

## **BUDGET OVERVIEW**

Financial Structure

Consolidated Overview of the County Budget by Fund

Total County Budget by Source and Use

Revenues & Expenditures for Fiscal Years 2009/2010 Through 2011/2012

Budget in Brief Fiscal Year 2011/2012

Adopted Full Time Equivalent Positions for Fiscal Years 2009/2010 Through 2011/2012

Pima County Capital Improvement Program Overview

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## FINANCIAL STRUCTURE

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

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

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

Fund Type	Description	Funding Source
<b>GOVERNMENTAL FUNDS</b>	<b>Governmental funds use the modified accrual basis of accounting, a current financial resource measurement focus. Governmental Funds are comprised of the following:</b>	
General Fund	The General Fund is the County's principal financing vehicle for general government operations and for resources that are not required to be accounted for in another fund.	Funded largely by primary property tax revenue and state shared sales tax revenue.
Special Revenue Funds	Account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. Special Revenue Funds include the following:	
	<ul style="list-style-type: none"> <li>• <u>Economic Development &amp; Tourism</u> – Accounts for resources used to promote business and job development and business retention in Pima County and the state of Arizona for the purpose of enhancing the economic welfare of the inhabitants of the County.</li> </ul>	Transient lodging excise (hotel/motel) tax revenues.
	<ul style="list-style-type: none"> <li>• <u>Employment &amp; Training</u> - Accounts for resources controlled by the County as a prime sponsor under the Workforce Investment Act of 1998, superseding the Jobs Training Partnership Act. Also includes Youth Opportunity (YO) grant, Pima Vocational High School, and many other grants.</li> </ul>	Primarily Federal Government revenue.
	<ul style="list-style-type: none"> <li>• <u>Environmental Quality</u> - Accounts for resources specifically identified to be expended for the protection of water, air, and land from pollutants.</li> </ul>	Air quality inspection and application fees; revenues from alternate onsite disposal plans; and federal and state grants.
	<ul style="list-style-type: none"> <li>• <u>Library District</u> – Accounts for resources used for the management and operation of the Pima County Free Library District.</li> </ul>	Secondary property tax revenue.
	<ul style="list-style-type: none"> <li>• <u>Health</u> - Accounts for resources used to finance activities involved in the conservation and improvement of public health, and various animal control functions.</li> </ul>	Federal and state grants; charges for services provided; and operating transfers from the General Fund.

Fund Type	Description	Funding Source
<b>GOVERNMENTAL FUNDS (cont'd)</b>		
Special Revenue Funds (cont'd)		
	<ul style="list-style-type: none"> <li>• <u>Regional Flood Control District</u> - Accounts for expenditures necessary to analyze, design, and maintain flood control improvements to protect persons and property from floodwaters.</li> </ul>	Secondary property tax revenue.
	<ul style="list-style-type: none"> <li>• <u>School Reserve Fund</u> – Accounts for resources specifically identified to be expended for education programs in the Pima County Accommodation District and specialized educational programs that extend outside the boundaries of individual school districts.</li> </ul>	Federal and state grants; private donations; Arizona Department of Education.
	<ul style="list-style-type: none"> <li>• <u>Solid Waste Fund</u> – Accounts for resources used to provide solid waste disposal facilities and services and tire recycling services.</li> </ul>	Landfill tipping fees; County share of state tax on new tire sales.
	<ul style="list-style-type: none"> <li>• <u>Stadium District</u> – Accounts for resources specifically identified to be expended for the management and operation of Kino Stadium.</li> </ul>	Car rental surcharge fees; recreational vehicle surcharge fees; hotel/motel bed taxes; and charges for services provided for special events.
	<ul style="list-style-type: none"> <li>• <u>Transportation</u> - Accounts for administrative and operating costs expended for highways and streets, as well as resources transferred to the Capital Projects Fund for construction of highways and streets.</li> </ul>	County share of gasoline tax collected by state Highway User revenues; Vehicle License Tax revenues; and charges for services.
	<ul style="list-style-type: none"> <li>• <u>Other Special Revenue Funds</u> - Account for resources to be expended for various other programs of the County, including various probation programs, consumer protection programs, family support, antiracketeering programs, law library, etc.</li> </ul>	Federal and state grants. Antiracketeering funding is provided by court ordered forfeitures, diversion fees, and restitution payments.
Debt Service Fund	Accounts for the accumulation of resources for, and the payment of, long term debt principal and interest applicable to Governmental Funds. This fund manages the debt for Transportation bonds and loans, Certificates of Participation, and General Obligation bonds.	Secondary tax levy on real and personal property; transfers of Vehicle License Tax revenues and Highway User revenues from the Transportation Special Revenue Fund for the payment of Transportation bonds and loans; transfers for payment of Certificates of Participation.

