of certain Federal election laws and programs; established minimum election administration standards for states and units of local government with responsibility for the administration of federal elections; and for other purposes.

Pima County may use HAVA funds received in 2009 for voting equipment/machines, voter registration enhancements, voter education above the amount in the County maintenance of effort, poll worker recruitment and training above the amount in the County maintenance of effort, and/or other elections projects that can be approved as HAVA projects by the Arizona Secretary of State and do not supplant County maintenance of effort. Approval must be given by the Arizona Secretary of State prior to spending any funds. HAVA funds must be expended by June 30, 2011.

HCBS - Home and Community Based Services - A variety of programs, such as foster care, home delivered meals, congregate meals, and day care provided to clients in their homes or in a community setting as an alternative to institutional care.

HELP - Highway Extension/Expansion Loan Program - A financing mechanism established by the state of Arizona under the provisions of the National Highway System Designation Act of 1995. Pima County uses this program to seek funding to expedite projects that would otherwise be delayed until federal grant money becomes available or the County has the capability to pay-as-you-go.

HHW - Household Hazardous Waste Program - A program to educate the public about the concerns and problems of household chemical disposal and to provide collection sites to divert household chemicals from the sewerage system and landfills.

HIDTA - High Intensity Drug Trafficking Area - Investigation and enforcement efforts involving complex drug related activities in high drug trafficking areas. The HIDTA program is supported by federal grant funding.

Hotel/Motel Bed Tax - See Transient Lodging Excise Tax.

HSA - Health Savings Account - A tax-exempt trust or custodial savings account set up by an employee to pay or reimburse current and future qualified medical expenses. Enacted under provisions of the Internal Revenue Code, it is an alternative to traditional health insurance. An employee must be covered by a high deductible health plan and can contribute tax-free earnings to the HSA each year up to set limits. The necessary minimum deductible and maximum contribution levels are indexed for inflation over time.

HURF - Highway User Revenue Fund - Funds allocated by the state to fund the construction and maintenance of the County's highway and street system. This is the primary funding source for the Transportation Department and provides funds for the construction and maintenance of the County's roads and connecting infrastructure.

HURF Equity Legislation - Legislation passed by the 1997 State Legislature that resulted in a change in the formula to distribute Highway User Revenue Funds. The formula now includes the population of unincorporated areas in the calculation of distribution amounts. During fiscal year 1996/97, the change increased the distribution to Pima County by \$3.3 million, and the increase over a twenty-year period is estimated to be \$392.6 million.

Improvement District - A special taxing district that is established by the Board of Supervisors, at the request of the property owners within a specific area, for the purpose of installing local public improvements and distributing the cost of the improvements among the property owners within the district based upon the benefit derived. The Board of Supervisors sits as the board of directors for the County's Hayhook Ranch Improvement District, the operation and maintenance budget of which is funded by a Secondary Property Tax levy on all property located within the district. Other improvement districts exist in the County, but they are authorized and operated by municipalities and other independent boards of directors.

Incumbent - A Pima County employee or individual assigned to a particular Position Control Number (PCN).

Indirect Cost - A cost that is incurred for a common or joint purpose benefitting more than one cost objective that is not readily assignable to the individual cost objectives specifically benefitted.

Information Technology - Computer based systems which are used to acquire, store, and process information in various forms. This includes any hardware, whether primary equipment such as central processing units and personal computers, or ancillary equipment such as printers, scanners, video monitors, keyboards, etc. Information technology also includes the software and program applications which allow the equipment and systems to operate. (The department that manages the County's mainframe computer, network servers, wide area network, wireless radio services, and telecommunications is named Information Technology.)

Information Technology Enhancement Fund - A fund established to provide a source of funding for various specific information technology projects designated during the County's budget process.

Intergovernmental Revenues - Revenues received from other governments for general financial assistance used in performing specific functions or as sharing of tax proceeds. State shared sales and vehicle license taxes and Highway User Revenue Fund monies comprise the largest share of Intergovernmental Revenues, with shared Lottery and Alcoholic Beverage License revenues, and Payments in Lieu of Taxes from the Arizona Department of Transportation. Intergovernmental revenues received by Pima County from the federal government include Payments in Lieu of Taxes (PILT) on federal lands exempt from property taxation and grant monies.

Intermittent Employee - A person who has been hired for seasonal, on-call, or as-needed employment that does not exceed 1,040 paid hours per fiscal year.

Internal Service Fund - A fund used to account for the financing of goods or services provided by one County department to other County departments on a cost reimbursement basis.

JALE - Justice & Law Enforcement - An organizational entity comprised of the departments of Clerk of the Superior Court, Constables, County Attorney, Indigent Defense, Justice Court Ajo, Justice Court Green Valley, Justice Courts Tucson, Juvenile Court, Office of Court Appointed Counsel, Public Fiduciary, Sheriff, Superior Court, and Superior Court Mandated Services.

KERP - Kino Environmental Restoration Project - A cooperative project of the U.S. Army Corps of Engineers, Pima County, and the Pima County Flood Control District which was designed for three primary purposes: create native ecosystems; harvest urban storm water; and control flooding. This project was the result of the agencies' desire to redevelop an existing unlined storm water detention basin, the Tucson (Ajo) Detention Basin, into a detention basin that was more environmentally sensitive and aesthetically pleasing to the Tucson community.

Lease Purchase Agreement - An agreement providing that portions of a lease payment may be applied toward the purchase of the property under lease.

Legal Class - A property classification defined by the State Legislature and used to establish various Assessment Ratios to be applied to the Full Cash Value and the Limited Value of a property to determine both the Primary Net Assessed Value and Secondary Net Assessed Value of taxable property. Legal Class is determined by the use of the property.

Levy - Imposition of taxes and/or special assessments for the support of government activities.

Levy Limitation - The annual growth rate of the Primary Property Tax Levy is limited to two percent plus the percentage growth of the physical tax base. The levy limitation applies to counties, cities and towns, and community college districts.

Library District - See County Free Library District.

Limited Property Value - The basis for establishing the primary tax on a property. If there has not been a change of use or substantial modification to the property, it is the greater of: (1) the previous year's Limited Property Value increased by 10%; or, (2) 25% of the difference between the current year's Full Cash Value and the previous year's Limited Property Value. If there has been a change in use or a substantial change made to the property, the Limited Property Value is determined by using the average percentage that the Limited Property Value comprises of the Secondary Property Value of like properties in the area. The Limited Property Value can never exceed the Secondary Property Value.

Line Item Budget - A budget that allocates funds to specific cost centers, accounts, or objects, e.g., salaries and office supplies.

LGIP - Local Government Investment Pool - A pooled investment fund that is maintained by the state treasurer for the collective investment of state monies. The state treasurer deposits state monies in the pooled investment fund and such monies as any county, city, or town may supply. When a depositor provides monies to the pooled investment fund, it specifies the date or dates on which it will require the monies. The pooled investment fund shall be invested by the state treasurer for such periods as will facilitate the return of the monies to the originating bodies in accordance with the instructions received at the time of deposit. Earned interest increments are to be credited promptly after calculation.

Mandated Programs - Programs that are imposed by law or another authority.

Memo Revenue - Revenue from sale of County owned land and fixed assets, including buildings, vehicles, surplus property, capital lease proceeds, and an offset to budgeted depreciation expense not requiring actual outlay of monies.

Miscellaneous Revenue - Revenue from rents and royalties received in exchange for the right to use County land, buildings, improvements, and other property; monies received from private sources not associated with transfer of County property or services; reimbursements as compensation for damages to County property; and monies received as refunds and recoveries from outside sources.

MTCVB – Metropolitan Tucson Convention and Visitors Bureau – The recognized tourism promotion agency in the county whose goal is to enhance economic prosperity through the marketing and promotion of the metropolitan Tucson region for meetings, conventions, sporting events, and tourism. The MTCVB's film office also promotes the region as a location for the television, motion picture, and advertising industries.

MWBE - Minority & Women-owned Business Enterprises - Businesses owned and operated by women or minorities. It is the policy of Pima County government to ensure full and equitable economic opportunities to persons or businesses that compete for business with Pima County government, including minority-owned business enterprises (MBE) and woman-owned business enterprises (WBE); the goal being to encourage and support business growth and success. The Pima County Minority and Women-owned Business Enterprise Program is a narrowly tailored remedial plan intended to correct identified disparities.

NAI - Net Assets Impact - A term applicable to proprietary funds describing a change in retained earnings. Prior to a GASB rule change, the term Net Retained Earnings Impact (NREI) was used. The concept is similar to the philosophy of NFI, as applied to other funds.

NAV - Net Assessed Value - The assessed value less the exceptions and exemptions allowed by the state constitution and statutes.

NFI - Net Fund Impact - Defined as total revenues for the fiscal year, plus net operating transfers, and minus total expenditures, this calculation quantifies the difference between the fund balances at the beginning and end of the fiscal year. Used in developing and monitoring budgets of special revenue funds, the Debt Service Fund, and the Capital Projects Fund.

NGFI - Net General Fund Impact - The same as NFI, applicable to the General Fund.

NSP - Neighborhood Stabilization Program - A collaborative program between Pima County and the federal Department of Housing and Urban Development, as authorized by the Housing and Economic Recovery Act of 2008, to acquire, rehabilitate, and rent to low income residents properties located in areas hard-hit by blight and abandonment of vacant or foreclosed homes. The County's program is concentrated on foreclosed property acquisition and rehabilitation in the Cardinal/Valencia Road area and redevelopment projects in Ajo and South Tucson through contracts with non-profit organizations.

Object - A collection of accounts grouped and assembled by general type. For budgeting purposes, expenditure/expense objects are: Personal Services; Supplies; Services and Other Charges; Capital; Debt Service; and Other Financing Sources. Revenue objects are: Taxes; Special Assessment; Licenses & Permits; Intergovernmental; Charges for Services; Fines & Forfeits; Interest; Miscellaneous; and Memo Revenue.

Office of Medical and Health Services - An organizational entity comprised of the departments of Institutional Health, Office of Emergency Management and Homeland Security, Public Health, and Pima Health System & Services.

One Percent Constitutional Limitation - Article 9, Section 18, of the Arizona Constitution requires the maximum amount of ad valorem Primary Property Tax that may be collected from owner occupied residential property in any tax year shall not exceed one percent of the property's Limited Property Value. The one percent limitation does not apply when voters have approved overrides above budget, expenditure or tax limitations, or for Secondary Property Tax levies and assessments to retire debt or fund the operations of voter approved Special Taxing Districts.

OPEB – Other Post Employment Benefits – Costs associated with non-pension related post retirement healthcare benefits for retired County employees and their beneficiaries in Pima County's healthcare benefit plan.

Operating Budgets - Plans of current expenditures/expenses and the proposed means of financing them. The annual operating budget is the primary means by which most financing, acquisition, spending, and service delivery activities of a government are controlled.

Operating Expenditures/Expenses - Expenditures/expenses charged in a fixed period of time to reflect the day-to-day operations.

Operating Revenues - Revenues earned in a fixed period of time from daily operations. Property taxes collected make up the bulk of operating revenues for the General Fund, Regional Flood Control District, County Free Library District, and Debt Service Fund. Grant revenues are not considered operating revenues.

Operating Transfers - The movement of cash or assets from a fund that has the resources to a fund that will use them. Operating transfers "in" or "out" are not considered "revenues" or "expenses."

Outside Agencies - A group of organizations that are not associated with nor allocated to any particular Pima County department. Outside agencies submit requests for funding to provide economic development, health, and social services for the County, and funds for approved service programs are distributed to the outside agencies via discretionary fund contracts. The Community Development & Neighborhood Conservation Department administers the Outside Agency Program.

PAG - Pima Association of Governments - A nonprofit council of governments serving as the regional planning agency for Pima County and the Tucson metropolitan area. It is operated by a nine-member board of directors comprising executive officers from each of the nine jurisdictions: Pima County, Tucson, Marana, Oro Valley, Sahuarita, South Tucson, Pasqua Yaqui Tribe, Tohono O'odham Nation, and the State Transportation Board. PAG receives funds from federal, state, and local governments, including Pima County, for planning programs in air quality, water quality, transportation, and other regional programs.

Part Time Employee - A person who occupies a position that provides employment for less than 80 hours per pay period.

PCIHS - Pima County Integrated Health Care System - Diverse set of payer and provider operations including: Public Health Department, Pima Health System & Services (Pima County's acute care and long term care plans), provision of health care at the adult and juvenile detention centers, Posada del Sol Nursing Home, provision of mandated behavioral health services, administration and oversight of jail based Restoration to Competency program, and lease oversight of University Physicians Healthcare Hospital at Kino Campus, formerly Kino Community Hospital.

PCN - Position Control Number - A unique seven digit numeric identifier used by the Position Control and Financial Planning systems to differentiate between specific positions within the County.

Per Capita - A measure for revenue or expenditure/expense on a per person basis.

Performance Based Budget - A budget that allocates funds for programs and services based on their worth, performance, effectiveness, and contribution to the organization's overall mission, goals, and objectives. Theoretically, the decision to appropriate more or fewer resources for programs and services from year to year is based on how well they achieve their stated goals and outcomes. In order to assess the work efficiency of operating units, different types of performance measures are used: input, output, outcome, quality, and efficiency.

Performance Measure - A quantitative measure or qualitative assessment of how well a department has met or will meet its goals and objectives. Performance measures summarize the relationship between inputs and outputs in achieving outcomes with respect to effectiveness, efficiency, and quality. Performance measures demonstrate what the program service outputs are, what the expected quality levels are for these outputs, and what productivity is expected from expended person-hours and dollars.

Personal Property - Property of every kind, both tangible and intangible, not included in the definition of real estate. Generally, personal property is moveable property. In Arizona there are two types of personal property, secured and unsecured. The owner of secured personal property is required to have his property declared as secured property. Secured property is taxed at the same time and in the same way as real property. Much of the equipment and the buildings of mines and utilities are secured personal property. Unsecured personal property is usually moveable property that is not exempted by the Arizona Constitution. Business equipment and mobile homes are the most common types of unsecured personal property. The Assessor must include in the assessment roll of property in the County an estimate of the value of unsecured personal property.

Personal Services - All costs of compensating Pima County employees including salaries and employee benefit costs such as Pima County contributions for retirement, social security, and health, dental, life, unemployment, and workers' compensation insurance.

Photo Traffic Enforcement Program – A program that commenced during fiscal year 2008/09 to enhance the quality of life in Pima County by improving driver compliance with traffic speed laws. A photo enforcement vendor selected by the County identifies, via cameras, drivers who have violated traffic speed limits within unincorporated Pima County. The Pima County Sheriff's Department, independently or via an agency agreement with the photo enforcement vendor, then determines violations shown by the photo evidence and mails a notice of violation to the responsible party. Persons who request a hearing or fail to respond to the notice of violation are served with a citation for their alleged speeding violations, which are adjudicated through the Pima County Justice Courts.

PILT - Payments in Lieu of Taxes - Properties owned by federal, state, county, and municipal governments are exempt from property taxation. Because such property is exempt, the revenue needs of a jurisdiction are borne by all other taxpayers within the jurisdiction. To offset the increased burden imposed on other taxpayers, federal and state statutes authorize the County to receive payments "in lieu" of the property tax that would have been imposed had such property been subject to local taxes.

Pima County Attorney Investigator Retirement Plan - A qualified pension plan under section 401 of the Internal Revenue Code that provides retirement and other benefits to Pima County Attorney Investigators. The plan is part of and is administered by the Public Safety Personnel Retirement System (PSPRS).

Pima County Sheriffs Retirement Plan - A qualified pension plan under section 401 of the Internal Revenue Code that provides retirement and other benefits to Pima County Sheriff's Department uniformed and other select department personnel. The plan is part of and is administered by the Public Safety Personnel Retirement System (PSPRS).

PimaCore - See Project PimaCore.

PNAV - Primary Net Assessed Value - Determined by multiplying the Limited Property Value by the Assessment Ratio for the property and subtracting the value of any applicable property exemption. The Primary Net Assessed Value is used to determine the Primary Property Taxes due on a given property.

Pooled Investment Interest Revenue - Interest revenue earned on fixed income securities held in local government investment pools invested by the County or state treasurer. Assets from two or more jurisdictions are combined into an investment pool to facilitate the implementation of more diversified, lower cost investment strategies while maintaining separate accounting and audit trails for the funds provided by each jurisdiction.

Position Control System - Mainframe based position tracking system, sometimes referred to by the acronym PCON.

Primary Property Tax - All ad valorem taxes except for secondary property taxes. It is determined by dividing the PNAV by 100 and then multiplying the quotient by the Primary Tax Rate. The Primary Property Tax is used by the County, schools, cities, and towns to support ongoing operations of the jurisdiction as opposed to capital improvements or override amounts which must be approved by the voters. If the amount of primary taxes to be levied in a given year is more than the amount of natural growth in the tax base, there must be a public hearing before the increase is imposed. The amount of primary taxes that can be imposed is limited by statute.

Program - A group of closely related activities and services provided by an organization within the County. Programs produce some type of measurable result. The activities or services can be mandatory or discretionary. The activities or services also can have different funding sources (e.g., General Fund support, grants, Special Revenue Funds, etc.).

Program Budget - A budget that organizes revenues and expenditures according to program output rather than departmental consumption, as in a line item budget, perhaps crossing standard organizational lines (youth program, for example).

Program Budgeting - A budget methodology that relates appropriations to goals. Budget developers practicing this approach strive to appropriate funds for goal oriented units.

Project PimaCore - An effort underway within the County to replace existing financial management, human resources, and other related business systems with a fully integrated business system that eliminates redundancy and provides for a single point of data entry. The goal of the new system is to transform financial and related business systems to provide the efficiency, transparency, and accountability necessary for the effective performance of County government; reduce costs through the elimination of redundant systems; streamline data entry and system reconciliations; and enhance the quality and accessibility of business information while accommodating the growth of County activities.

Property Tax Stabilization Fund - A special revenue fund established to provide for future stabilization of the primary and combined property tax rates. Financial resources are provided by operating transfers from the General Fund.

Proposition 100 ("Bailable Offenses," 2006 General Election) - A state initiative passed by voters in November 2006 which amended Article 2, Section 22 of the Arizona Constitution to prevent persons who have entered or remain illegally in the United States from being eligible for bail should they be charged with a criminal offense under Arizona law that would allow the person to be released on bail.

Proposition 100 (“Temporary Transaction Privilege and Use Taxes,” 2010 Special Election) – A state initiative passed by voters in May 2010 which amended Article 9, Section 12 of the Arizona Constitution by authorizing a temporary increase of 1 percent in the State’s transaction privilege and use taxes from June 1, 2010, through May 31, 2013, for the purpose of raising state revenues for primary and secondary education, health and human services, and public safety. As set forth in the initiative, two-thirds of revenues collected from the temporary tax shall be appropriated for public primary and secondary education, while the remaining one-third of revenues collected shall be appropriated for health and human services and public safety purposes.

Proposition 101 (“Local Property Tax Levies,” 2006 General Election) - A state initiative passed by voters in November 2006 which amended Article 9, Section 19 of the Arizona Constitution by changing the base year for the primary property tax levy limit of each county, city, town, and community college district. The base year changed from tax year 1980 to tax year 2005. The proposition was initiated by the Arizona legislature to reduce any excess levying capacity that the jurisdictions had built up over the years. Approval of the proposition by voters reduced Pima County’s primary property tax levy limit from \$277,200,000 in tax year 2005 to \$256,100,000 in 2006. In tax year 2006 Pima County’s actual primary property tax levy was \$248,469,882.

Proposition 204 (“Healthy Arizona Initiative,” 2000 General Election) - A state initiative passed in November 2000 that raised the income limits for Arizona residents to qualify for medical assistance, allowing a greater number to receive subsidized health care.

Proposition 204 County Hold-Harmless - Prior to the implementation of Proposition 204 (“Healthy Arizona Initiative,” 2000 General Election), counties were paying for eligibility and medical liability costs. When the state assumed these costs as part of Proposition 204, it made three changes in county financing to generate funds. It reduced Disproportionate Share Hospital payments and created two new county contributions – the Uncompensated Care contribution and the AHCCCS Administration Cost contribution. While all of these changes resulted in a total net gain for some counties, they also created a total net loss for others. In order to ensure that counties did not suffer a net loss as a result of the implementation of Proposition 204, the state enacted County Hold-Harmless payments. These payments began in fiscal year 2002/03 and remained unchanged at \$3.8 million through fiscal year 2009/10. No County Hold-Harmless payments are budgeted for fiscal year 2010/11, as the State’s budget shortfall for fiscal year 2010/11 resulted in the termination of such payments.

Proprietary Funds - Funds used to account for the County’s ongoing activities that are similar to those found in the private sector. Proprietary funds include the County’s Enterprise and Internal Service funds.

PSPRS - Public Safety Personnel Retirement System - A qualified pension plan under section 401 of the Internal Revenue Code that provides retirement and other benefits to public safety personnel who are regularly assigned hazardous duty in the employ of the state of Arizona or a political subdivision thereof, including Pima County. Pima County public safety personnel are covered by the Pima County Sheriffs Retirement Plan or the Pima County Attorney Investigator Retirement Plan. In addition, the PSPRS also administers the Corrections Officer Retirement Plan (CORP) and the Elected Officials’ Retirement Plan (EORP).

PTOC - Property Tax Oversight Commission - A commission authorized by the Arizona Legislature to oversee the constitutional and statutory limitations on primary property tax levies of the counties, cities and towns, and community college districts.

Public Works - The organizational entity comprised of the departments of Capital Projects, Development Services, Environmental Quality, Facilities Management (includes Parking Garages, an enterprise fund), Fleet Services, Regional Flood Control District, Graphic Services, Natural Resources, Parks & Recreation, Public Works Administration, Solid Waste Management, Transportation, and Regional Wastewater Reclamation.

Real Property - Land and improvements attached to the land. Exceptions are some improvements in those legal classes that are primarily valued by the Arizona Department of Revenue. In many cases the improvements for these classes of property are defined as secured personal property.

Recommended Budget - The budget, as proposed by the County Administrator to the Board of Supervisors, during the annual budget process.

Recreational Vehicle Space Surcharge - A 50¢ per night per space surcharge on recreational vehicles and travel trailers leasing space in an RV park or mobile home park for less than 12 months. An owner paying personal property tax on a vehicle instead of a vehicle license tax and who leases a space for longer than 12 months is exempt. The tax was imposed by the Board of Supervisors sitting as the Board of Directors of the County Stadium District.

Regional Flood Control District - A special countywide taxing district established under Arizona Revised Statutes, Title 48, Chapter 21, to protect public health, safety, and welfare by implementing flood control solutions and providing comprehensive flood prevention services, and to enhance natural floodplain characteristics and environmental quality by preserving and protecting riparian habitat resources. In addition to other powers, the Board of Supervisors, sitting as the board of directors for the Regional Flood Control District, is authorized to levy a secondary property tax on real property in the district to fund necessary expenditures/expenses for the benefit of property holders within the district.

Regional Logistics Workforce - A federal grant for Workforce Innovation in Regional Economic Development (WIRED) Innovation Frontier under the Community Services, Employment & Training Department's One Stop Program, which works in partnership with Cochise, Santa Cruz, and Yuma Counties and educational institutions to develop a skilled workforce for the regional transportation logistics industry and other industries that rely on logistics.

Regular Employee - An employee who is employed full time, part time, or variable time on a continuous and continuing basis.

Retirement Plans - Eligible Pima County employees are members of and receive retirement and other benefits from one of six retirement plans: Arizona State Retirement System (ASRS), Corrections Officer Retirement Plan (CORP), Elected Officials' Retirement Plan (EORP), Pima County Attorney Investigator Retirement Plan, Pima County Sheriffs Plan, or Administrative Office of Courts Retirement Plan (AOC). The Public Safety Personnel Retirement System administers all retirement plans except the ASRS. Each of the six retirement plans covering Pima County employees is described in the glossary.

Revenues - Monies received as income. It includes such items as tax payments, fees for specific services, receipts from other governments, fines, interest income, etc.

Revised Budget - A department's authorized budget, as modified during the fiscal year, by the Board of Supervisors via the Budget Amendment Process.

RTA - Regional Transportation Authority - Created in 2004, the RTA is a public body authorized by ARS §48-5301 through §48-5315 to identify multi-modal transportation priorities and design projects to meet needs under the Regional Transportation Plan. Members include Pima County, Marana, Oro Valley, Pascua Yaqui Tribe, Sahuarita, South Tucson, Tohono O'odham Nation, Tucson, the Pima Association of Governments, and the Arizona State Transportation Board. Projects developed under the Regional Transportation Plan are funded by a 20-year countywide transportation excise tax approved by voters in May 2006. The excise tax rate on most purchases taxed under Arizona law is 0.5 percent, including the leasing of commercial real property, and is commonly referred to as the "half-cent RTA sales tax."

Sales Tax - A tax imposed by state and local governments on the purchase of certain taxable goods and services. The tax is typically a fixed percentage of the monetary value of the good or service and is paid at the time the final consumer purchases the good or service. Items or materials purchased by businesses for resale are generally exempt from sales tax, as the tax will be imposed at the time the final consumer purchases the good or service. (Also see Excise Tax and Transaction Privilege Tax.)

SCAAP - State Criminal Alien Assistance Program - A federal program that provides reimbursement to states and other jurisdictions that incurred correctional officers' salary costs for detaining criminal illegal aliens.

SDCP - Sonoran Desert Conservation Plan - A comprehensive regional conservation and urban planning effort initiated in 1998 and adopted by the Board of Supervisors in 2001 to protect and enhance the natural and cultural environment of Pima County. Led by a steering committee, with extensive participation by the public, the scientific community, and many County departments, the Sonoran Desert Conservation Plan focuses on critical and sensitive habitat conservation, historic and cultural preservation, and riparian protection. The Sonoran Desert Conservation Plan represents the community's long term strategy for the coexistence of Pima County's natural and urban environments, while upholding and giving the broadest application to the ecosystem protection goals of the Endangered Species Act.

Secondary Property Tax - Generally, a property tax approved by voters to pay interest and retire debt used for capital improvements or to fund ongoing operation expenses of special voter-approved districts. Pima County has four secondary property taxes. The Secondary Property Tax for Debt Service is used to pay interest and principal on County debt incurred for capital improvements and approved budget overrides. The Secondary Property Tax for the Regional Flood Control District and the Secondary Property Tax for the County Free Library District fund the ongoing operation expenses of each respective district. The County also has a state mandated Secondary Property Tax called the Fire District Assistance Tax, which assists in funding the operations of the nineteen fire districts in the county. Other jurisdictions may impose their own secondary property taxes.

Self Insurance Trust Fund - An internal service fund that accounts for the risk management function of the County. The fund is administered by an appointed Board of Trustees and provides self insurance coverage to the County for medical malpractice, workers compensation, unemployment, general liability, property damage, environmental damage, and employee dental benefits. It also acquires coverage for other risks. The fund is financed by the General Fund and specific user departments.

Service - Defines the department's product or benefit to the County. Services may be identified, by combining the department's major activities with a common purpose into one group. For example, recruiting, training, and classification are activities that make up *Personnel Service* under the department's Administration Program.

Sewer Revenue Bonds - Bonds issued by Pima County for Regional Wastewater Reclamation capital improvement projects that are pledged to be repaid from sewer user fees and/or sewer connection fees instead of being repaid from secondary property tax revenue.

SLID - Street Lighting Improvement District - A special taxing district authorized under Arizona Revised Statutes, Title 48, Chapter 6, for the purpose of funding and maintaining lighting improvements for streets and parks and to purchase the energy needed to operate those improvements. The Board of Supervisors sits as the board of directors for twenty-one County SLIDs, the budgets of which are funded by a Secondary Property Tax levy on all property located within the SLID.

SNAV - Secondary Net Assessed Value - This value is determined by multiplying the Full Cash Value times the proper Assessment Ratio for the property and subtracting the value of any Exemption applicable to the property. The Secondary Net Assessed Value is used to determine the Secondary Property Taxes due on a given property.

Southwest Border Prosecution Initiative - An initiative (previously called the Southwest Border Local Assistance Initiative) that provides funds to Arizona and three other border states to reimburse state, county, tribal, and municipal governments for costs associated with the prosecution of federally initiated and declined-referred criminal cases.

Special Revenue Funds - A fund category used to 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 Transportation, Public Health, the Regional Flood Control District, Employment & Training, the County Free Library, the Stadium District, Environmental Quality, Solid Waste Management, and various departmental programs.

Special Taxing District - A district established under Arizona Revised Statutes, Title 48, whose board of directors is authorized to levy secondary property taxes or assessments on property located within the boundary of the district to fund expenditures/expenses for the benefit of property holders in the district. The Pima County Board of Supervisors sits as the board of directors for three countywide special taxing districts: the County Free Library District, the Regional Flood Control District and the Stadium District. The Board of Supervisors also sits as the board of directors for twenty-two smaller special taxing districts, including the Hayhook Ranch Improvement District and twenty-one Street Lighting Improvement Districts. Within Pima County, there are other independent special taxing districts such as the fire, irrigation, and water improvement districts, along with municipal business improvement and community facilities districts.

Stadium District - A special taxing district established under Arizona Revised Statutes, Title 48, Chapter 26, to provide family entertainment for Pima County residents through sports recreation and community events and to develop relationships with professional baseball teams that will have a positive impact on the local economy. The Board of Supervisors sits as the board of directors for the Stadium District, and has earmarked revenues from the County's Vehicle Rental and Recreational Vehicle Space Surcharges, along with a portion of revenues from the Transient Lodging Tax, to fund the expenditures/expenses of the district.

State Aid to Education - The State of Arizona provides financial aid to school districts throughout the state by funding various types of assistance through its General Fund budget, lottery and Indian gaming revenues, and revenues from a 0.6% sales tax earmarked for educational uses. The State also reduces local primary property taxes paid by owner-occupied residential taxpayers in each school district. Commonly called the "Homeowner's Rebate," this subsidy is legally known as Additional State Aid. Homeowners can receive a subsidy up to \$600 during fiscal year 2010/11 against their local school district primary tax. There is an exception to the maximum subsidy should the combined Primary Property Tax levies for all jurisdictions where the homeowner resides exceed one percent of the homeowner's Limited Property Value. When this exception occurs, a further amount of state aid is determined and added to Additional State Aid so that the combined Primary Property Tax levies paid by the homeowner to all jurisdictions do not exceed one percent of his/her Limited Property Value.

State School Equalization Tax - Pursuant to ARS §15-994 the State mandates the levy of a Primary Property Tax to provide equalization assistance to school districts. The rate for such a Primary Property Tax levy is subject to Truth in Taxation provisions as set forth in ARS §41-1276, with a majority vote by the legislature being required to set the State School Equalization Tax rate above the Truth in Taxation rate for any year.

State Shared Sales Taxes - Sales taxes collected by the State of Arizona, which are distributed to the State General Fund and to the General Funds of Arizona counties and cities to supplement revenues.

Street & Highway Revenue Bonds - Transportation bonds issued for the purpose of constructing street and highway projects. They are secured by state shared gasoline tax revenue collections in the state of Arizona Highway User Revenue Fund (HURF). Debt service on these bonds is paid from the County's share of HURF funding received through the Transportation Department.

Super Department - An aggregation of departments that share a specific common purpose and are administered by a single department director/manager or elected official. ("Super Department" should not be confused with "Functional Area" which is a grouping of departments sharing a *broad* common purpose. For example, the Sheriff and the County Attorney departments, which are administered by different elected officials and are entirely separate departments, belong to the Justice & Law Enforcement functional area.) All Super Departments, except Wastewater Reclamation, are represented by a four-digit numeric or alphanumeric designator that usually, but not always, corresponds to the first four digits of the operating department designator. For example, "1600" represents the County Attorney Super Department which is comprised of the following departments:

- | | |
|---|-------------------------------|
| 1600000 - County Attorney (operating department) | 5220000 - Employer Sanctions |
| 5110000 - Fill the Gap | 5230000 - Bad Check Program |
| 5160000 - Victim Restitution | 5270000 - Consumer Protection |
| 5200000 - County Law Enforcement Antiracketeering | 8300000 - Grants |
| 5210000 - Victim Witness Comp | |

The Super Departments and their component departments are presented in a listing within this Supplemental Information section.

Supplemental Package - The Financial Planning System contains packages A through Z. Packages B through Z refer to supplemental requests for funding in excess of the department Base Budget or expansion of the Operating Budget.

Supplies – Articles and commodities, which are consumed or materially altered when used, e.g., office supplies, maps, blueprints, repair and maintenance supplies, and small tools, equipment or computer software costing less than \$1,000 per item.

Tax Rate - As applied to property taxes, the tax rate is the rate per \$100 of net assessed value at which a property will be taxed. Both the Primary and Secondary Tax rates are set by the County Board of Supervisors or the governing boards of other taxing jurisdictions. The rate is determined by dividing the levy by the sum total of the Primary or Secondary Net Assessed Value (per \$100 of net assessed value) within the jurisdiction. The rate is then applied to the Primary or Secondary Net Assessed value (per \$100 of net assessed value for each individual property) to determine the amount of the taxes due on that property.

Tax Reduction/Debt Retirement Fund - The Tax Reduction/Debt Retirement Fund was established in fiscal year 1999/2000 for the purpose of pooling revenues from various activities in order to offset possible future tax increases. Fund sources include any new revenues derived from expense recoveries, such as federal or state reimbursements for criminal justice and law enforcement, sale of surplus property, and fee increases by General Fund departments where General Fund support is reduced or the fees are not earmarked for a specific purpose.

Tax Year - The year in which a lien for property taxes is imposed. Liens are imposed on property on January 1st of the year in which the levy is set. The first half-year taxes are due on October 1st of the tax year, and the second half-year taxes are due on March 1st of the following calendar year. If taxes are not paid when due, the lien will be offered for sale.

Temporary Employee - An employee who has been appointed on a full-time, part-time, or variable-time basis for a limited period not to exceed eighteen months.

Tentative Budget - Per ARS §42-17101, the Board of Supervisors “. . . on or before the third Monday in July each year, shall prepare . . . an estimate of the different amounts that will be required to meet the . . . public expense . . . for the current fiscal year.”

Title IV-D - Referring to that portion of Social Security law covering the child support enforcement program, Federal Division of Child Support Enforcement.

Total Net Assets - The difference between the assets and liabilities of proprietary funds. Proprietary funds include the County's Enterprise and Internal Service funds.

Transaction Privilege Tax - Arizona's version of a sales or excise tax. The seller is responsible for paying the entire amount of the tax due based on the gross taxable proceeds or gross taxable income of the business. The seller may include the tax in the purchase price or absorb the tax itself; however, in practice the tax is typically passed on to the consumer. Many types of transactions such as the purchase of unprepared food for consumption at home, prescription drugs and medical equipment, and most services are exempt from the tax under Arizona law.

Transient Lodging Excise Tax - A special tax levied on individuals who secure accommodations in any hotel, motel, or other organization that offers accommodations located in any jurisdiction which does not levy a municipal occupational license tax. Receipts from Pima County's transient lodging excise tax are distributed to the Stadium District (34%), the Economic Development and Tourism Special Revenue Fund (16%), and to the Metropolitan Tucson Convention & Visitors Bureau for tourism promotion (50%).

TREO - Tucson Regional Economic Opportunities, Inc - Formed in 2005 to serve as the lead economic development agency for the greater Tucson area, TREO supports the creation of new businesses, the expansion of existing businesses within the region, and the attraction of high-impact companies that share the community's values.

Truth in Bonding Ordinance - Ordinance 1997-25 that added Pima County Code Chapter 3.06 "Bonding Disclosure, Accountability, and Implementation," requiring the Board of Supervisors to provide notification to voters prior to a bond election of what projects will be constructed with bond revenues and provide assurances that the County will carry out the bond programs as authorized.

Truth in Taxation - Whenever a proposed Primary Property Tax levy, excluding amounts attributable to new construction, is greater than the amount levied by the County in the preceding year, the Board of Supervisors is required by ARS § 42-17107 to publish a notice of tax increase and hold a public truth in taxation hearing before approving the adopted budget. ARS § 42-17104 requires such a public hearing be held on or before the fourteenth day before the day taxes are levied. Whenever a truth in taxation hearing has been required, Pima County has customarily held such a hearing on the same day and immediately preceding the Board's approval of the adopted budget.

UPHH at Kino Campus - University Physicians Healthcare Hospital at Kino Campus - The hospital, formerly known as Kino Community Hospital, is operated by University Physicians Healthcare under a 25 year lease with the County that began on June 16, 2004.

Vacancy Savings - A savings realized when budgeted positions are left vacant for all or part of a fiscal year. The line item "Budgeted Personal Services Reduction" is used to budget for vacancy savings. This reduction to the personal services budget allows the department to use these amounts to fund other items.