Fund Type	Description	Funding Source
<b>GOVERNMENTAL FUNDS (cont'd)</b>		
Capital Projects Fund	Accounts for financial resources to be used for the acquisition or construction of major capital assets, including land, buildings, roads and streets, drainage ways, libraries, and parks (other than those financed by Proprietary Funds).	Bond sale proceeds; federal and state grants; transfers of Vehicle License Tax revenues and Highway User revenues from the Transportation Special Revenue Fund; transfers of Regional Flood Control District and Library District monies; reimbursements associated with specific capital projects and from other governments.
<b>PROPRIETARY FUNDS</b>	<b>Proprietary funds are used to account for Pima County's business-type activities. These funds use the economic resources measurement focus and accrual basis of accounting. This measurement focus provides for the short term and long term recognition of revenues and expenses. Proprietary Funds are comprised of:</b>	
Enterprise Funds	Account for operations that are financed and operated in a manner similar to private business enterprises. Enterprise funds within Pima County include the following:	
	<ul style="list-style-type: none"> <li>• <u>Development Services</u> - Accounts for the operations that provide zoning permits, enforce ordinances, and administer uniform building codes.</li> </ul>	License and permit fees for plan examinations and zoning; penalties related to the issuance of building, plumbing, mechanical, electrical and mobile home permits; and charges for services such as plan checks and subdivision coordination.
	<ul style="list-style-type: none"> <li>• <u>Pima Health System &amp; Services</u> - Accounts for health plans funded by the Arizona Health Care Cost Containment System (AHCCCS) and long term care under the Arizona Long Term Care System (ALTCS) contracted to outside providers.</li> </ul>	Primarily derived from capitation fees.
	<ul style="list-style-type: none"> <li>• <u>Parking Garages</u> - Accounts for the management and operation of eight parking facilities located in downtown Tucson.</li> </ul>	Parking fees from six public parking garages and two parking lots owned by Pima County.
	<ul style="list-style-type: none"> <li>• <u>Regional Wastewater Reclamation</u>- Accounts for the management and operation of wastewater treatment and water pollution control facilities.</li> </ul>	Sewer user, sewer connection, and sanitation fees.

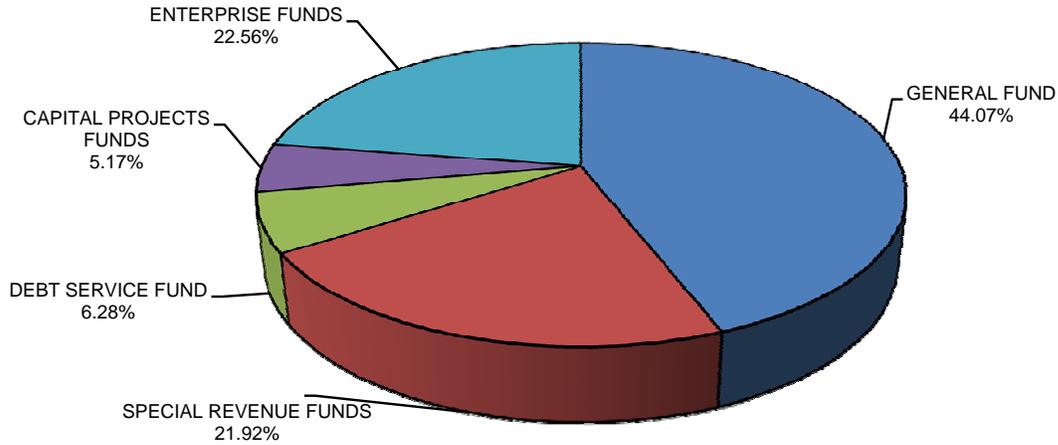
Fund Type	Description	Funding Source
Internal Service Funds	Account for the financing of goods or services provided by one department to other departments of the County on a cost reimbursement basis. Internal Service funds include the following:	
	<ul style="list-style-type: none"> <li>• <u>Self Insurance Trust Fund</u> - Accounts for the risk management function of the County. The fund is administered by the Board of Supervisors and an appointed board of trustees, and provides self insurance for medical malpractice, workers compensation, unemployment, general liability, property damage, environmental damage, and employee dental benefits. It also provides coverage for certain types of litigation.</li> </ul>	Financed by charges to specific user departments and to the General Fund.
	<ul style="list-style-type: none"> <li>• <u>Other Internal Service Funds</u> - Account for the acquisition, operation, and maintenance of automotive and telecommunications equipment used by County departments and for printing services provided to County departments.</li> </ul>	Financed by fees and reimbursements charged to user departments.
<b>FIDUCIARY FUNDS</b>	<b>Fiduciary funds do not include resources belonging to Pima County; therefore, they are not part of the County's budgeting process. The County does, however, have custodial responsibility for these funds and reports them in its Comprehensive Annual Financial Report.</b>	
Agency Funds	Account for cash and investments held by the County on behalf of various fire districts, cities and towns, individuals, the state and other agencies. Also included are clearing funds for payroll and property taxes.	
Investment Trust Fund	Accounts for cash and investments held by the County on behalf of various school districts.	

SUBSIDIARY LEDGERS

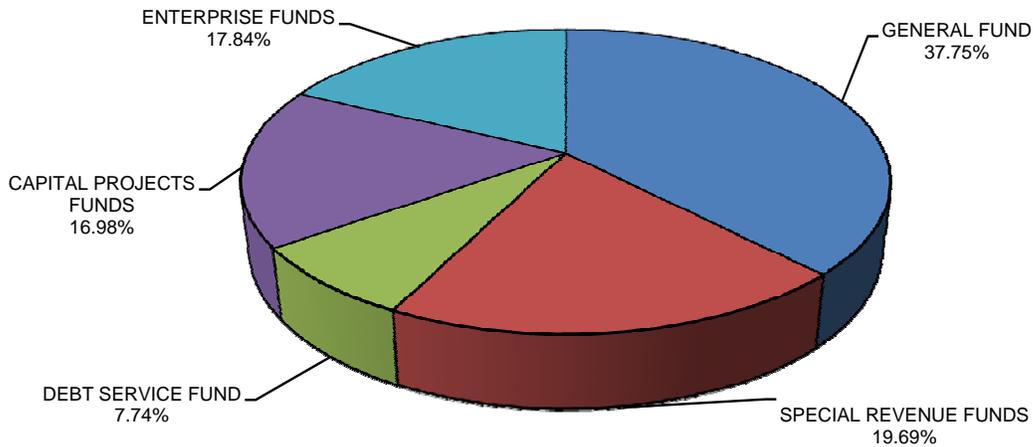
It should be noted that balances from the former General Fixed Asset Account Group and the General Long Term Debt Account Group are now considered subsidiary ledgers and are reported within the County's government-wide financial statements, as required by GASB 34.