VLT - Vehicle License Tax - An ad valorem tax imposed on cars, trucks, and trailers in the state of Arizona. This tax is usually collected by the counties, but some counties have opted to have the state collect the tax. In Pima County, this tax is collected by the Arizona Department of Motor Vehicles and then redistributed to the County. The VLT is a major revenue source for Pima County. (Note: The Chart of Accounts identifies the VLT revenue account as Shared Vehicle License Tax – 44701.)

WIFA - Water Infrastructure Finance Authority - An independent state agency authorized to finance the construction, rehabilitation and/or improvement of drinking water, wastewater, wastewater reclamation, and other water quality facilities/projects. Generally, WIFA offers borrowers below market interest on loans for one hundred percent of eligible project costs.

WIRED - Workforce Innovation in Regional Economic Development - A federal grant to the Community Services, Employment & Training Department for the Pima County One Stop program, which will align workforce development, economic development, and educational efforts around a regional (including Cochise, Santa Cruz, Yuma, and Pima Counties) strategy to promote innovation and increase the region's prosperity.

Workforce Investment Act (WIA) of 1998 - The act that requires states to streamline and consolidate their training systems by creating a "one stop" approach for the delivery of services. The WIA replaced the Job Training Partnership Act and established a new workforce development program for the nation.

Zero Base Budget - This type of budget is generally used in conjunction with program budgeting (although it may be applied to line item budgeting). It is a budget for which the funding level must be justified without regard to prior year funding levels. Under a target base approach, the prior year's budget is adjusted for known financial changes, such as approved salary and benefit adjustments, and is then used as the starting point for the current year. Modifications to this base are requested in supplemental packages. Under a zero base approach, no specific target base is established. The department evaluates its current level of operations, programmatic structure, and staffing in the context of its function statement and mandates. Organizational revisions, if beneficial to the achievement of department goals, are made. Programs are then subdivided into services and activities which define the department's products or benefits to the County. Each service is individually budgeted at its current level and can be individually evaluated for adoption. Each line item for each service is evaluated and justified. During the fiscal year, the actual costs of each service can be captured, and variances from budgeted costs are monitored and analyzed.

SUPER DEPARTMENT LISTING FOR FISCAL YEAR 2010/2011

Super Department	Department
1000 ASSESSOR	1000000 ASSESSOR
1100 BOARD OF SUPERVISORS	1100000 BOARD OF SUPERVISORS
1300 CLERK OF THE BOARD	1300000 CLERK OF THE BOARD
1400 CLERK OF SUPERIOR COURT	1400000 CLERK OF SUPERIOR COURT 5100000 COC VICTIM LOCATION FUND 5130000 COC SPOUSAL MAINTENANCE ENFORCEMENT 5140000 COC LOCAL COURT AUTOMATION FUND 5260000 COC CHILD SUPPORT INCENTIVE 5330000 COC DOCUMENT STORAGE & RETRIEVAL 5340000 COC TIME PAY FEES 8670000 COC JUDICIAL COLLECTION ENHANCEMENT
1500 CONSTABLES	1500000 CONSTABLES
1600 COUNTY ATTORNEY	1600000 COUNTY ATTORNEY 5110000 CO ATTY FILL THE GAP 5160000 CO ATTY VICTIM RESTITUTION 5200000 COUNTY LAW ENFORCEMENT ANTIRACKETEERING 5210000 CO ATTY VICTIM WITNESS COMP 5220000 CO ATTY EMPLOYER SANCTIONS 5230000 CO ATTY BAD CHECK PROGRAM 5270000 CO ATTY CONSUMER PROTECTION 8300000 COUNTY ATTORNEY GRANTS
1700 COUNTY ADMINISTRATOR	1700000 COUNTY ADMINISTRATOR 5150000 FACILITIES RENEWAL FUND 5530000 SPACE ACQUISITION FUND 8350000 COUNTY ADMINISTRATOR GRANTS
1710 ELECTIONS	1710000 ELECTIONS 8540000 ELECTIONS GRANTS
1850 NON DEPARTMENTAL	0400000 IMPROVEMENT DISTRICTS 1850000 NON DEPARTMENTAL 3290000 GENERAL GOVERNMENT REVENUES 3300000 CONTINGENCY 3340000 GENERAL FUND DEBT SERVICE 5370000 EMPLOYEE BENEFIT LIABILITY FUND 5372000 PROPERTY TAX STABILIZATION FUND 5800000 DEBT SERVICE
1900 FACILITIES MANAGEMENT	1900000 FACILITIES MANAGEMENT 7210000 PARKING GARAGES 8370000 FACILITIES MANAGEMENT GRANTS

SUPER DEPARTMENT LISTING FOR FISCAL YEAR 2010/2011

Super Department	Department
2000	FINANCE & RISK MANAGEMENT
	2000000 FINANCE
	5510000 IMPROVEMENT DISTRICTS FORMATION FUND
2320	INFORMATION TECHNOLOGY
	8050000 RISK MANAGEMENT
	2320000 INFORMATION TECHNOLOGY
2500	INSTITUTIONAL HEALTH
	5373000 IT ENHANCEMENT FUND
	8020000 COMMUNICATIONS
2600	INDIGENT DEFENSE
	2500000 INSTITUTIONAL HEALTH
	2600000 INDIGENT DEFENSE
2700	JUSTICE COURT AJO
	5120000 INDIGENT DEFENSE FILL THE GAP
	5620000 LEGAL DEFENDER TRAINING FUND
	5660000 PUBLIC DEFENDER TRAINING FUND
	2700000 JUSTICE COURT AJO
2710	JUSTICE COURT GREEN VALLEY
	5490000 JC AJO TIME PAY FEES
	5491000 JC AJO COURT AUTOMATION FUND
	5492000 JC AJO FARE SPECIAL REVENUE
	5493000 JC AJO PHOTO TRAFFIC ENFORCEMENT
2720	JUSTICE COURT GREEN VALLEY
	2710000 JUSTICE COURT GREEN VALLEY
	5480000 JC GV TIME PAY FEES
	5481000 JC GV COURT AUTOMATION FUND
	5482000 JC GV FARE SPECIAL REVENUE
2730	JUSTICE COURTS TUCSON
	5483000 JC GV PHOTO TRAFFIC ENFORCEMENT
	2720000 JUSTICE COURTS TUCSON
	5380000 JC TUCSON TIME PAY FEES
	5381000 COURT AUTOMATION FUND
2920	PUBLIC WORKS ADMINISTRATION
	5382000 JC TUCSON FARE SPECIAL REV
	5383000 PHOTO TRAFFIC ENFORCEMENT
	5384000 JC TUCSON PROBATION FEE
	8550000 JUSTICE COURTS TUCSON GRANTS
2940	KINO SPORTS COMPLEX
	2610000 CONTRACT ATTORNEYS
	2730000 OFFICE OF COURT APPOINTED COUNSEL
	2740000 PHOTO TRAFFIC ENFORCEMENT
2920	PUBLIC WORKS ADMINISTRATION
	2750000 DEPENDENT CHILD REPRESENTATION
2940	KINO SPORTS COMPLEX
	2920000 PUBLIC WORKS ADMINISTRATION
2940	KINO SPORTS COMPLEX
	2940000 KINO SPORTS COMPLEX

SUPER DEPARTMENT LISTING FOR FISCAL YEAR 2010/2011

Super Department	Department	
2950	COMMUNITY DEVELOP & NEIGHBORHOOD CONSERV	
	2950000 COMMUNITY DEVELOP & NEIGHBORHOOD CONSERV	
	5171000 NEIGHBORHOOD CONSERVATION	
	5172000 HOUSING TRUST FUND	
2970	COMMUNITY & ECONOMIC DEVELOPMENT ADMIN	
	2970000 COMMUNITY & ECONOMIC DEVELOPMENT ADMIN	
	3000	JUVENILE COURT
		3000000 JUVENILE COURT
5090000 JUVENILE TITLE IV-E		
5240000 JUVENILE VICTIM RESTITUTION		
5390000 JUVENILE PROBATION SERVICES		
3250	FORENSIC SCIENCE CENTER	
	3250000 FORENSIC SCIENCE CENTER	
	8140000 FORENSIC SCIENCE CENTER GRANTS	
3310	COMMUNITY SVCS, EMPLOYMENT & TRAINING	
	3310000 COMMUNITY SERVICES	
	9410000 EMPLOYMENT & TRAINING	
3350	HUMAN RESOURCES	
	9740000 PIMA VOCATIONAL HIGH SCHOOL	
3400	HUMAN RESOURCES	
	3350000 HUMAN RESOURCES	
3400	NATURAL RESOURCES, PARKS & RECREATION	
	3400000 NATURAL RESOURCES, PARKS & RECREATION	
	5190000 PARKS SPECIAL PROGRAMS	
3600	PUBLIC FIDUCIARY	
	8690000 PARKS & RECREATION GRANTS	
3600	PUBLIC FIDUCIARY	
	3600000 PUBLIC FIDUCIARY	
3800	PROCUREMENT	
	3800000 PROCUREMENT	
3900	RECORDER	
	3900000 RECORDER	
	5350000 RECORDER DOC STORAGE & RETRIEVAL	
4000	SHERIFF	
	4000000 SHERIFF	
	5300000 SHERIFF STATE RICO FUND	
	5400000 SHERIFF CNA ANTIRACKETEERING FUND	
	5440000 SHERIFF FEDERAL RICO FUND	
	5470000 SHERIFF CRIMINAL JUSTICE ENHANCEMENT	
	5540000 SHERIFF COMMISSARY OPERATIONS	
	5570000 SHERIFF INMATE WELFARE FUND	
8750000 SHERIFF GRANTS		
4100	SCHOOL SUPERINTENDENT	
	4100000 SCHOOL SUPERINTENDENT	
	8790000 SCHOOL RESERVE FUND	

SUPER DEPARTMENT LISTING FOR FISCAL YEAR 2010/2011

Super Department	Department
4200 SUPERIOR COURT	4200000 SUPERIOR COURT
	4210000 SUPERIOR COURT MANDATED SERVICES
	5080000 SUPERIOR CRT LOCAL COURT AUTOMATION FUND
	5180000 COURTS FILL THE GAP
	5280000 SUPERIOR COURT CHILD SUPPORT VISITATION
	5310000 SUPERIOR COURT COUNTY LAW LIBRARY
	5360000 SUPERIOR COURT PROBATE
	5410000 SUPERIOR COURT CONCILIATION
	5430000 SUPERIOR COURT PROBATION SERVICES
	8100000 SUPERIOR COURT GRANTS
4300 TREASURER	4300000 TREASURER
	5560000 TAXPAYER INFORMATION FUND
4610 TRANSPORTATION	4610000 TRANSPORTATION
4810 PUBLIC HEALTH	4810000 PUBLIC HEALTH
	8400000 PUBLIC HEALTH GRANTS
4820 OFC OF EMERG MGMT & HOMELAND SECURITY	4820000 OFC OF EMERG MGMT & HOMELAND SECURITY
	8450000 EMERGENCY MGMT/HOMELAND SECURITY GRANTS
5010 REGIONAL FLOOD CONTROL DISTRICT	5010000 REGIONAL FLOOD CONTROL DISTRICT
5610 ENVIRONMENTAL QUALITY	5610000 ENVIRONMENTAL QUALITY
	8380000 ENVIRONMENTAL QUALITY GRANTS
5630 SOLID WASTE MANAGEMENT	5630000 SOLID WASTE MANAGEMENT
	5640000 TIRE FUND
6010 COUNTY FREE LIBRARY	6010000 COUNTY FREE LIBRARY
	8290000 COUNTY FREE LIBRARY GRANTS
6020 STADIUM DISTRICT	6020000 STADIUM DISTRICT
6030 ECONOMIC DEVELOPMENT & TOURISM	6030000 ECONOMIC DEVELOPMENT & TOURISM
	6400000 CAPITAL PROJECTS
6400 CAPITAL PROJECTS	6400000 CAPITAL PROJECTS
7260 PIMA HEALTH SYSTEM & SERVICES	7260000 PIMA HEALTH SYSTEM & SERVICES
7360 DEVELOPMENT SERVICES	7360000 DEVELOPMENT SERVICES
	8000000 FLEET SERVICES
8000 FLEET SERVICES	8000000 FLEET SERVICES

SUPER DEPARTMENT LISTING FOR FISCAL YEAR 2010/2011

Super Department		Department	
8010	GRAPHIC SERVICES		
		3740000	GRAPHIC SERVICES DESIGN
		8010000	GRAPHIC SERVICES PRODUCTION
W000	REGIONAL WASTEWATER RECLAMATION		
		W000000	REGIONAL WASTEWATER RECLAMATION
		8780000	WASTEWATER GRANTS
		W600000	WASTEWATER SYSTEM DEVELOPMENT FUND
		W700000	WASTEWATER CONSTRUCTION FUND



PIMA COUNTY, ARIZONA BOARD OF SUPERVISORS POLICY

Subject: Budget Accountability

Policy Number

Page

D22.2

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PURPOSE

To establish guidelines and a methodology for the Board of Supervisors to perform their duties relating to the budget needed to operate Pima County Government as provided for by law by exercising financial and programmatic control over expenditures and revenues related to County programs and services.

BACKGROUND

Pursuant to the Constitution and Statutes of Arizona governing the financial responsibilities of counties:

1. The Board of Supervisors must annually adopt a balanced budget for the operation of Pima County government.
2. Within that annual budget the Board has the authority and responsibility to determine the individual budgets of all elected and appointed County officers.
3. Elected and appointed officers of the County may not expend public monies in excess of those appropriated by the Board.
4. Elected and appointed officers of the County may not expend public monies for a purpose not included in the annual budget adopted by the Board or expend public monies in excess of the amount specified for each purpose in the budget.
5. In order to perform their financial duties the Board may examine and scrutinize all accounts and financial transactions of County officers having the care, management, collection or disbursement of public monies.
6. The Board of Supervisors acting in its legislative capacity has exclusive authority to annually levy such tax on the property of the County as is necessary to fund the expenses of County government at a level the Board determines to be appropriate.

POLICY

A. Appropriations for Supplemental Funding

If the Board of Supervisors appropriates supplemental funding to a department in excess of the base budget or targeted funding level allocated to that department for development of its annual operating budget, then that supplemental appropriation shall be expended only for the purpose(s) set forth in the original request or proposal for the supplemental funding together with any modifications or restrictions imposed by the Board on the appropriation. Alternative use of any portion of a supplemental appropriation requires prior approval of the Board of Supervisors and such

requests shall be submitted, processed and transmitted to the Board pursuant to an administrative procedure developed by the County Administrator. At the time of submitting budget requests for the next fiscal year each department that received supplemental funding in the last budget adopted by the Board shall also submit a report accounting for the actual and projected expenditure of each such appropriation during the current fiscal year. Supplemental monies not expended for the purpose for which they were appropriated shall revert at the end of the fiscal year to the fund from which they were appropriated unless otherwise directed by the Board.

B. Transfers of Appropriations Among Programs

Appropriations by the Board of Supervisors to fund a County program shall not be transferred to or used for any other County program or purpose without approval of the Board if such transfer would add or delete a program or substantially increase or decrease the monies expended or substantially change the levels of service being provided by any County program including the acceptance or continuance of any grant that will cause the direct or indirect expenditure of any non-grant monies of the County. Requests for Board approval of such transfers shall be submitted, processed and transmitted to the Board pursuant to an administrative procedure developed by the County Administrator.

- For purposes of this policy "Program" means an activity or group of activities, together with related and necessary equipment and facilities, that accomplish a single function or category of service and includes each of multiple programs within a single department.

C. Budget Exceedance

The County Administrator shall provide to each director or officer of a department of the County a monthly report beginning at the end of the first quarter of each fiscal year setting forth actual expenditures and revenues to date of their department and a comparison to the adopted budget.

If at any time after the fiscal year to date report for the month of March the net fund impact of a department is ten percent more negative than the adopted budget based upon a straight line apportionment of the adopted budget throughout the fiscal year, the director or officer of that department shall immediately develop and implement a budget remediation plan to ensure that the department's budgeted net fund impact is not exceeded at the end of the fiscal year. Within ten days from the issuance of a monthly report showing a department's net fund impact to be ten percent more negative than the adopted budget the director or officer of that department shall submit to the Board of Supervisors through the County Administrator a written budget remediation plan or, if applicable, an alternative projection utilizing methodology other than straight line that more accurately predicts no negative variance in net fund impact of the department for the fiscal year.

If at the end of any fiscal year a department's net fund impact was more negative than that authorized by the adopted budget, then the director or officer of that department shall submit a report to the Board of Supervisors prior to September 1 describing what remedial actions were taken to avoid the budget exceedance and why such actions were inadequate.

D. Applicability

This policy applies to all departments and special districts of Pima County, whether under the supervision of an elected or appointed official, as identified in the adopted County Budget.



**PIMA COUNTY, ARIZONA
BOARD OF SUPERVISORS POLICY**

Subject:

Performance Audits of County Departments

Policy Number

D 22.3

Page

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Purpose

To establish a countywide policy for the use of performance audits to facilitate and enhance the effectiveness and efficiency of County departments and programs.

Background

Pursuant to law the Board of Supervisors must each year adopt a balanced budget for the operation of Pima County government that appropriates sufficient funding to "pay as you go". Correspondingly, elected and appointed officials and managers of the County cannot, pursuant to law, expend monies in excess of the amount appropriated by the Board. Notwithstanding this requirement, each fiscal year numerous County offices, departments and programs have historically overspent their budget or under realized budgeted revenues thereby creating substantial fiscal uncertainty and an inability for the Board to adequately meet its responsibility to plan for the budgetary needs of the County.

To constructively address this problem performance audits will be utilized pursuant to this policy to professionally and independently evaluate how funding is being used and managed to achieve program results and to recommend appropriate improvements to facilitate increased efficiency and effectiveness.

Policy

A. Definitions

In this policy, unless the context otherwise requires:

1. "Audit objectives" means the specific issues to be addressed and results to be achieved by an audit.
2. "Audit scope" means the programs, activities and functions to be included in an audit.
3. "Economy and Efficiency Audit" means an audit that determines:
 - (a) Whether the department is acquiring, protecting and using its resources economically and efficiently,
 - (b) The causes of identified inefficiencies or uneconomical practices, and
 - (c) Whether the department has complied with applicable laws, regulations and policies relating to economy and efficiency.
4. "Management controls" means the plan of organization, methodology and procedures adopted by management to measure and report performance and ensure that operational and departmental goals are met.
5. "Net Fund Impact" or "NFI" means the calculation that quantifies the difference between revenues and expenditures for a department.