**CONSOLIDATED OVERVIEW OF COUNTY BUDGET BY FUND**

**REVENUES BY FUND**



**EXPENDITURES BY FUND**

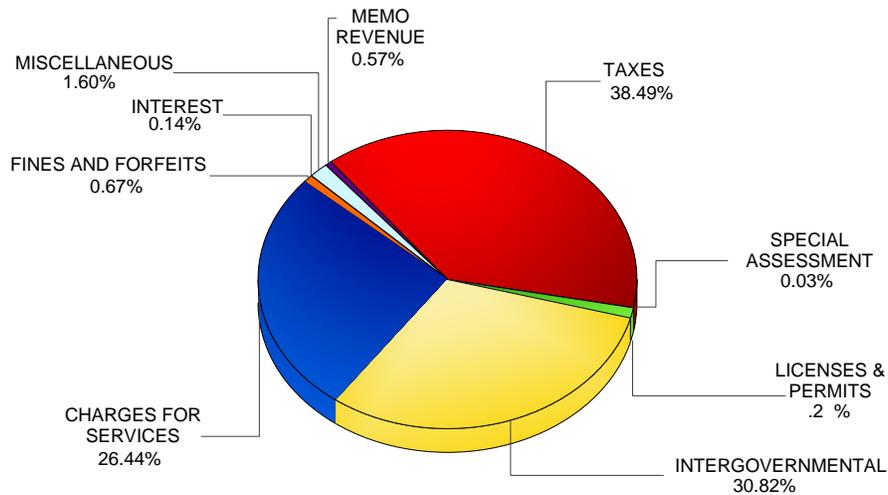


FUNDING SOURCES	EST. BEGINNING FUND BALANCE 2011/2012	ADOPTED REVENUES 2011/2012	ADOPTED EXPENDITURES 2011/2012	OTHER FINANCING SOURCES 2011/2012	INTERFUND TRANSFERS IN / (OUT)	ESTIMATED ENDING FUND BALANCE
GENERAL FUND	53,651,182	460,247,799	(491,653,455)	0	(22,245,526)	0
SPECIAL REVENUE FUNDS	115,142,359	228,869,089	(256,367,444)	0	(27,810,622)	59,833,382
DEBT SERVICE FUND	22,780,434	65,603,403	(100,824,209)	0	25,237,058	12,796,686
CAPITAL PROJECTS FUNDS	105,311,987	53,977,280	(221,159,460)	103,000,000	26,048,639	67,178,446
ENTERPRISE FUNDS	92,521,942	235,532,353	(232,397,754)	230,000,000	(1,090,606)	324,565,935

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

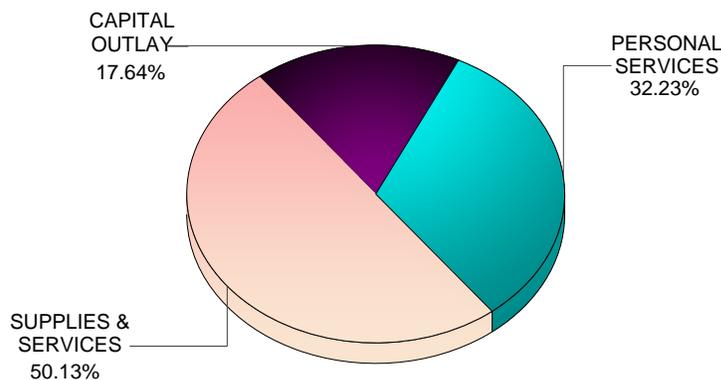
## TOTAL COUNTY BUDGET BY SOURCE AND USE

### REVENUES



REVENUES	FY 2009/2010 ACTUAL	FY 2010/2011 REVISED	FY 2011/2012 ADOPTED
TAXES	423,442,764	420,814,770	401,959,038
SPECIAL ASSESSMENT	535,666	303,619	264,884
LICENSES & PERMITS	12,862,820	12,480,140	12,954,139
INTERGOVERNMENTAL	301,657,695	361,199,316	321,793,903
CHARGES FOR SERVICES	393,746,904	409,746,291	276,114,767
FINES AND FORFEITS	8,472,762	9,057,190	7,002,215
INTEREST	5,870,162	4,097,330	1,436,640
MISCELLANEOUS	23,557,196	17,991,732	16,704,338
MEMO REVENUE	8,428,302	10,000,000	6,000,000
	<b>1,178,574,271</b>	<b>1,245,690,388</b>	<b>1,044,229,924</b>

### EXPENDITURES



EXPENDITURES	FY 2009/2010 ACTUAL	FY 2010/2011 REVISED	FY 2011/2012 ADOPTED
PERSONAL SERVICES	412,153,585	431,113,216	419,787,244
SUPPLIES & SERVICES	662,676,945	787,873,763	652,840,769
CAPITAL OUTLAY	141,807,041	212,910,090	229,774,309
	<b>1,216,637,571</b>	<b>1,431,897,069</b>	<b>1,302,402,322</b>

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

**REVENUES & EXPENDITURES  
FISCAL YEARS 2009/2010 - 2011/2012**

	ACTUAL FY 2009/2010	REVISED FY 2010/2011	ESTIMATED FY 2010/2011	ADOPTED FY 2011/2012
<b>GENERAL FUND</b>				
<b>REVENUE</b>				
TAXES	304,440,927	301,397,635	300,355,594	287,132,878
LICENSES AND PERMITS	2,738,340	2,463,032	2,543,300	2,612,500
INTERGOVERNMENTAL	128,926,959	122,016,410	119,604,886	123,412,475
CHARGES FOR SERVICES	40,355,972	36,590,770	35,255,570	36,554,254
FINES AND FORFEITS	7,010,958	7,681,832	6,116,668	5,793,193
INTEREST	1,198,087	871,336	304,799	469,611
MISCELLANEOUS	4,868,210	4,526,932	4,727,394	4,272,888
MEMO REVENUE	203,364	0	0	0
<b>TOTAL</b>	<b>489,742,817</b>	<b>475,547,947</b>	<b>468,908,211</b>	<b>460,247,799</b>
<b>EXPENDITURES</b>				
PERSONAL SERVICES	247,950,874	255,279,227	256,706,103	257,497,403
SUPPLIES & SERVICES	174,591,863	231,372,395	180,756,761	233,363,695
CAPITAL OUTLAY	3,818,711	1,015,137	3,953,551	792,357
<b>TOTAL</b>	<b>426,361,448</b>	<b>487,666,759</b>	<b>441,416,415</b>	<b>491,653,455</b>
<b>SPECIAL REVENUE FUNDS</b>				
<b>REVENUE</b>				
TAXES	49,676,864	50,645,834	50,824,782	49,222,757
SPECIAL ASSESSMENT	535,666	303,619	308,296	264,884
LICENSES AND PERMITS	5,052,885	4,850,672	4,908,863	5,546,969
INTERGOVERNMENTAL	135,259,480	166,792,012	159,994,041	148,920,271
CHARGES FOR SERVICES	14,970,856	13,875,282	13,989,289	13,871,572
FINES AND FORFEITS	1,432,110	1,360,358	1,383,357	1,184,760
INTEREST	1,307,299	1,109,439	858,790	506,467
MISCELLANEOUS	13,445,474	10,715,002	9,618,154	9,351,409
MEMO REVENUE	90,131	0	0	0
<b>TOTAL</b>	<b>221,770,765</b>	<b>249,652,218</b>	<b>241,885,572</b>	<b>228,869,089</b>
<b>EXPENDITURES</b>				
PERSONAL SERVICES	94,389,404	104,872,473	114,331,279	104,960,328
SUPPLIES & SERVICES	97,660,920	160,703,515	118,293,977	143,899,964
CAPITAL OUTLAY	3,866,530	12,922,242	4,683,421	7,507,152
<b>TOTAL</b>	<b>195,916,854</b>	<b>278,498,230</b>	<b>237,308,677</b>	<b>256,367,444</b>
<b>DEBT SERVICE FUND</b>				
<b>REVENUE</b>				
TAXES	69,324,973	68,771,301	68,771,301	65,603,403
INTERGOVERNMENTAL	77,755	7,500	7,500	0
INTEREST	936,299	1,000,000	611,250	0
<b>TOTAL</b>	<b>70,339,027</b>	<b>69,778,801</b>	<b>69,390,051</b>	<b>65,603,403</b>
<b>EXPENDITURES</b>				
SUPPLIES & SERVICES	106,589,894	106,277,555	106,277,928	100,824,209
<b>TOTAL</b>	<b>106,589,894</b>	<b>106,277,555</b>	<b>106,277,928</b>	<b>100,824,209</b>
<b>CAPITAL PROJECTS FUNDS</b>				
<b>REVENUE</b>				
INTERGOVERNMENTAL	31,105,975	67,260,836	57,419,059	49,384,375
CHARGES FOR SERVICES	4,380,520	6,665,200	4,265,933	3,655,905
INTEREST	1,169,998	0	60,202	0
MISCELLANEOUS	430,886	404,342	548,455	937,000
MEMO REVENUE	815,527	0	0	0
<b>TOTAL</b>	<b>37,902,906</b>	<b>74,330,378</b>	<b>62,293,649</b>	<b>53,977,280</b>
<b>EXPENDITURES</b>				
PERSONAL SERVICES	659,379	0	727,571	0
SUPPLIES & SERVICES	(647,166)	0	(714,095)	0
CAPITAL OUTLAY	162,038,456	198,701,642	178,796,208	221,159,460
<b>TOTAL</b>	<b>162,050,669</b>	<b>198,701,642</b>	<b>178,809,684</b>	<b>221,159,460</b>