<u>Subject:</u> Performance Audits of County Departments	Policy Number	Page
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<p>6. "Performance Audit" means the objective and systematic examination of evidence for the purpose of providing an independent assessment of the performance of a County department, program, activity or function in order to provide information to improve accountability to the public and facilitate fiscal and programmatic decision-making including the initiation of appropriate corrective action and includes an economy and efficiency audit and a program audit.</p> <p>7. "Program Audit" means an audit that determines:</p> <ul style="list-style-type: none"> (a) The extent to which desired results or benefits are being achieved, (b) The effectiveness of programs, activities, or functions, and (c) Whether the department complies with laws, regulations and policies applicable to programs, activities, or functions. 		
<p>B. <u>Performance Audits to be Undertaken</u></p> <p>Each year those departments that exceeded their budgeted NFI for the previous fiscal year by more than \$250,000 shall be subject to a performance audit as described in section D below. The County Administrator, based upon a review of the previous fiscal year's expenditures and revenues related to each program within such a department, may limit the scope of the performance audit to only those programs, activities or functions that substantially contributed to the NFI exceedance or that have a cash deficit.</p>		
<p>C. <u>Selection of Auditors</u></p> <p>The County Administrator shall, at least biennially, advertise for interested consultants qualified to perform audits pursuant to this policy on an as needed basis. A Request for Qualifications shall be sent to each consultant who responds to the advertisement and to all certified MWBE firms qualified to perform the types of audits listed in the advertisement. All Qualifications Statements submitted in response to the Request for Qualifications shall be maintained by the County Administrator's Office. As performance audits are required pursuant to this policy, the County Administrator shall negotiate contracts with particular consultants based on subject matter expertise, availability and/or resources appropriate to the size of each audit. The contract shall identify the scope of work and the specific objectives for each audit. The contracts shall be executed by the County Administrator or the Board as required by the County Code.</p>		
<p>D. <u>Performance Audit Objectives and Conduct</u></p> <p>Each performance audit shall include a program audit and an economy and efficiency audit guided by specific audit objectives developed for each performance audit. The objectives of each performance audit may include, but are not limited to:</p> <ul style="list-style-type: none"> 1. Determination of the cause(s) of NFI accedence. 2. Identification of revenue enhancement opportunities. 3. Identification of opportunities for cost recovery. 4. Development of recommendations for achieving program and service delivery economies, cost efficiencies and operational improvements. 5. Assessment of the performance and compliance of department programs measured against the purpose or goals prescribed by law or regulation or set by management, applicable technical standards or norms, expert opinions, prior years' performance and performance of similar entities. 6. Assessment of existing management controls and development of recommendations for their 		

Subject:

Performance Audits of County Departments

Policy Number

D 22.3

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Each department subject to a performance audit, including all of its personnel, shall fully cooperate and assist the auditors and make all records, documents and information not confidential by law available for use by the auditors.

E. Audit Report

Upon completion of the audit an Audit Report shall be transmitted to each member of the Board of Supervisors, the County Administrator and the official or director of the audited department that includes at least the following:

1. Audit scope, objectives and methodology.
2. Significant findings and conclusions developed in response to each audit objective.
3. Recommendations for actions to correct deficiencies and improve operations.
4. All instances of significant noncompliance.
5. The comments of the department official or director concerning the auditor's findings, conclusions and recommendations including plans to correct deficiencies.
6. Noteworthy accomplishments of the department.
7. The nature of any material information omitted from the report and the reason for its nondisclosure.

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**PIMA COUNTY, ARIZONA
BOARD OF SUPERVISORS POLICY**

Subject:

Tax Reduction and Debt Retirement Fund

Policy Number

D 22.4

Page

1 of 1

Purpose

The purpose of this policy is to establish a Pima County Tax Reduction and Debt Retirement Fund to be used to reduce cash flow borrowing as well as reduce or offset property tax rate increases that would otherwise be required to retire long term deficits within the County or fund other one-time expenditures necessary to provide for the health, safety or welfare of County residents.

Policy

There is established a Pima County Tax Reduction and Debt Retirement Fund. The Fund consists of unrestricted monies specifically budgeted or transferred to the Fund by the Board of Supervisors.

Monies to be considered by the Board for potential budgeting or transfer to the Fund shall include:

1. Unanticipated reimbursements for previously provided services.
2. Unbudgeted revenues from newly implemented fee schedules.
3. Unbudgeted revenue sharing or cost savings resulting from actions of the state or federal government.
4. Proceeds from the sale of County assets.
5. Unbudgeted monetary judgments in favor of the County.

The minimum target balance for the Fund is five million dollars and may be increased by recommendation of the County Administrator and approval by the Board.

The Fund shall be used by the Board of Supervisors in adopting the annual operating budget for the County to reduce the amount of countywide taxes that would otherwise be necessary to be levied.

Expenditures and uses of the Fund may include:

1. Fiscal stabilization by supplementing revenues during economic downturns. Such use shall include a plan to implement appropriate budgetary and financial management changes to accommodate the new, constrained economic environment.
2. Retiring outstanding long and/or short term debt.
3. Reduction of cash flow borrowing.
4. Funding of one-time capital purchases with cash to avoid incurring debt, as long as sufficient reserves remain to ensure financial stability.
5. Funding of outstanding but otherwise unfunded liabilities of the County including liabilities associated with major County assets.

The County Administrator shall include within the annual Recommended Budget recommendations consistent with this policy for allocations to and expenditures from the Fund. During a Fiscal Year the County Administrator may recommend to the Board that monies identified by this policy be transferred into the Fund.

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**PIMA COUNTY, ARIZONA
BOARD OF SUPERVISORS POLICY**

Subject: Periodic Review of Departmental Base Budgets	Policy Number	Page
	D 22.5	1 of 1

Purpose

To provide for a periodic, comprehensive review of the base budgets of all County departments; to thoroughly reevaluate the expenditures and revenues attributable to each program within a department; and to determine optimal levels of funding that coincide with workload, projected revenues, operational management controls and policy priorities.

Background

Pima County uses a system of target base budgeting to develop and recommend to the Board of Supervisors an annual operating budget. Under this system a department's budgeted expenditures and revenues are adjusted from year-to-year only to the extent that readily identifiable changes to laws or factual circumstances directly impact expenditures or revenues or to implement specific actions of the Board. The cumulative effect of target base budgeting is that ongoing programs within departments are never subject to a comprehensive, systematic reevaluation that examines whether expenditures and revenues originally assigned within the base continue to be justified within the context of changing service demands and overall County policies and priorities. This policy addresses this deficiency by providing for such reevaluation for all departments on a periodic basis.

Policy

- A. **Utilization of Zero-Base Budgeting** - Beginning with fiscal year 2000/2001, every department in Pima County shall develop an annual operating budget at least once during each subsequent four year period using zero-base budgeting methodology as described in subsection B of this policy. The County Administrator shall, prior to December 1, forward to the Board of Supervisors for approval a list of departments recommended for zero-base budget development for the next fiscal year. For fiscal year 2000/2001 the County Administrator's recommended list shall emphasize departments that exceeded budgeted net fund impact in fiscal year 1998/1999.
- B. **Zero-Base Budgeting Methodology** - The County Administrator shall develop, adopt and implement administrative procedures for zero-base budget development that accomplish the following policy objectives:
1. Requires a department and all of its programs to build a budget from zero to a level based upon actual services performed.
 2. Compares the projected cost of services provided by each program with costs incurred by other public providers of that service.
 3. Requires departments to prioritize and justify the continued existence of each of their programs.
 4. Provides the Board of Supervisors with additional relevant information to facilitate a decision as to whether each program within a department should be continued, discontinued or continued at an increased or decreased level of funding and service delivery. This information should include a description of the projected impacts of incremental reductions to funding received by each program in the previous fiscal year.
 5. Requires departments to submit separate zero-base budget requests for new or expanded services.

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PIMA COUNTY, ARIZONA BOARD OF SUPERVISORS POLICY

Subject:

Policy for Accepting and Administering Grants

Policy Number

D 22.6

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Purpose

The purpose of this policy is to ensure optimum financial terms and reimbursements for Pima County when receiving grant funding and to facilitate informed, timely decisions by the Board of Supervisors when considering and accepting grants by establishing a formal, uniform process for:

1. Evaluating, applying for and accepting grants,
2. Negotiating the terms and conditions of grant agreements, and
3. Monitoring grant related expenditures.

Background

Pima County receives significant grant funding from federal, state and local agencies. Prior to the adoption of this policy, the Board of Supervisors frequently was not apprised of grant applications and resulting fiscal impacts to the County until after grants were awarded and funding was pending or, in some cases, already received. Further, information and analysis accompanying requests for grant acceptance were inconsistent and in some instances insufficient to allow the Board to manage and plan for the short and long term fiscal needs of the County. This policy addresses these issues as well as setting forth the Board's expectations concerning acceptable terms and conditions under which grant funding is received.

Policy

A. Definitions

In this policy, unless the context otherwise requires:

1. "Board" means the Pima County Board of Supervisors.
2. "Fund Impact" means any cash or in-kind matching requirement for the receipt of grant funds and includes overhead charges if such charges are not entirely supported by grant funds.
3. "Grant" means any contribution or gift of cash or other assets from a governmental or private entity to be used for a specific purpose.
4. "Ongoing Grant" means a grant program that is expected to provide grant funding each year for an unlimited duration and for which the terms and conditions remain substantially unchanged.
5. "Overhead Charges" means direct and indirect administrative costs incurred by the County that are attributable to and benefit a grant program that are calculated and allocated by the Finance Department in conformance with federal law and accepted principles of governmental accounting.
6. "Responsible Department" means the department, office or agency under the budgetary jurisdiction of the Board that has direct oversight responsibility for the program(s) or service(s) to be funded partially or entirely with funds from a grant award.

Subject: Policy for Accepting and Administering Grants	Policy Number	Page
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B. Approval to Apply for Grants

1. Except in the case of ongoing grants that have previously been approved by the Board, all applications for grants that will have a fund impact must be approved by the County Administrator prior to submittal.
2. Prior to submission of an application for grant funding, the responsible department shall determine whether receipt of the grant will create current or future fund impact. If a fund impact will occur the responsible department shall:
 - a) Calculate the amount of fund impact, both cash and in-kind, for the current and future fiscal years including the cost to continue the grant funded services when the grant funds expire. If in-kind match is to be provided the calculation must include impacts on other existing departmental programs and services.
 - b) Prepare a cost benefit analysis of the grant including whether the grant funded services are mandated by law.
 - c) Transmit to the County Administrator and the Finance Department the information described in items (a) and (b) above together with a description of all material grant terms and conditions including the method and schedule of grant disbursements and whether all overhead charges will be paid from grant funds.
3. The County Administrator shall periodically report to the Board pending grant applications.

C. Approval to Accept Grants

1. All grants must be accepted and approved by the Board prior to receipt and expenditure of grant funds.
2. Requests by responsible departments for approval to accept grants shall:
 - (a) Be transmitted to the County Administrator for placement on the Board's meeting agenda,
 - (b) Include the information, revised as appropriate to reflect the actual grant award, required by section B, paragraph 2 of this policy relating to application for grants, and
 - Be copied to the Finance Department.
3. If required to comply with a material deadline for acceptance of a grant, the County Administrator may preliminarily approve acceptance of a grant subject to subsequent ratification by the Board.

D. Terms and Conditions of Grants

Though the Board may authorize exceptions for specific grants, it is the general expectation of the Board that all grants:

1. Pay all of their overhead charges as calculated and allocated by the Finance Department.
2. Be distributed in advance of expenditures by the County for grant funded services or, if unavoidable, reimbursed after such expenditures no less frequently than each month. If expenses will be reimbursed interest expense incurred by the County to advance cash for the services should be supported by the grant funding.
3. Utilize in-kind contributions in lieu of cash to satisfy match requirements and, if cash must be utilized, that revenue sources other than General Fund be expended.

Subject: Policy for Accepting and Administering Grants	Policy Number D 22.6	Page 3 of 3
<p><u>Implementation</u></p> <p>The County Administrator shall develop and distribute an administrative procedure to promote uniform reporting and processing of grant approvals pursuant to this policy.</p> <p><u>Prior Policies and Procedures</u></p> <p>All previously adopted Board of Supervisors' Policies and County Administrative Procedures in conflict with this policy are repealed to the extent of such conflicts.</p> <p style="text-align: right;">OCT 26 1999</p>		

PIMA COUNTY DEBT POLICIES AND PRACTICES

This section presents the types of debt, uses, restrictions, legal requirements, and other considerations related to the issuance of debt by Pima County. Individual long-term debt schedules are included in the following *Supplemental Information* section - *Long Term Debt Schedules*. All of the following items except Line of Credit are considered long term debt.

Line of Credit. The County maintains a revolving line of credit with its servicing bank, currently the Bank of America National Association, to address short term borrowing needs for cash flow purposes. There is a maximum line of credit of \$50,000,000, and as of June 30, 2010, this entire amount was available. Advances on the line of credit are payable on demand. The County's general taxing authority secures the credit line.

General Obligation Bonds. General Obligation Bonds are considered to be a general debt of the County. According to the Arizona State Constitution, general obligation debt may not exceed 6 percent of the value of the County's taxable property, as of the latest assessment. However, with voter approval, debt may be incurred up to 15 percent of the value. The legal debt margin projected as of June 30, 2011 is specified in the *Supplemental Information* section - *Long Term Debt Service Schedules*. Chapter 3.06 of the Pima County Code, *Bonding Disclosure, Accountability and Implementation* (the last seven pages of this section), sets forth requirements for presenting general obligation and revenue bond packages to the electorate for approval and for monitoring utilization of the proceeds from authorized bonds. General obligation bonding is to be used to make local infrastructure investments and capital improvements and is not to be used to fund operating activities. Neither is general obligation debt to be used for enterprise improvements. General obligation bond debt authorized by the voters is retired through an annual levy of a secondary property tax assessed against the value of all property in Pima County.

In 1997, voters approved \$257,000,000 of general obligation bonds. Per Pima County Board of Supervisors Ordinance No. 1997-35 (*Bond Improvement Plan*, as amended), the term of this debt is to be not longer than 15 years, and the secondary property tax rate required to pay off the debt is to be maintained at or below \$1.00 per \$100 of assessed valuation. For fiscal year 2009/10, the secondary tax rate was \$0.7100 per \$100 of assessed valuation, and will be increased to \$0.7500 for fiscal year 2010/11.

A special bond election was held on May 18, 2004 approving additional general obligation bonds in the amount of \$582,250,000. Per Pima County Board of Supervisors Ordinance No. 2004-18 (*Bond Implementation Plan*, as amended), the term of the general obligation bond debt is to be not longer than 15 years, and the secondary property tax rate required to pay off the debt is to be maintained at no higher than the rate in effect at the time, \$0.8150 per \$100 of assessed valuation, throughout this term. On May 16, 2006, voters approved another \$54,000,000 of general obligation bonds for the construction of psychiatric care facilities. Per Pima County Board of Supervisors Ordinance No. 2006-29 (*Bond Implementation Plan*), the term of this debt is to be not longer than 15 years, and the secondary property tax rate required to pay off the general obligation bond debt service was to be maintained at or below the rate in effect at that time.

Revenue Bonds. Sewer revenue bonds may be issued to provide financing for improvements to the County's wastewater reclamation system. Such bonds are a debt obligation of Regional Wastewater Reclamation enterprise operations. Revenues, comprised primarily of sewer fees and connection fees, are pledged to retire the debt. Before Wastewater can issue bonds, voters must authorize the Enterprise Fund to incur debt, but not to exceed a specified amount. The authorization must also specify the purpose for which the proceeds will be used. Board of Supervisors Resolution 1991-138 directs Regional Wastewater Reclamation to maintain a "bond coverage ratio" which is calculated as the product of total revenue minus operational expenses and divided by debt service costs. This resolution mandates that the "bond coverage ratio" must be at least 1.20. Through this resolution, the

Pima County FY 2010/2011 Adopted Budget

County establishes and maintains rates, fees and charges for service supplied by the wastewater system fully sufficient at all times to pay the reasonable operation and maintenance costs of the system, as well as 1.20 times debt service costs. Per Pima County Board of Supervisors Ordinance No. 1997-35, the schedule of bond sales on \$105 million of voter approved debt was premised on annual increases in Regional Wastewater Reclamation user fees of approximately five percent and increases in connection fees of approximately 12 percent. Fee increases under this ordinance were as follows:

	<u>User Fees</u>	<u>Connection Fees</u>
Fiscal Year 1999/2000	5.3%	11%
Fiscal Year 2000/01	5%	11%
Fiscal Year 2001/02	3.8%	12%
Fiscal Year 2002/03	5%	12%
Fiscal Year 2003/04	-	12%
Fiscal Year 2004/05	4%	6%

Additional sewer revenue bonds in the amount of \$150,000,000 were approved in the special bond election held on May 18, 2004. Per Pima County Board of Supervisors Ordinance No. 2004-18, user fees can increase as much as eight percent and connection fees can increase as much as 12 percent as a result of the new issuance. Actual increases were eight percent and 10 percent, respectively.

Per Pima County Ordinance No. 2006-52, user fees could increase as much as six percent on August 11, 2006 and an additional six percent on January 1, 2007. Per Pima County Ordinance No. 2006-51, connection fees could increase as much as six percent on August 11, 2006 and an additional six percent on January 1, 2007. These increases were implemented as approved.

Per Pima County Ordinance No. 2007-109, user fees increased nine percent on January 1, 2008 and 9.5 percent on July 1, 2008. Per Pima County Ordinance No. 2007-110, connection fees increased six percent on January 1, 2008 and 9.5 percent on July 1, 2008.

Per Pima County Ordinance No. 2009-014, user fees increased 12.5 percent on March 20, 2009, 12.5 percent on July 1, 2009, and increased 12.5 percent on January 20, 2010.

Per Pima County Ordinance No. 2010-11, User Fee increases of 10 percent and Connection Fee increases of 6.5 percent each July 1 of 2010, 2011, 2012, and 2013 were authorized.

Transportation revenue bonds, authorized in the November 1997 bond election, are repaid with Highway User Revenue Fund (HURF) revenues. Arizona Revised Statute § 11-378 requires specific ratios between HURF revenues and debt service payments. Aggregate debt service payments budgeted for fiscal year 2010/2011 are within the statutory requirements.

Certificates of Participation – 2007. On February 6, 2007, the Board of Supervisors approved financing for the acquisition of the Bank of America Plaza in conjunction with the Justice Building Project and the Jackson Learning Center Project. Accordingly, Pima County issued \$30,320,000 principal amount of Certificates of Participation. These certificates are scheduled to be repaid by the General Fund over a fifteen year term.

Certificates of Participation – 2008. On June 17, 2008, the Board of Supervisors approved additional financing for capital projects of Transportation and Regional Wastewater Reclamation. Accordingly, Pima County issued \$50,000,000 principal amount of Certificates of Participation. These certificates are scheduled to be repaid over a three year term.

Certificates of Participation – 2009. On April 14, 2009, the Board of Supervisors approved additional financing for capital projects of Transportation and Regional Wastewater Reclamation.

Accordingly, Pima County issued \$35,000,000 principal amount of Certificates of Participation. These certificates are scheduled to be repaid over a three year term.

Certificates of Participation – 2010. On October 20, 2009, the Board of Supervisors approved financing for the implementation of PimaCore, the County's new enterprise resource planning system. Accordingly, Pima County issued \$20,000,000 principal amount of Certificates of Participation. These certificates are scheduled to be repaid over a ten year term.

In addition to the General Obligation Bonds, Revenue Bonds, and Certificates of Participation detailed above, the Adopted Budget further provides for an additional issue of \$165,000,000 in Sewer Revenue Obligations for improvements to the County's wastewater reclamation system in fiscal year 2010/11.

Special District Bonds. Pima County is authorized to create several different types of special taxing districts, each bound by separate statutory provisions. Special districts so created are:

Regional Flood Control District. The Regional Flood Control District is coterminous with Pima County and can issue debt when voters authorize the district to levy a tax on the secondary valuation of real property. The authorization must specify the purpose for which the proceeds will be used, not to exceed a specified amount. Payments for principal and interest on general obligation bonds of the Regional Flood Control District are made from the Debt Service Fund, with property tax revenues transferred from the district. Regional Flood Control District general obligation debt may not exceed five percent of the value of the district's taxable property as of the latest assessment. Currently, no Regional Flood Control debt is outstanding.

Pima County Library District. The Pima County Library District is coterminous with Pima County and can issue debt when voters authorize the District to levy a tax on the secondary valuation of real and personal property. The authorization must specify the purpose for which the proceeds will be used, not to exceed a certain amount. To date, the Pima County Library District has issued no debt.

Stadium District. The Pima County Stadium District is coterminous with Pima County and can issue debt upon authorization of the Board of Directors to pledge District revenues to retire the debt. The Baseball Stadium was financed with proceeds of the sale of the Pima County Adult Detention Facility to First Trust of Arizona, National Association for \$34,500,000 on February 1, 1997. Money for the bank's purchase of the Adult Detention Facility came from the County's issuance of \$35,660,000 principal amount of Certificates of Participation. Also on February 1, 1997, the County entered into a Capital Lease of the Adult Detention Facilities with First Trust for \$35,660,000 for a 15 year term. On September 1, 1999, Pima County amended this lease-purchase agreement for the Adult Detention Facility. The amendment lowered the debt service payments through fiscal year 2002/03, extended the lease term to 2014, and increased the County's obligation under the lease agreement by \$290,000. A second amendment in 2003 extended the lower payments through fiscal year 2018.

Improvement Districts. The Board of Supervisors may create specific improvement districts upon petition of property owners proposing the district. Each district is created to finance improvements that benefit all properties in the district. Improvement District loans may be approved to finance the improvements and property owners are assessed their portion of the debt over a period of years. Pima County generally issues these loans for not more than a ten-year period.

Other Districts. There are many other special taxing or assessment districts throughout the County; however, Pima County has limited, or no, involvement with their operations or their specific debt programs. These districts include, but are not limited to: fire districts, and irrigation districts.

Public Authorities. Certain public authorities can be created by Pima County but are considered separate and autonomous from the County. Due to the autonomy of such authorities, any debt issued by the authorities is not considered debt of the County. An authority so created by Pima County is the

Industrial Development Authority (IDA). The IDA has issued a wide variety and substantial number of bonds and notes for the purpose of economic development. The County considers the debt issued by the IDA no commitment debt.

Lease Purchase Contracts. As a practical matter, a lease purchase contract is a financing mechanism with all the characteristics of debt. The payment of principal and interest is subject to annual appropriation out of operating monies and cannot utilize the secondary property tax. Authorization to enter into a lease purchase contract is based on the County's own policies and procedures on entering into contracts.

Loans Payable. Several federal and state agencies are authorized to provide below-market rate loans to government jurisdictions to assist in developing infrastructure that is required to comply with federal laws, or to provide bridge loans until other funds become available. Pima County has entered into several loan agreements to date with the state Water Infrastructure Finance Authority (WIFA). The Regional Wastewater Reclamation Enterprise Fund has entered into these loan agreements to provide funds for the defeasance of prior sewer revenue bonds and the construction and improvement of wastewater treatment facilities.

Notes Payable. It is the current practice of Pima County to facilitate the purchase of land parcels used in the construction of capital projects by issuing notes to landowners, thereby reducing the need for third-party financing. Issued notes have been of relatively short duration, usually less than three years, and cannot exceed five years, per Arizona Revised Statute § 11-251(45).

CHAPTER 3.06

BONDING DISCLOSURE, ACCOUNTABILITY AND IMPLEMENTATION

Sections:

3.06.010 Intent.

3.06.020 Bond implementation plan.

3.06.030 Advance publication of bond implementation plan.

3.06.040 Pima County bond advisory committee: Capital planning, program and implementation review.

3.06.050 Conservation acquisition commission.

3.06.060 Monitoring and reporting on sold bonds.

3.06.070 Substantial modification of an adopted bond implementation plan.

3.06.080 Coordination with other capital planning of the county and region, and applicability to county bond projects within other jurisdictions.

3.06.090 Design, construction, and equipping of county bond projects by other jurisdictions.

3.06.10 Intent.

The board of supervisors is authorized by Arizona Revised Statutes § 35-452 to call special elections for the purpose of seeking voter authorization to incur bonded indebtedness. The board of supervisors desires to provide voters with complete information on projects, along with their estimated costs, that will be constructed from proceeds of bonded indebtedness, as well as provide voters, to the maximum extent practicable, firm assurances that these projects will be constructed within the estimated costs and time tables established by the board of supervisors. Because it is not practicable to list on a ballot question all of the projects and estimated costs that would be constructed from the sale of authorized bonded indebtedness, the board of supervisors establishes this chapter setting forth requirements for presenting general obligation and revenue bond packages to the electorate for approval and for monitoring utilization of the proceeds from authorized bonds. (Ord. 1997-25 § 1 (part), 1997)

3.06.020 Bond implementation plan.

Prior to the start of early voting for a special election called by the board of supervisors pursuant to ARS § 35-452, the board of supervisors shall adopt by ordinance a "bond implementation plan," which shall be adopted for each bond election and question ordered by the board of supervisors pursuant to ARS § 35-452. The title of the ordinance shall contain the date of the special bond election. After adoption, the ordinance shall govern the development or construction of all listed projects, including the approximate project cost and the proposed construction schedule, unless the ordinance is amended pursuant to Section 3.06.050. The ordinance shall contain the following information:

- A. A complete list of all projects to be constructed or acquired by proceeds from the sale of authorized bonds. The project list shall identify each project by name and location and provide a short narrative project description.
 1. For capital construction projects, the following information shall also be provided for each project:

- a. A project scope of work containing a description of the facility to be constructed including the size or capacity and whether construction is for a new facility or an expansion, rehabilitation or reconstruction of an existing facility.
 - b. The purpose and specific benefits to be achieved by construction of the project.
 - c. A construction schedule that identifies by major task (i.e. planning/design/right-of-way; construction; other) and by fiscal year the projected start and completion dates.
 - d. The estimated future operating and maintenance costs, what jurisdiction or county department will be responsible for these costs, and whether ability to fund these costs should impact scheduling of the project.
2. For each land acquisition project related to open space, trails or historic/cultural preservation, the following information shall be provided:
- a. An estimate of the number of acres to be acquired and any special designation relating to the property such as recreational, open space planning, floodplain, or historic/cultural preservation.
 - b. The desirable location of the property by section, township, and range, the assessor parcel number, and existing zoning of the property.
 - c. The benefits to be achieved by the acquisition.
 - d. The estimated future management and security costs, and identification of the management agency if other than the county.
- B. The total estimated cost of each project or acquisition, total estimated costs by major task, a discussion of how estimated costs were derived, and analysis of the potential for actual costs to increase or decrease from estimated costs.
- C. The source (federal or state aid, local governments, other county revenues, private sources) of any other revenues that may be obtained for the project or revenues that are required as cost sharing from other governmental entities or private parties, including an assessment of the certainty or uncertainty that other sources will be secured and options that would be available if the other sources are not secured.
- D. A detailed strategy for managing the sale of bonds, including discussion of the factors upon which the county will base decisions on the timing, size, and terms of bond sales.
- E. For general obligation bonds, discussion of commitments to manage the sale of bonds within limits on secondary property tax rates and analysis of how approval and sale of general obligation bonds could impact actual property taxes paid for debt service.
- F. For revenue bonds, a discussion of sources of revenues that will be used to service bond debt and whether fees will be raised, and by how much, if revenue bonds are approved and sold. (Ord. 2004-16 § 1 (part), 2004; Ord. 1997-25 § 1 (part), 1997)

3.06.030 Advance publication of bond implementation plan.

A bond implementation plan adopted pursuant to this chapter shall be published at least once in a newspaper of general circulation in the county prior to the start of early voting for the special bond election. The publication shall set forth the ordinance containing the bond implementation

plan adopted by the board of supervisors. Upon adoption, the board of supervisors shall also publish the bond implementation plan on the county's web site prior to the start of early voting for the special bond election. (Ord. 2004-16 § 1 (part), 2004; Ord. 1997-25 § 1 (part), 1997)

3.06.040 Pima County bond advisory committee: Capital planning, program and implementation review.

- A. The duties and responsibilities of the Pima County bond advisory committee as adopted by the board of supervisors on July 15, 2003, are expanded to include monitoring and review of implementation of the bond implementation plan.
- B. The Pima County bond advisory committee members shall be appointed to a term of six years. Upon resignation of any member, the appointing authority shall appoint another member to begin a new six-year term.
- C. The committee will meet as often as it deems necessary but in any event no less frequently than semi-annually.
- D. Under direction of the county administrator, county staff shall prepare progress reports and otherwise brief the committee on the status of implementation of the bond implementation plan, with special attention paid to major issues impacting implementation of the bond improvement plan.
- E. The committee shall review and make recommendations to the board of supervisors on all proposed amendments to the bond implementation plan.
- F. The Committee shall review and approve the semiannual progress reports on the bond implementation plan prior to it being transmitted to the board of supervisors and published, as required by section 3.06.060. (Ord. 2004-16 § 1 (part), 2004; Ord. 1997-25 § 1 (part), 1997)

3.06.050 Conservation acquisition commission.

- A. The board of supervisors hereby establishes the conservation acquisition commission.
- B. The conservation acquisition commission shall have a total of eleven members, appointed as follows:
 - 1. Five members, one appointed by each member of the board of supervisors;
 - 2. Two members appointed by land conservation organizations active in Pima County;
 - 3. One member appointed from the Pima County natural resources, parks and recreation commission;
 - 4. One member appointed by the local board of realtors;
 - 5. One member appointed by the ranching community; and
 - 6. One member appointed by the county administrator.

- C. Appointments to the commission are for a term of eight years. Upon the resignation of any member, the appointing authority shall appoint another member to begin a new eight-year term.
- D. The duties and responsibilities of the commission are as follows:
 - 1. Oversee and monitor all open space bond acquisitions placed before the board of supervisors for consideration including, but not limited to, acquisitions funded by general obligation bonds.
 - 2. Make recommendations to the board of supervisors and the Pima County bond advisory committee for priorities in the scheduling of open space acquisitions and periodic assessment and change in priorities as necessary.
 - 3. Make recommendations to the board of supervisors and the Pima County bond advisory committee on any aspects of open space land management, including management of lands acquired for open space.
 - 4. Make recommendations to the county administrator, and the Pima County bond advisory committee on any aspect relating to internal county management of the open space acquisition process.
- E. The commission will meet as often as it deems necessary but in any event no less frequently than quarterly.
- F. Under direction of the county administrator, county staff shall prepare progress reports and otherwise brief the commission on the status of implementation of the conservation bond program component of the bond implementation plan, with special attention paid to major issues impacting implementation of the conservation bond program.
- G. The commission shall review and make recommendations to the board of supervisors on all potential amendments to conservation bond program components of the bond implementation plan.
- H. The commission shall review and approve the semiannual progress reports on the conservation bond program component of the bond implementation plan prior to it being transmitted to the Pima County bond advisory committee as required by Section 3.06.040. (Ord. 2004-16 § 1 (part), 2004; Ord. 1997-25 § 1 (part), 1997)

3.06.060 Monitoring and reporting on sold bonds.

The county administrator shall prepare semiannual reports on the progress of the bond implementation plan implementation which shall be transmitted to the board of supervisors for review. Upon transmittal to the board of supervisors on or before January 1 and July 1, semiannual progress reports shall also be posted on the county's web site. Progress reports shall be prepared and transmitted by the county administrator until a bond implementation plan is determined by the board of supervisors to have been completed. Each progress report shall contain the following information on the status of every project or program contained in the plan:

- A. The project implementation schedule status, including design, construction, acquisition, and completion.

- B. Any estimated substantial variances from the project cost and revenue sources in the adopted bond implementation plan.
- C. Any major issues that may affect implementation of the bond implementation plan.
- D. Plans and options for addressing substantial modifications in costs or revenue sources or other major issues, including the potential need for substantial modifications in the bond implementation plan as provided for in Section 3.06.070.
- E. A fiscal status report, including discussion of bond sales completed and projected; interest rates and terms of completed sales; interest rates received on deposits of bond proceeds; updated projections on conditions in municipal bond markets; current debt service schedules and updated projections of secondary property tax rates for debt service; updated projections of secondary property tax rates with projected future sales of bonds; and analysis and projection of fiscal impacts of completed and projected sales of revenue bonds. (Ord. 2004-16 § 1 (part), 2004; Ord. 1997-25 § 1 (part), 1997)

3.06.070 Substantial modification of an adopted bond implementation plan.

- A. A substantial modification in the implementation of an adopted bond implementation plan shall not be made except as provided in this section.
- B. For purposes of this section, "substantial modification" means any of the following:
 - 1. An increase or decrease in total actual project costs by twenty-five percent or more.
 - 2. An increase or decrease in actual bond costs by twenty-five percent or more.
 - 3. An increase or decrease in actual other revenues by twenty-five percent or more.
 - 4. A delay in a project construction or implementation schedule of twelve months or more.
 - 5. A delay in the scheduled years of sale of bonds of twenty-four months or more caused by changes in municipal bond market conditions or county financial conditions and necessary to maintain commitments to capping the secondary property tax rate for debt service.
 - 6. Any project that is not constructed.
 - 7. Any project that is added to those to be constructed.
 - 8. Any increase or decrease in the project scope that alters the disclosed project benefits.
 - 9. All changes to a bond implementation plan necessitated by only a portion of the proposed bond questions being approved at the special election.
- C. Cost estimates may vary, up or down, as a project proceeds through planning, design, procurement, contract award, and construction, or through appraisals and negotiations for conservation acquisitions. Variations in cost estimates do not constitute "substantial modifications." "Substantial modifications" relating only to cash amounts may occur pursuant to official action by the board of supervisors, in open session, that establish actual costs through awards of construction contracts, contract amendments or change orders, or approval of a contract for acquisition. Such board actions shall be accompanied by notice that the action will require a bond ordinance amendment.

- D. Any substantial modification in the implementation of an adopted bond implementation plan requires an specific amendment to the ordinance that adopted the plan. The ordinance amendment must be enacted by the board of supervisors at a public hearing for which at least fifteen days' prior notice was published in a newspaper of general circulation in the county.
1. Bond ordinance amendments shall be scheduled to coincide with transmittal of the semiannual bond progress reports as required by Section 3.06.060.
 2. Recommendations for bond ordinance amendments shall be reviewed by the Pima County bond advisory committee, as required by Section 3.06.040, and for conservation acquisitions by the conservation acquisition commission, as required by Section 3.06.050.
 3. Substantial modifications of costs, bond funding, or other funding ordinance amendments may be scheduled for the next regular transmission of the semiannual bond progress report, provided the modifications were previously approved by the board of supervisors.
 4. All other substantial modifications require amendment of the bond ordinance prior to the substantial modification. (Ord. 2004-16 § 1 (part), 2004; Ord. 1997-25 § 1 (part), 1997)

3.06.080 Coordination with other capital planning of the county and region, and applicability to county bond projects within other jurisdictions.

A bond implementation plan shall be integrated into a five year capital improvement plan to be adopted at the time the annual budget of the county is adopted. The county five-year capital improvement program shall be reported to the Metropolitan Planning Organization for all necessary coordination and integration into a regional capital plan. Any project contained within a bond implementation plan that is being implemented by a political subdivision other than the county shall conform with the requirements of this chapter. Specific program or project oversight for the purposes of conforming with this chapter shall remain with the county. (Ord. 2004-16 § 1 (part), 2004; Ord. 1997-25 § 1 (part), 1997)

3.06.090 Design, construction, and equipping of county bond projects by other jurisdictions.

- A. Pursuant to Pima County Code Section 3.06.080, bond projects authorized by the board of supervisors in a bond implementation plan for a special bond election to be designed, constructed, or equipped by another political subdivision using county general obligation bonds to fund a project in whole or part shall be funded by the county only pursuant to an intergovernmental agreement executed between Pima County and the implementing subdivision. Each such project shall be authorized and implemented with separate intergovernmental agreements. The intergovernmental agreement shall authorize the jurisdiction to design, construct, or equip the project, subject to compliance with the terms and mutual responsibilities of the parties agreed upon in the intergovernmental agreement.
- B. Unless waived by the board of supervisors as being in the best interests of the county and warranted by the circumstances of the bond funded project at issue, the intergovernmental agreement shall include, but not be limited to, the following responsibilities of the implementing subdivision:

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1. That the implementing political subdivision shall operate and maintain the improvements constructed by county bond funds for a period of not less than twenty-five (25) years.
2. That the implementing political subdivision shall not charge a fee for use of the constructed improvement that is more than a fee charged by the county for a similar purpose.
3. That the implementing political subdivision agrees to insure the improvements constructed with county bond funds and will replace same them if they are damaged or destroyed.
4. That the implementing political subdivision agrees to make the improvements available to all residents of Pima County without restriction or preference to jurisdiction of residence.
5. That the implementing political subdivision agrees to comply with all provisions of Chapter 3.06 (Bonding Disclosure, Accountability, and Implementation) of the Pima County Code and will provide all reports to the county in a format and schedule agreed upon by the parties.
6. That the county will only transfer county general obligation bond proceeds to the implementing jurisdiction upon request from the implementing jurisdiction, with full documentation.
7. That the implementing political subdivision agrees to a provision requiring compliance with federal arbitrage regulations.
8. That the implementing jurisdiction, by action of its governing body at a public hearing, shall notify the county of events that would require an amendment of the bond implementation plan ordinance and formally request the board of supervisors to hold a public hearing on the necessary ordinance amendment.
9. That the intergovernmental agreement shall establish the amount of county bond funds to be allocated to a specific project, establish the stated amount as a maximum of county bond monies to be allocated to the project, and commit the implementing political subdivision to pay for any and all costs in excess of county bond funds. (Ord. 2004-16 § 1 (part), 2004; Ord. 1997-25 § 1 (part), 1997)

LONG TERM DEBT

General Obligation Bonds

Payment Source

Payments for principal and interest on general obligation bonds are made from property tax revenues of the Debt Service Fund.