**REVENUES & EXPENDITURES  
FISCAL YEARS 2009/2010 - 2011/2012**

	<b>ACTUAL FY 2009/2010</b>	<b>REVISED FY 2010/2011</b>	<b>ESTIMATED FY 2010/2011</b>	<b>ADOPTED FY 2011/2012</b>
<b>ENTERPRISE FUNDS</b>				
<b>REVENUE</b>				
LICENSES AND PERMITS	5,071,595	5,166,436	4,713,531	4,794,670
INTERGOVERNMENTAL	6,287,526	5,122,558	5,122,558	76,782
CHARGES FOR SERVICES	334,039,556	352,615,039	351,584,720	222,033,036
FINES AND FORFEITS	29,694	15,000	15,000	24,262
INTEREST	1,258,479	1,116,555	521,325	460,562
MISCELLANEOUS	4,812,626	2,345,456	3,478,608	2,143,041
CAPITAL CONTRIBUTIONS	7,319,280	10,000,000	3,000,000	6,000,000
<b>TOTAL</b>	<b>358,818,756</b>	<b>376,381,044</b>	<b>368,435,742</b>	<b>235,532,353</b>
<b>EXPENDITURES</b>				
PERSONAL SERVICES	69,153,928	70,961,516	76,383,047	57,329,513
SUPPLIES & SERVICES	284,481,434	289,520,298	314,220,168	174,752,901
CAPITAL OUTLAY	(27,916,656)	271,069	(30,834,969)	315,340
<b>TOTAL</b>	<b>325,718,706</b>	<b>360,752,883</b>	<b>359,768,246</b>	<b>232,397,754</b>
<b>TOTAL REVENUES</b>	<b>1,178,574,271</b>	<b>1,245,690,388</b>	<b>1,210,913,225</b>	<b>1,044,229,924</b>
<b>TOTAL EXPENDITURES</b>	<b>1,216,637,571</b>	<b>1,431,897,069</b>	<b>1,323,580,950</b>	<b>1,302,402,322</b>