Debt Service Requirements

The debt service requirements on general obligation bonds are summarized as follows:

	PRINCIPAL	INTEREST	TOTAL
2011	\$47,745,000	\$18,423,680	\$66,168,680
2012	39,055,000	18,686,983	57,741,983
2013	39,025,000	17,108,281	56,133,281
2014	37,465,000	15,500,731	52,965,731
2015	36,690,000	13,861,231	50,551,231
2016	37,420,000	12,291,614	49,711,614
2017	38,625,000	10,694,119	49,319,119
2018	36,075,000	9,052,943	45,127,943
2019	39,185,000	7,571,119	46,756,119
2020	37,180,000	5,997,531	43,177,531
2021	33,245,000	4,554,308	37,799,308
2022	34,420,000	3,196,206	37,616,206
2023	21,880,000	1,736,706	23,616,706
2024	12,485,000	749,400	13,234,400
2025	<u>2,500,000</u>	<u>150,000</u>	<u>2,650,000</u>
TOTALS	\$492,995,000	\$139,574,852	\$632,569,852

Legal Debt Margin

Under the Arizona Constitution, general obligation debt may not exceed six percent of the value of the County's taxable property as of the latest assessment. However, with voter approval, debt may be incurred up to 15 percent of the value of taxable property. Legal debt margin projected at June 30, 2011 is as follows:

	6% Limitation	15% Limitation
Secondary Net Assessed Valuation	\$9,342,561,193	\$9,342,561,193
Debt Limit	560,553,672	1,401,384,179
General Obligation Bonds Outstanding	(492,995,000)	(492,995,000)
Assets Available for Principal	<u>12,071,808</u>	<u>12,071,808</u>
Debt Applicable to Limit	(480,923,192)	(480,923,192)
Legal Debt Margin Available	<u>\$79,630,480</u>	<u>\$920,460,987</u>

Legal Debt Margin Percentage:

General Obligation Bonds Outstanding \$ 492,995,000 = 5.28%
 Secondary Net Assessed Valuation \$ 9,342,561,193

LONG TERM DEBT

Transportation Bonds

Payment Source

Payments for principal and interest on transportation bonds are made from Highway User Revenue Funds.

Debt Service Requirements

The debt service requirements on transportation bonds are summarized as follows:

	PRINCIPAL	INTEREST	TOTAL
2011	\$10,530,000	\$5,709,099	\$16,239,099
2012	11,015,000	5,244,263	16,259,263
2013	11,170,000	4,784,988	15,954,988
2014	11,600,000	4,354,125	15,954,125
2015	12,055,000	3,906,100	15,961,100
2016	12,540,000	3,434,588	15,974,588
2017	13,095,000	2,890,987	15,985,987
2018	13,650,000	2,346,049	15,996,049
2019	12,095,000	1,779,687	13,874,687
2020	12,655,000	1,314,987	13,969,987
2021	7,630,000	833,100	8,463,100
2022	7,990,000	543,537	8,533,537
2023	2,900,000	236,600	3,136,600
2024	<u>3,015,000</u>	<u>120,600</u>	<u>3,135,600</u>
TOTALS	\$141,940,000	\$37,498,710	\$179,438,710

Legal Debt Margin

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

	<u>PRIOR FISCAL YEAR HURF REVENUE</u>	<u>HIGHEST FUTURE DEBT SERVICE PAYMENT</u>
Series 1998	\$33,445,603	\$6,151,333
Series 2002	\$49,398,596	\$11,904,825
Series 2003	\$47,074,605	\$14,608,613
Series 2005	\$52,587,700	\$16,767,639
Series 2007	\$56,936,526	\$19,330,859
Series 2008	\$58,637,523	\$18,521,469
Series 2009	\$53,906,177	\$16,259,263

LONG TERM DEBT

Certificates of Participation

Payment Source

Payments for principal and interest on certificates of participation are made from funds transferred from Facilities Renewal Fund, Fleet Services, Capital Projects Fund, Communications Fund, Transportation, and Regional Wastewater Reclamation Fund.

Debt Service Requirements

The debt service requirements on certificates of participation including estimated amounts for planned issues in fiscal year 2009/2010 are summarized as follows:

	PRINCIPAL	INTEREST	TOTAL
2011	\$21,750,000	\$2,061,776	\$23,811,776
2012	6,425,000	884,980	7,309,980
2013	2,065,000	668,482	2,733,482
2014	2,130,000	606,530	2,736,530
2015	2,200,000	531,982	2,731,982
2016	2,280,000	454,980	2,734,980
2017	2,400,000	335,282	2,735,282
2018	2,525,000	209,280	2,734,280
2019	<u>2,625,000</u>	<u>108,282</u>	<u>2,733,282</u>
TOTALS	\$44,400,000	\$5,861,574	\$50,261,574

Summary of Debt Service Fund Expenditures

Long Term Debt:	
General Obligation Bonds (GOB)	\$66,168,680
Transportation Revenue Bonds	16,239,099
Certificates of Participation	<u>23,811,776</u>
Total Long Term Debt	\$106,219,555
Fiscal and Other Charges	<u>58,000</u>
Total Budgeted Debt Service Expenditures	\$106,277,555

LONG TERM DEBT

Stadium District Debt

Payment Source

Payments for principal and interest on Stadium District debt are made from stadium revenues, Transient Lodging Excise Tax proceeds, Recreational Vehicle Space Surcharge proceeds, and Rental Car Tax proceeds.

Debt Service Requirements

The debt service requirements on Stadium District debt are summarized as follows:

	PRINCIPAL	INTEREST	TOTAL
2011	\$2,125,000	\$878,585	\$3,003,585
2012	2,230,000	774,385	3,004,385
2013	2,780,000	646,860	3,426,860
2014	2,485,000	510,950	2,995,950
2015	2,605,000	399,390	3,004,390
2016	2,710,000	293,090	3,003,090
2017	2,820,000	181,080	3,001,080
2018	<u>2,935,000</u>	<u>61,635</u>	<u>2,996,635</u>
TOTALS	\$20,690,000	\$3,745,975	\$24,435,975

Note:

This table does not include \$5,600 of fiscal charges budgeted each fiscal year.

LONG TERM DEBT

Certificates of Participation

Payment Source

Payments for principal and interest on certificates of participation are made from the General Fund.

Debt Service Requirements

The debt service requirements on certificates of participation are summarized as follows:

	PRINCIPAL	INTEREST	TOTAL
2011	\$1,675,000	\$1,234,100	\$2,909,100
2012	1,740,000	1,167,100	2,907,100
2013	1,810,000	1,097,500	2,907,500
2014	1,890,000	1,020,575	2,910,575
2015	1,970,000	940,250	2,910,250
2016	2,065,000	841,750	2,906,750
2017	2,170,000	738,500	2,908,500
2018	2,280,000	630,000	2,910,000
2019	2,395,000	516,000	2,911,000
2020	2,515,000	396,250	2,911,250
2021	2,640,000	270,500	2,910,500
2022	<u>2,770,000</u>	<u>138,500</u>	<u>2,908,500</u>
TOTALS	\$25,920,000	\$8,991,025	\$34,911,025

Legal Debt Margin

There is no legal debt margin for certificates of participation.

LONG TERM DEBT

Special Assessment Obligations

Payment Source

Special assessment obligations are secured by pledges of revenues from improvement districts which were established in order to finance specific construction projects which benefit a limited geographical area. While there is no legal requirement for the County to further secure the special assessment obligations of the districts, the County has made a moral commitment to take steps necessary to prevent default. Payments for principal and interest on special assessment obligations are made from assessments received in the Improvement Districts Special Revenue Fund.

Debt Service Requirements

The debt service requirements on special assessment obligations are summarized below.

	PRINCIPAL	INTEREST	TOTAL
2011	\$271,232	\$28,353	\$299,585
2012	<u>255,641</u>	<u>9,243</u>	<u>264,884</u>
TOTALS	\$526,873	\$37,596	\$564,469

Legal Debt Margin

There is no legal debt margin for special assessment obligations.

LONG TERM DEBT

Loans Payable

Payment Source

Payments for principal and interest on loans payable are made from user charges received in the Regional Wastewater Reclamation Enterprise Fund.

Debt Service Requirements

The debt service requirements on loans payable are summarized as follows:

	PRINCIPAL	INTEREST	TOTAL
2011	\$8,349,655	\$1,995,543	\$10,345,198
2012	7,406,296	1,697,750	9,104,046
2013	6,513,880	1,433,386	7,947,266
2014	6,765,592	1,202,152	7,967,744
2015	6,995,758	961,878	7,957,636
2016	7,265,603	713,372	7,978,975
2017	1,678,921	455,164	2,134,085
2018	1,730,004	404,082	2,134,086
2019	1,782,668	351,416	2,134,084
2020	1,836,962	297,124	2,134,086
2021	1,892,937	241,148	2,134,085
2022	1,950,646	183,438	2,134,084
2023	2,010,143	123,942	2,134,085
2024	<u>2,071,485</u>	<u>62,602</u>	<u>2,134,087</u>
TOTALS	\$58,250,550	\$10,122,997	\$68,373,547

Legal Debt Margin

There is no legal debt margin for loans payable.

LONG TERM DEBT

Sewer Revenue Bonds

Payment Source

Payments for principal and interest on sewer revenue bonds are made from user charges received in the Regional Wastewater Reclamation Enterprise Fund.

Debt Service Requirements

The debt service requirements on sewer revenue bonds are summarized as follows:

	PRINCIPAL	INTEREST	TOTAL
2011	\$8,425,000	\$7,145,370	\$15,570,370
2012	8,795,000	6,776,545	15,571,545
2013	10,405,000	6,381,087	16,786,087
2014	12,030,000	5,915,625	17,945,625
2015	12,590,000	5,376,618	17,966,618
2016	10,720,000	4,799,295	15,519,295
2017	11,250,000	4,353,645	15,603,645
2018	11,810,000	3,885,918	15,695,918
2019	12,405,000	3,413,674	15,818,674
2020	13,025,000	2,914,337	15,939,337
2021	13,685,000	2,302,289	15,987,289
2022	14,375,000	1,743,920	16,118,920
2023	15,105,000	1,141,476	16,246,476
2024	5,210,000	504,162	5,714,162
2025	3,550,000	291,200	3,841,200
2026	<u>3,730,000</u>	<u>149,200</u>	<u>3,879,200</u>
TOTALS	\$167,110,000	\$57,094,361	\$224,204,361

Legal Debt Margin

There is no legal debt margin for sewer revenue bonds.

LONG TERM DEBT

Sewer Revenue Obligations

Payment Source

Payments for principal and interest on sewer revenue obligations are made from user charges received in the Regional Wastewater Reclamation Enterprise Fund.

Debt Service Requirements

The debt service requirements on Sewer Revenue Obligations are summarized as follows:

	PRINCIPAL	INTEREST	TOTAL
2011		\$8,338,356	\$8,338,356
2012		8,026,225	8,026,225
2013		8,026,225	8,026,225
2014	\$2,000,000	8,026,225	10,026,225
2015	2,000,000	7,946,225	9,946,225
2016	2,000,000	7,890,225	9,890,225
2017	14,525,000	7,820,225	22,345,225
2018	15,150,000	7,195,350	22,345,350
2019	15,895,000	6,449,475	22,344,475
2020	16,685,000	5,657,850	22,342,850
2021	17,510,000	4,837,250	22,347,250
2022	18,385,000	3,961,750	22,346,750
2023	19,300,000	3,042,500	22,342,500
2024	20,270,000	2,077,500	22,347,500
2025	<u>21,280,000</u>	<u>1,064,000</u>	<u>22,344,000</u>
TOTALS	\$165,000,000	\$90,359,381	\$255,359,381

Regional Wastewater Reclamation Sewer Obligations

Additional sewer revenue obligations in the amount of \$165,000,000 are planned for issuance in fiscal year 2010/2011. Accordingly, interest has been budgeted in the amount of \$4,478,692. As the terms of these certificates including interest rates and principal repayment schedule have not yet been determined, no debt service requirements table is presented here. Payments for principal and interest will be made from the Regional Wastewater Reclamation Enterprise Fund.

Legal Debt Margin

There is no legal debt margin for sewer revenue obligations

VALUATION OF PROPERTY FOR TAXING PURPOSES IN ARIZONA

The largest revenue source for Pima County is the property tax. Property tax is paid in accordance with the value of real and personal property. There are a number of County functions that are paid for by property taxes. The *primary tax* goes to the General Fund and is used for continuing maintenance and operation of the County. The *secondary tax* is used to pay for capital expenditures and some “budget override” amounts approved by the voters. These two levies are supported by two different property values. The *primary tax* is supported by the *limited value* and the *secondary tax* is supported by the *full cash value*. The tax is based on the *net assessed values* of the property. The *net assessed value* is set by multiplying the *full* and *limited* values of the property by an *assessment ratio* and subtracting any constitutionally defined *exemptions*.

The *full cash value*¹ of each parcel of property is set by the County Assessor or the Arizona Department of Revenue in accordance with standards and procedures established by the Arizona Department of Revenue and the Arizona legislature. The value of railroads, mines, utilities, and some other types of personal property are valued by the Arizona Department of Revenue. The “market standard” is used by Arizona for the establishment of the *full cash value* of a property. In other words, the value of a property must come close to the selling price of a similar property which has been sold in an arms length transaction without stress or duress on the part of the seller or buyer. It takes about two years for market values to be reflected in the full cash value.

The *limited value*² of a property is determined by one of two formulas. The *limited value* will change by the formula that produces the greatest increase in value of the two formulas. One formula increases the value by 10 percent from the previous year’s *limited value*, while the other formula produces a change in the value that is 25 percent of the difference between the current year’s *full cash value* and the previous year’s *limited value*. The *limited value* can never be greater than the *full cash value*.

The *assessment ratios*³ are defined by the Arizona Legislature. They are assigned to a property in accordance with its use. There are nine basic classes of property all having different *assessment ratios*. The same *assessment ratio* is applied to both the *full cash value* and the *limited value* to determine the *assessed value* for *secondary*⁴ and *primary*⁵ taxes.

The Arizona Constitution stipulates that certain types of property will not be fully taxed or will not be taxed at all. Properties owned by government or nonprofit organizations are not taxed, as long as they are not used in commerce. Widows, widowers, disabled individuals, and certain veterans are given partial exemptions from property tax. The amount of the exemption is determined by the *full cash value* of the property and the person’s income.

All property in the County has a *full cash assessed value* and a *limited assessed value*. The Assessor identifies the amount of property that is exempt. The largest amount of exempt properties in the County is vacant land which is owned by state and federal agencies. Although these agencies do not pay property taxes, some agencies do pay “in lieu” taxes to compensate jurisdictions in which the property is located for minimal services provided to the property. The *secondary value* of the exemption is subtracted from the total *secondary assessed value* to derive the *net secondary assessed value*. The same is done to the *primary value* to derive the *net primary assessed value*.

For the current year, the County’s *secondary net assessed value* decreased by 5.3 percent from the previous year, as market values for property two years ago declined. The *primary net assessed value* decreased by 0.5 percent.

Endnotes

¹ See Full Cash Value By Class: 2006-2010.

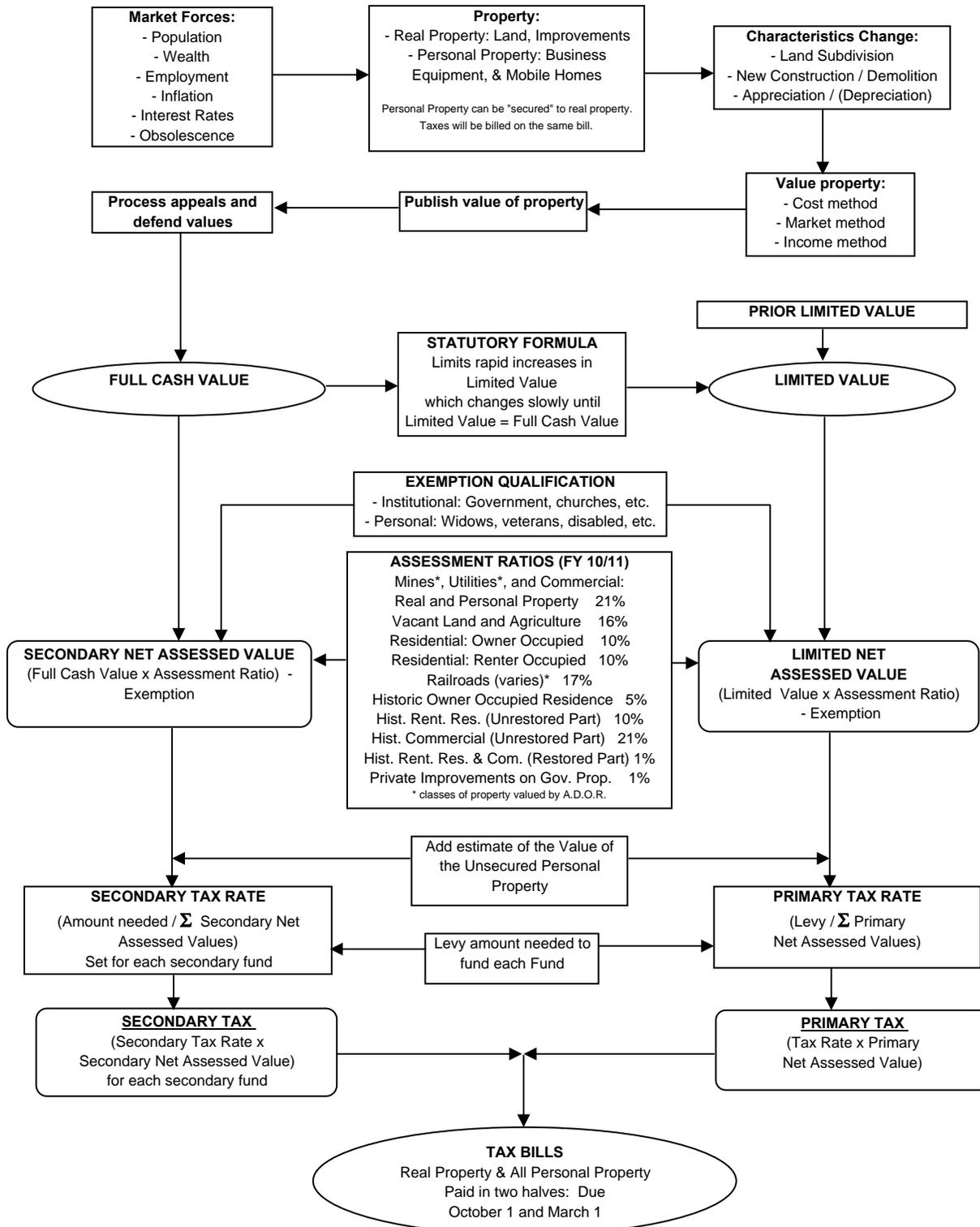
² See Limited Value By Class: 2006-2010.

³ See Assessment Ratios By Class: 2006-2010.

⁴ See Secondary Net Assessed Value By Class: 2006-2010.

⁵ See Primary Net Assessed Value By Class: 2006-2010.

COMPONENTS OF ARIZONA'S PROPERTY TAX SYSTEM



FULL CASH VALUE BY CLASS FOR TAX YEARS 2006-2010

Legislative Class	2006		2007		2008		2009		2010	
	Amount	% of Total								
I. 1-11,13 Commercial, Mines & Utilities	6,950,042,918	11.60%	7,980,507,691	11.06%	9,055,112,780	10.53%	10,723,625,990	12.17%	10,256,319,662	11.89%
I. 11-12. Commercial & Telecommunications P.P.	1,761,090,145	2.94%	1,958,512,717	2.72%	2,184,716,466	2.54%	2,256,220,764	2.56%	3,548,597,748	4.12%
<u>All Class I Property</u>	<u>8,711,133,063</u>	<u>14.54%</u>	<u>9,939,020,408</u>	<u>13.78%</u>	<u>11,239,829,246</u>	<u>13.07%</u>	<u>12,979,846,754</u>	<u>14.73%</u>	<u>13,804,917,410</u>	<u>16.01%</u>
II. R. Vacant Land / Agricultural R.E.	7,981,879,531	13.33%	9,234,110,084	12.81%	10,839,757,420	12.61%	11,488,270,826	13.04%	11,227,165,868	13.02%
II. P. Vacant Land / Agricultural P.P.	37,142,434	0.06%	37,620,096	0.05%	33,586,273	0.04%	53,089,988	0.06%	65,795,484	0.08%
<u>All Class II Property</u>	<u>8,019,021,965</u>	<u>13.39%</u>	<u>9,271,730,180</u>	<u>12.86%</u>	<u>10,873,343,693</u>	<u>12.65%</u>	<u>11,541,360,814</u>	<u>13.10%</u>	<u>11,292,961,352</u>	<u>13.10%</u>
<u>III. Residential, Owner Occupied</u>	<u>36,150,457,238</u>	<u>60.36%</u>	<u>44,330,385,822</u>	<u>61.48%</u>	<u>53,600,930,756</u>	<u>62.33%</u>	<u>52,821,161,537</u>	<u>59.96%</u>	<u>50,009,833,125</u>	<u>58.00%</u>
<u>IV. Residential, Renter Occupied</u>	<u>6,531,605,677</u>	<u>10.91%</u>	<u>7,980,929,834</u>	<u>11.07%</u>	<u>9,512,500,942</u>	<u>11.06%</u>	<u>10,008,610,719</u>	<u>11.36%</u>	<u>10,363,649,288</u>	<u>12.02%</u>
<u>V. Railroads</u>	<u>47,272,238</u>	<u>0.08%</u>	<u>39,171,996</u>	<u>0.05%</u>	<u>39,441,008</u>	<u>0.05%</u>	<u>40,514,870</u>	<u>0.05%</u>	<u>44,374,565</u>	<u>0.05%</u>
<u>VI. Historic Owner Residential, Enterprise & Trade Zones</u>	<u>425,092,608</u>	<u>0.71%</u>	<u>532,947,112</u>	<u>0.74%</u>	<u>717,903,605</u>	<u>0.83%</u>	<u>694,227,932</u>	<u>0.79%</u>	<u>687,648,377</u>	<u>0.80%</u>
<u>VII. Historic Commercial</u>	<u>3,553,067</u>	<u>0.01%</u>	<u>4,878,364</u>	<u>0.01%</u>	<u>6,655,003</u>	<u>0.01%</u>	<u>6,775,267</u>	<u>0.01%</u>	<u>5,666,201</u>	<u>0.01%</u>
<u>VIII. Historic Rental Residential</u>	<u>2,093,141</u>	<u>0.00%</u>	<u>2,257,492</u>	<u>0.00%</u>	<u>2,641,984</u>	<u>0.00%</u>	<u>3,256,451</u>	<u>0.00%</u>	<u>3,672,798</u>	<u>0.00%</u>
<u>IX. Possessory Interests</u>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	<u>16,178,980</u>	<u>0.02%</u>
All Property	59,890,228,997	14.44%	72,101,321,208	20.39%	85,993,246,237	19.27%	88,095,754,344	2.44%	86,228,902,096	-2.12%

Sources: Pima County Clerk of the Board of Supervisors' "Abstract by Legislative Class," for all years.
 Abbreviations: R.P. - Real Property, P.P. - Personal Property, R.E. - Real Estate.

LIMITED VALUE BY CLASS FOR TAX YEARS 2006-2010

Legislative Class	2006		2007		2008 ¹		2009 ²		2010 ¹	
	Amount	% of Total								
I. 8-11, 13. Commercial, Mines & Utilities R. P.	6,497,342,049	11.50%	7,308,652,785	11.36%	8,359,244,792	11.43%	9,744,578,744	12.09%	10,703,385,108	13.00%
I. 11-12. Commercial & Telecommunications P.P.	1,760,303,077	3.13%	1,946,962,701	3.02%	2,005,790,771	2.74%	2,060,625,193	2.56%	2,185,263,156	2.65%
<u>All Class I Property</u>	<u>8,257,645,126</u>	<u>14.63%</u>	<u>9,255,615,486</u>	<u>14.38%</u>	<u>10,365,035,563</u>	<u>14.17%</u>	<u>11,805,203,937</u>	<u>14.65%</u>	<u>12,888,648,264</u>	<u>15.65%</u>
II. R. Vacant Land / Agricultural R.E.	6,704,647,742	11.88%	7,443,253,638	11.57%	8,355,692,158	11.43%	9,283,115,939	11.52%	9,304,087,886	11.30%
II. P. Vacant Land / Agricultural P.P.	37,119,347	0.07%	37,502,194	0.06%	40,415,754	0.06%	27,978,510	0.03%	52,004,951	0.06%
<u>All Class II Property</u>	<u>6,741,767,089</u>	<u>11.95%</u>	<u>7,480,755,832</u>	<u>11.63%</u>	<u>8,396,107,912</u>	<u>11.49%</u>	<u>9,311,094,449</u>	<u>11.55%</u>	<u>9,356,092,837</u>	<u>11.36%</u>
<u>III. Residential, Owner Occupied</u>	<u>34,974,190,615</u>	<u>61.97%</u>	<u>40,161,510,519</u>	<u>62.41%</u>	<u>45,689,108,412</u>	<u>62.48%</u>	<u>49,705,721,781</u>	<u>61.68%</u>	<u>49,559,640,578</u>	<u>60.19%</u>
<u>IV. Residential, Renter Occupied</u>	<u>6,023,851,910</u>	<u>10.67%</u>	<u>6,951,475,037</u>	<u>10.80%</u>	<u>8,067,979,725</u>	<u>11.03%</u>	<u>9,104,140,815</u>	<u>11.30%</u>	<u>9,851,022,802</u>	<u>11.96%</u>
<u>V. Railroads</u>	<u>45,063,416</u>	<u>0.08%</u>	<u>35,902,186</u>	<u>0.06%</u>	<u>35,439,085</u>	<u>0.05%</u>	<u>34,904,555</u>	<u>0.04%</u>	<u>37,737,149</u>	<u>0.05%</u>
<u>VI. Historic Owner Residential, Enterprise & Trade Zones</u>	<u>390,389,319</u>	<u>0.69%</u>	<u>456,856,689</u>	<u>0.71%</u>	<u>561,193,622</u>	<u>0.77%</u>	<u>623,835,450</u>	<u>0.77%</u>	<u>640,976,458</u>	<u>0.78%</u>
<u>VII. Historic Commercial</u>	<u>3,118,137</u>	<u>0.01%</u>	<u>3,557,985</u>	<u>0.01%</u>	<u>5,611,553</u>	<u>0.01%</u>	<u>710,197</u>	<u>0.00%</u>	<u>10,972,356</u>	<u>0.01%</u>
<u>VIII. Historic Rental Residential</u>	<u>1,764,740</u>	<u>0.00%</u>	<u>1,984,944</u>	<u>0.00%</u>	<u>2,022,669</u>	<u>0.00%</u>	<u>2,369,283</u>	<u>0.00%</u>	<u>3,125,012</u>	<u>0.00%</u>
IX. Possessory Interests	n/a	n/a	n/a	n/a	n/a	n/a	<u>5,140,924</u>	<u>0.01%</u>	n/a	n/a
All Property	\$56,437,790,352		\$64,347,658,678		\$73,122,498,541		\$80,593,121,391		\$82,348,215,456	
Percent Change From Previous Year	11.47%		14.02%		13.64%		10.22%		2.18%	

Sources: Pima County Clerk of the Board of Supervisors "Abstract by Legislative Class" for all years.

Notes: ¹Values from the 2008 and 2010 Abstracts have been adjusted to the Net Assessed Values appearing on the Levy Limit Calculation Worksheets for each year.

²Values from the 2009 Abstract have been adjusted to the Net Assessed Value appearing on the May 6, 2009, Property Tax Oversight Commission Levy Limit Calculation Worksheet.

ASSESSMENT RATIOS BY CLASS FOR TAX YEARS 2006-2010

Legislative Class	2006	2007	2008	2009	2010
I. 1-13 Commercial, Mines, Utilities - Real & Personal Property	24.50%	24.00%	23.00%	22.00%	21.00%
II. Vacant Land/Agricultural - Real & Personal Property	16.00%	16.00%	16.00%	16.00%	16.00%
III. Residential, Owner Occupied	10.00%	10.00%	10.00%	10.00%	10.00%
IV. Residential, Renter Occupied	10.00%	10.00%	10.00%	10.00%	10.00%
V. Railroads	22.00%	21.00%	20.00%	18.00%	17.00%
VI. Historic Noncommercial (Note 1)	5.00%	5.00%	5.00%	5.00%	5.00%
VII. Historic Commercial (Note 2)	1.00%	1.00%	1.00%	1.00%	1.00%
VIII. Historic Rental Residential (Note 2)	1.00%	1.00%	1.00%	1.00%	1.00%
IX. Possessory Interests	1.00%	1.00%	1.00%	1.00%	1.00%
Weighted Average Assessment Ratio for Secondary	12.85%	12.65%	12.38%	12.52%	12.53%
Weighted Average Assessment Ratio for Primary	12.78%	12.66%	12.47%	12.41%	12.37%

Note 1. Legislative Class VI also includes property in foreign trade zones, military reuse zones, enterprise zones, and property used in the manufacture of environmental technology and renewable energy equipment, environmental remediation, and biodiesel fuel production.

Note 2. The 1 percent assessment ratio applies to the value of recent renovations and improvements and applies for 10 years after the improvements are made. The remainder of the value is at the rate for the class as determined by the use of the property.

SECONDARY NET ASSESSED VALUE BY CLASS FOR TAX YEARS 2006-2010

Legislative Class	2006		2007		2008		2009		2010	
	Amount	% of Total								
I. 8-11, 13. Commercial, Mines & Utilities R. P.	1,702,480,070	24.79%	1,914,895,588	23.29%	2,081,473,246	21.69%	2,357,915,272	23.91%	1,929,313,443	20.65%
I. 11-12. Commercial & Telecommunications P.P.	409,755,652	5.96%	452,579,359	5.50%	453,661,230	4.73%	495,819,206	5.03%	743,001,099	7.95%
<u>All Class I Property</u>	<u>2,112,235,722</u>	<u>30.75%</u>	<u>2,367,474,947</u>	<u>28.79%</u>	<u>2,535,134,476</u>	<u>26.42%</u>	<u>2,853,734,478</u>	<u>28.94%</u>	<u>2,672,314,542</u>	<u>28.60%</u>
II. R. Vacant Land / Agricultural R.E.	473,541,124	6.89%	601,487,673	7.32%	715,416,651	7.46%	699,478,507	7.09%	636,359,525	6.81%
II. P. Vacant Land / Agricultural P.P.	5,175,675	0.08%	5,765,884	0.07%	5,346,068	0.06%	7,482,674	0.08%	4,819,671	0.05%
<u>All Class II Property</u>	<u>478,716,799</u>	<u>6.97%</u>	<u>607,253,557</u>	<u>7.39%</u>	<u>720,762,719</u>	<u>7.52%</u>	<u>706,961,181</u>	<u>7.17%</u>	<u>641,179,196</u>	<u>6.86%</u>
<u>III. Residential, Owner Occupied</u>	<u>3,592,188,566</u>	<u>52.29%</u>	<u>4,410,687,100</u>	<u>53.66%</u>	<u>5,334,745,214</u>	<u>55.60%</u>	<u>5,251,746,309</u>	<u>53.26%</u>	<u>4,968,230,234</u>	<u>53.18%</u>
<u>IV. Residential, Renter Occupied</u>	<u>652,713,510</u>	<u>9.50%</u>	<u>797,586,456</u>	<u>9.70%</u>	<u>950,749,698</u>	<u>9.91%</u>	<u>1,000,332,932</u>	<u>10.14%</u>	<u>1,012,886,868</u>	<u>10.84%</u>
<u>V. Railroads</u>	<u>10,399,898</u>	<u>0.15%</u>	<u>8,226,125</u>	<u>0.10%</u>	<u>7,888,196</u>	<u>0.08%</u>	<u>7,292,679</u>	<u>0.07%</u>	<u>7,543,539</u>	<u>0.08%</u>
<u>VI. Historic Owner Residential, Enterprise & Trade Zones</u>	<u>23,153,379</u>	<u>0.34%</u>	<u>28,455,813</u>	<u>0.35%</u>	<u>45,070,586</u>	<u>0.47%</u>	<u>39,097,114</u>	<u>0.40%</u>	<u>38,687,839</u>	<u>0.41%</u>
<u>VII. Historic Commercial</u>	<u>338,267</u>	<u>0.00%</u>	<u>486,086</u>	<u>0.01%</u>	<u>246,432</u>	<u>0.00%</u>	<u>1,490,562</u>	<u>0.02%</u>	<u>1,189,903</u>	<u>0.01%</u>
<u>VIII. Historic Rental Residential</u>	<u>209,316</u>	<u>0.00%</u>	<u>225,751</u>	<u>0.00%</u>	<u>264,198</u>	<u>0.00%</u>	<u>325,645</u>	<u>0.00%</u>	<u>367,281</u>	<u>0.00%</u>
<u>IX. Possessory Interests</u>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	<u>161,791</u>	<u>0.00%</u>
	\$6,869,955,457		\$8,220,395,835		\$9,594,861,519		\$9,860,980,900		\$9,342,561,193	
Percent Change From Previous Year	13.54%		19.66%		16.72%		2.77%		-5.26%	

Sources: Pima County Clerk of the Board of Supervisors' "Abstract by Legislative Class," for all years.
 Abbreviations: R.P. - Real Property, P.P. - Personal Property, R.E. - Real Estate.

PRIMARY NET ASSESSED VALUE FOR TAX YEARS 2006-2010

Legislative Class	2006		2007		2008 ¹		2009 ²		2010 ¹	
	Amount	% of Total								
I. 8-11, 13. Commercial, Mines & Utilities R. P.	1,591,573,968	24.61%	1,754,175,478	23.86%	1,922,635,822	23.33%	2,142,538,291	23.84%	2,014,935,089	22.54%
I. 11-12. Commercial & Telecommunications P.P.	409,562,820	6.33%	449,896,362	6.12%	435,623,369	5.29%	425,664,953	4.74%	458,384,622	5.13%
<u>All Class I Property</u>	<u>2,001,136,788</u>	<u>30.94%</u>	<u>2,204,071,840</u>	<u>29.97%</u>	<u>2,358,259,191</u>	<u>28.62%</u>	<u>2,568,203,244</u>	<u>28.58%</u>	<u>2,473,319,711</u>	<u>27.67%</u>
II. R. Vacant Land / Agricultural R.E.	354,488,545	5.48%	422,738,665	5.75%	486,936,666	5.91%	521,643,825	5.80%	529,647,247	5.93%
II. P. Vacant Land / Agricultural P.P.	5,173,230	0.08%	5,746,900	0.08%	6,118,012	0.07%	4,134,626	0.05%	7,311,425	0.08%
<u>All Class II Property</u>	<u>359,661,775</u>	<u>5.56%</u>	<u>428,485,565</u>	<u>5.83%</u>	<u>493,054,678</u>	<u>5.98%</u>	<u>525,778,451</u>	<u>5.85%</u>	<u>536,958,672</u>	<u>6.01%</u>
<u>III. Residential, Owner Occupied</u>	<u>3,474,658,680</u>	<u>53.73%</u>	<u>3,995,335,563</u>	<u>54.33%</u>	<u>4,546,560,603</u>	<u>55.18%</u>	<u>4,944,071,553</u>	<u>55.02%</u>	<u>4,925,214,375</u>	<u>55.09%</u>
<u>IV. Residential, Renter Occupied</u>	<u>601,941,408</u>	<u>9.31%</u>	<u>694,636,372</u>	<u>9.45%</u>	<u>806,355,576</u>	<u>9.79%</u>	<u>909,875,313</u>	<u>10.13%</u>	<u>964,357,366</u>	<u>10.79%</u>
<u>V. Railroads</u>	<u>9,913,949</u>	<u>0.15%</u>	<u>7,539,464</u>	<u>0.10%</u>	<u>7,087,816</u>	<u>0.09%</u>	<u>6,282,822</u>	<u>0.07%</u>	<u>6,415,290</u>	<u>0.07%</u>
<u>VI. Historic Owner Residential, Enterprise & Trade Zones</u>	<u>19,440,158</u>	<u>0.30%</u>	<u>22,745,061</u>	<u>0.31%</u>	<u>27,954,627</u>	<u>0.34%</u>	<u>31,055,866</u>	<u>0.35%</u>	<u>31,910,628</u>	<u>0.36%</u>
<u>VII. Historic Commercial</u>	<u>272,282</u>	<u>0.00%</u>	<u>318,730</u>	<u>0.00%</u>	<u>196,913</u>	<u>0.00%</u>	<u>156,244</u>	<u>0.00%</u>	<u>1,158,716</u>	<u>0.01%</u>
<u>VIII. Historic Rental Residential</u>	<u>176,476</u>	<u>0.00%</u>	<u>198,493</u>	<u>0.00%</u>	<u>202,268</u>	<u>0.00%</u>	<u>236,929</u>	<u>0.00%</u>	<u>312,502</u>	<u>0.00%</u>
<u>IX. Possessory Interests</u>	n/a	n/a	n/a	n/a	n/a	n/a	<u>51,408</u>	<u>0.00%</u>	n/a	n/a
	\$6,467,201,516		\$7,353,331,088		\$8,239,671,672		\$8,985,711,830		\$8,939,647,260	
Percent Change From Previous Year	10.56%		13.70%		12.05%		9.05%		-0.51%	

Sources: Pima County Clerk of the Board of Supervisors "Abstract by Legislative Class" for all years.

Notes: ¹ Values from the 2008 and 2010 Abstracts have been adjusted to the Net Assessed Values appearing on the Levy Limit Calculation Worksheets for each year.

² Values from the 2009 Abstract have been adjusted to the Net Assessed Value appearing on the May 6, 2009, Property Tax Oversight Commission Levy Limit Calculation Worksheet.

PROPERTY TAX LEVIES AND COLLECTIONS - 10 YEAR HISTORY

(in thousands)

Fiscal Year	Original Real Property Tax Levy	Tax Roll Corrections	Adjusted Levy	Collected through June 30th End of Tax Fiscal Year ⁽¹⁾		Collected through June 30, 2009 ⁽¹⁾	
				Amount	Percent of Original Levy	Amount	Percent of Adjusted Levy
1999-00	201,925	-1,167	200,758	192,409	95.3%	200,970	100.1%
2000-01	214,642	-974	213,668	204,424	95.2%	213,578	100.0%
2001-02	228,477	-1,023	227,454	218,192	95.5%	227,178	99.9%
2002-03	241,416	-1,013	240,403	231,619	95.9%	240,285	100.0%
2003-04	260,570	-987	259,583	250,929	96.3%	259,564	100.0%
2004-05	281,172	-494	280,678	271,841	96.7%	280,507	99.9%
2005-06	302,127	-291	301,836	292,019	96.7%	301,776	100.0%
2006-07	330,240	-322	329,918	318,520	96.5%	329,806	100.0%
2007-08	362,535	-622	361,913	348,741	96.2%	361,125	99.8%
2008-09	379,674	-360	379,314	363,624	95.8%	363,624	95.9%

Source: Pima County Comprehensive Annual Financial Report, June 30, 2009.

⁽¹⁾ Amounts collected are on a cash basis rather than the modified accrual basis used in the financial statements.

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS - 10 YEAR HISTORY⁽¹⁾
 (Per \$100 Net Assessed Value)

Fiscal Year	Pima County	Regional Flood Control District⁽²⁾	County Free Library	State of Arizona	State Education Assistance	Junior College District	City of Tucson	City of South Tucson	Central AZ Water Conservation District⁽³⁾
2001/02	5.0158	0.3546	0.2124	0.0000	0.4974	1.5470	1.1202	0.2828	0.1300
2002/03	4.9328	0.3546	0.2124	0.0000	0.4889	1.5333	1.1202	0.2706	0.1300
2003/04	4.9311	0.3546	0.2124	0.0000	0.4717	1.4884	1.1569	0.2513	0.1200
2004/05	4.9297	0.3546	0.2124	0.0000	0.4560	1.3428	1.1847	0.2383	0.1200
2005/06	4.8290	0.3746	0.2575	0.0000	0.4358	1.3114	1.2364	0.2383	0.1200
2006/07	4.5985	0.3746	0.3675	0.0000	0.0000	1.2515	1.2257	0.2383	0.1200
2007/08	4.3253	0.3446	0.3975	0.0000	0.0000	1.1845	1.1321	0.2258	0.1000
2008/09	4.0374	0.2935	0.3393	0.0000	0.0000	1.1355	0.9601	0.2143	0.1000
2009/10	4.0639	0.2635	0.2643	0.0000	0.3306	1.0770	0.9344	0.2035	0.1000
2010/11	4.1063	0.2635	0.3100	0.0000	0.3564	1.0848	0.9550	0.1999	0.1000

⁽¹⁾ Some rates apply to limited areas or base measures.

⁽²⁾ The Regional Flood Control District property tax applies to real property and not personal property.

⁽³⁾ Under the Central Arizona Water Conservation District is a Ground Water Replenishment District with a per Acre Foot Water Fee of \$188.00 in fiscal year 2001/02, \$198.00 in 2002/03, \$199.00 in 2003/04, \$208.00 in 2004/05, \$226.00 in 2005/06, \$251.00 in 2006/07, \$265.00 in 2007/08, \$305.00 in 2008/09, \$333.00 in 2009/10, and \$377.00 in 2010/11..

**PIMA COUNTY POPULATION
CITIES & TOWNS AND
UNINCORPORATED AREAS: 1996 - 2009**

Year	Incorporated Towns & Cities		Unincorporated Pima County		Total Pima County	
	Population	Annual % Change	Population	Annual % Change	Population	Annual % Change
1996	484,736	2.22%	282,408	4.68%	767,144	3.11%
1997	496,388	2.40%	288,396	2.12%	784,784	2.30%
1998	512,372	3.22%	290,129	0.60%	802,501	2.26%
1999	523,879	2.25%	300,973	3.74%	824,852	2.79%
2000	538,716	2.83%	310,029	3.01%	848,745	2.90%
2001	556,695	3.33%	313,915	1.25%	870,610	2.58%
2002	569,880	2.37%	320,665	2.15%	890,545	2.29%
2003	585,660	2.77%	325,500	1.51%	911,160	2.31%
2004	599,095	2.29%	332,740	2.22%	931,835	2.27%
2005	615,515	2.74%	342,120	2.82%	957,635	2.77%
2006	629,175	2.22%	352,105	2.92%	981,280	2.47%
2007	642,870	2.18%	360,365	2.35%	1,003,235	2.24%
2008	649,916	1.10%	364,107	1.04%	1,014,023	1.08%
2009	652,062	0.33%	365,950	0.51%	1,018,012	0.39%

Note: Population as of July 1 of the indicated year.

Sources: Pima Association of Governments, *Population Estimates, 1980 – 2005*, for population from 1996 through 2000; Arizona Department of Economic Security, Research Administration, Population Statistics Unit, *Population Estimates for Arizona's Counties, Incorporated Places and Balance of County*, for population from 2001 through 2006; and Arizona Department of Commerce, Population Statistics Unit, *Population Estimates for Arizona's Counties, Incorporated Places and Balance of County*, for population from 2007 through 2009.

**POPULATION ESTIMATES & PROJECTIONS
PIMA COUNTY COMPARED WITH
ARIZONA, MARICOPA COUNTY AND OTHER COUNTIES
FOR YEARS 2000 - 2009, 2010, 2020, 2030, 2040 and 2050**

Year	Arizona	Pima County		Maricopa County		Other Counties	
	Population	Population	% of State	Population	% of State	Population	% of State
2000	5,130,632	843,746	16.45%	3,072,149	59.88%	1,214,737	23.68%
2001	5,319,785	870,610	16.37%	3,192,125	60.00%	1,257,050	23.63%
2002	5,470,720	890,545	16.28%	3,296,250	60.25%	1,283,925	23.47%
2003	5,642,725	911,160	16.15%	3,406,170	60.36%	1,325,395	23.49%
2004	5,845,250	931,835	15.94%	3,537,630	60.52%	1,375,785	23.54%
2005	6,077,740	957,635	15.76%	3,681,300	60.57%	1,438,805	23.67%
2006	6,305,210	981,280	15.56%	3,792,675	60.15%	1,531,255	24.29%
2007	6,500,194	1,003,235	15.43%	3,907,492	60.11%	1,589,467	24.45%
2008	6,629,455	1,014,023	15.30%	3,987,942	60.15%	1,627,490	24.55%
2009	6,683,129	1,018,012	15.23%	4,023,331	60.20%	1,641,786	24.57%
2010	6,999,810	1,070,723	15.30%	4,217,427	60.25%	1,711,660	24.45%
2020	8,779,567	1,271,912	14.49%	5,276,074	60.09%	2,231,581	25.42%
2030	10,347,543	1,442,420	13.94%	6,207,980	59.99%	2,697,143	26.07%
2040	11,693,553	1,585,983	13.56%	7,009,664	59.94%	3,097,906	26.49%
2050	12,830,829	1,709,026	13.32%	7,661,423	59.71%	3,460,380	26.97%

Source for April 1, 2000, population: *Census 2000, Tables DP-1. Profile of General Demographic Characteristics: 2000*, for Arizona, Maricopa County and Pima County, U. S. Bureau of the Census.

Source for July 1, 2001, to July 1, 2006, population estimates: *Population Estimates for Arizona's Counties, Incorporated Places and Balance of County*, Arizona Department of Economic Security, Research Administration, Population Statistics Unit.

Source for July 1, 2007, to July 1, 2009, population estimates: *Population Estimates for Arizona's Counties, Incorporated Places and Balance of County*, Arizona Department of Commerce, Population Statistics Unit.

Source for July 1, 2010, to July 1, 2050, population projections: *Arizona State and County Projections 2006-2055*, Arizona Department of Economic Security, Research Administration, Population Statistics Unit, March 31, 2006.

**PIMA COUNTY
POPULATION & EMPLOYMENT: 10-YEAR HISTORY**

Year	Population as of July 1	Total Employment	Unemployment Rate	Natural Resources & Mining	Construction	Manufacturing	Private Service Providers	Government Services
2000	848,745	393,700	3.7%	1,800	22,900	32,900	216,100	73,300
2001	870,610	395,500	4.3%	1,800	22,700	33,000	213,100	73,800
2002	890,545	399,300	5.7%	1,500	22,500	30,500	213,400	74,900
2003	911,160	405,800	5.3%	1,100	22,900	28,600	216,800	75,700
2004	931,835	417,800	4.6%	1,300	24,000	28,400	226,400	76,900
2005	957,635	418,500	4.5%	1,400	25,700	28,300	234,200	77,100
2006	981,280	430,000	4.0%	1,600	27,900	28,100	245,700	76,300
2007	1,003,235	440,200	3.8%	1,800	26,500	27,500	251,700	77,900
2008	1,014,023	450,400	5.6%	1,900	22,800	27,200	249,800	79,800
2009	1,018,012	448,700	8.3%	1,700	16,500	25,100	239,600	78,900

Sources: Calendar year employment and unemployment rate information from U.S. Department of Labor, Bureau of Labor Statistics. Population estimate for July 1, 2000, is from Pima Association of Governments, *Population Estimates, 1980 - 2005*. Estimates for July 1, 2001, through July 1, 2006, are from the Arizona Department of Economic Security, Research Administration, Population Statistics Unit, *Population Estimates for Arizona's Counties, Incorporated Places and Balance of County*. Estimates for July 1, 2007, through July 1, 2009, are from the Arizona Department of Commerce, Population Statistics Unit, *Population Estimates for Arizona's Counties, Incorporated Places and Balance of County*.

**PIMA COUNTY GOVERNMENT
ADDRESSES & TELEPHONE NUMBERS**

NOTE: Area Code is 520 for all areas. City, State & ZIP Code is Tucson, AZ 85701 unless otherwise noted.

County Operator			740-8011
Telecommunications Device for the Hearing Impaired			740-8093
Superior Court Building		110 W. Congress Street	
Old Courthouse		115 N. Church Avenue	
Administration Building		130 W. Congress Street	
Health & Welfare Building		150 W. Congress Street	
Legal Services Building		32 N. Stone Avenue	
Public Works Building		201 N. Stone Avenue	
Bank of America Building		33 N. Stone Avenue	

County Administration

Supervisor District 1	Ann Day	130 W. Congress St, 11 th Fl	740-2738
Supervisor District 2	Ramón Valadez	130 W. Congress St, 11 th Fl	740-8126
Supervisor District 3	Sharon Bronson	130 W. Congress St, 11 th Fl	740-8051
Supervisor District 4	Raymond Carroll	130 W. Congress St, 11 th Fl	740-8094
Supervisor District 5	Richard Elías	130 W. Congress St, 11 th Fl	740-8126
Assessor	Bill Staples	115 N. Church Ave, 3 rd Fl	740-8172
Clerk of the Board	Lori Godoshian	130 W. Congress St, 5 th Fl	740-8449
County Administrator	C. H. Huckelberry	130 W. Congress St, 10 th Fl	740-8751
Elections	Brad R. Nelson	6550 S. Country Club Tucson, AZ 85756	351-6830
Finance & Risk Management	Tom Burke	130 W. Congress St, 10 th Fl	740-3030
Forensic Science Center	Dr. Bruce O. Parks	2825 E. District St Tucson, AZ 85714	243-8600
Human Resources	Gwyn Hatcher	150 W. Congress St, 4 th Fl	740-8464
Information Technology	Lionel Bittner	150 W. Congress St, 6 th Fl	740-8113
Procurement	George Widugiris	130 W. Congress St, 3 rd Fl	740-8161
Recorder	F. Ann Rodriguez	115 N. Church Ave, 1 st Fl	740-4350
Treasurer	Elizabeth Ford	115 N. Church Ave, 1 st Fl	740-8775

Community & Economic Development

Community & Economic Development Admin	Hank Atha	130 W. Congress St, 10 th Fl	740-3992
Community Development & Neighborhood Conservation	Margaret Kish	2797 E. Ajo Way Tucson, AZ 85713	243-6745
Community Services, Employment & Training	Art Eckstrom	2797 E. Ajo Way Tucson, AZ 85713	243-6741
Economic Development & Tourism	Tom Moulton	33 N. Stone Ave, 7 th Fl	243-7353
County Free Library	Nancy Ledebor	101 N. Stone Ave, 4 th Fl	594-5601
Kino Sports Complex	Chris Bartos	2500 E. Ajo Way Tucson, AZ 85713	434-1301
School Superintendent	Dr. Linda Arzoumanian	130 W. Congress St, 4th Fl	740-8451
Stadium District	Chris Bartos	2500 E. Ajo Way Tucson, AZ 85713	434-1301

**PIMA COUNTY GOVERNMENT
ADDRESSES & TELEPHONE NUMBERS**

Justice & Law Enforcement

Clerk of the Superior Court	Patricia A. Noland	110 W. Congress St, 1 st Fl	740-3201
Constables	Vince Roberts, Admin Constable	32 N. Stone Ave, 1 st Fl	740-5442
County Attorney	Barbara LaWall	32 N. Stone Ave, 14 th Fl	740-5622
Indigent Defense	Isabel Garcia, Legal Defender	32 N. Stone Ave, 8 th Fl	740-5775
Indigent Defense	Robert Hirsch, Public Defender	33 N. Stone Ave, Ste 2100	243-6800
Justice Court Ajo	Judge Maria Alvillar	111 La Mina Avenue, Ajo, AZ 85321	387-7684
Justice Court Green Valley	Judge Gail Wight	601 N. La Cañada Drive, Green Valley, AZ 85614	648-0658
Justice Courts Tucson	Presiding Judge Maria Felix	115 N. Church Ave	740-3505
Juvenile Court	Presiding Judge Sarah Simmons	2225 E. Ajo Way, Tucson, AZ 85713	740-2054
Office of Court Appointed Counsel	Lindy Funkhouser	130 W. Congress St, 10th Fl	740-8311
Public Fiduciary	Anita Royal	10 E. Pennington, 2 nd Fl	740-5471
Sheriff	Clarence W. Dupnik	1750 E. Benson Highway, Tucson, AZ 85714	741-4700
Superior Court	Presiding Judge Jan E. Kearney	110 W. Congress St, 4 th Fl	740-3155

Office of Medical & Health Services

Institutional Health	Larry Kraus	3950 S. Country Club Rd, Ste 300 Tucson, AZ 85714	243-7838
Office of Emergency Mgmt & Homeland Security	Mike Hein	33 N. Stone, 14 th Fl	798-0600
Pima Health System & Services	Patricia Alvarez-Hurley	3950 S. Country Club Rd, Ste 400 Tucson, AZ 85714	243-8385
Public Health	Sherry Daniels	3950 S. Country Club Rd, Ste 100 Tucson, AZ 85714	243-7704

Public Works

Capital Projects	Mary Tyson	130 W. Congress, 9 th Fl	243-4473
Development Services	Carmine DeBonis, Jr.	201 N. Stone Ave, 1 st Fl	740-6506
Environmental Quality/ Solid Waste Management	Ursula Kramer	33 N. Stone Ave, Ste 700	243-7454
Facilities Management	Reid H. Spaulding	150 W. Congress St, 5 th Fl	740-3104
Fleet Services	Frank Samaniego	1301 S. Mission Rd Tucson, AZ 85713	740-2670
Graphic Services	Susan Beebe	17 E. Pennington, 1 st Fl	243-1984
Natural Resources, Parks & Recreation	Rafael Payan	3500 W. River Rd Tucson, AZ 85741	877-6209
Public Works Admin	John Bernal	130 W. Congress St, 10 th Fl	740-8480
Regional Flood Control District	Suzanne Shields	97 E Congress, 3 rd Fl	243-1881
Regional Wastewater Reclamation	Michael Gritzuk	201 N. Stone Ave, 8 th Fl	740-6549
Transportation	Priscilla Cornelio	201 N. Stone Ave, 4 th Fl	740-6340