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

## BUDGET IN BRIEF

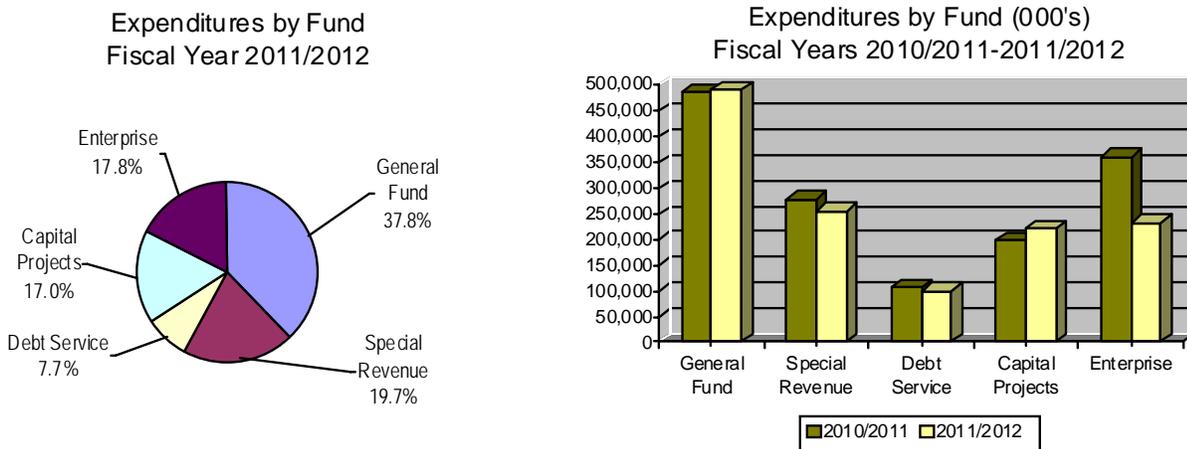
Arizona Revised Statute §42-17105 requires the Pima County Board of Supervisors to adopt a budget for each fiscal year. On June 21, 2011, the Board adopted the budget for fiscal year 2011/12, which covers the period from July 1, 2011 through June 30, 2012.

Pima County's Fiscal Year 2011/12 Adopted Budget includes:

- \$1.302 billion in expenditures
- \$1.044 billion in revenues
- \$74.2 million in operating transfers between the various operating funds
- \$330.0 million total in debt issues including \$60.0 million in General Obligation bonds, \$37.0 million in Certificates of Participation, \$6.0 million in Transportation Bonds, and \$230.0 million in Sewer Revenue Obligations

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

### Comparison of Expenditures by Fund



**GENERAL FUND:** The Fiscal Year 2011/12 Adopted Budget for General Fund expenditures increased by \$4.0 million over fiscal year 2010/11. Major factors contributing to this net increase include:

- \$10.7 million increase to the General Fund budgeted reserve
- \$6.5 million increase in the County's contribution to the Arizona Long Term Care System (ALTCS) due to a reduction in American Recovery and Reinvestment Act (ARRA)/stimulus funding
- \$2.8 million increase in motor pool costs
- \$2.4 million increase due to a 1.0% cost of living salary adjustment to partially offset changes in the amount and percentage of retirement system withholdings
- \$2.2 million increase in medical insurance costs
- \$1.6 million increase in the County's share of mandated retirement contributions
- \$1.7 million increase for 2011 Presidential Preference elections
- \$1.2 million decrease in total Budget Stabilization Fund reserves for potential revenue shortfalls in Solid Waste Management and Development Services
- \$1.8 million decrease for adult and juvenile detention health care contract costs
- \$2.5 million decrease from a 1.5% base budget reduction for non public safety departments and a 0.5% reduction for public safety departments
- \$2.7 million decrease in costs for psychiatric care under Title 36
- \$5.0 million decrease in General Fund support to University Physicians Healthcare Hospital (UPH)
- \$5.4 million decrease in costs for 2010 general and primary elections
- \$5.9 million decrease due to the transfer of General Fund Debt Service costs to Debt Service Fund
- also includes minor departmental adjustments, other position related adjustments, etc.

**SPECIAL REVENUE FUNDS:** The Fiscal Year 2011/12 Adopted Budget for Special Revenue Funds expenditures decreased by \$22.1 million from fiscal year 2010/11. Major factors contributing to this net decrease include:

- \$4.2 million decrease in Sheriff Grants for the Pima County Wireless Integrated Network (PCWIN) project, as equipment purchases were completed last year, and from the federal High Intensity Drug Trafficking Area (HIDTA) program
- \$3.8 million decrease in budgeted expenditures in Community Development Grants ARRA stimulus funding for energy efficiency/conservation
- \$3.5 million decrease in Public Health Grants primarily due to a reduction of federal stimulus funded Communities Putting Prevention to Work (CPPW) program
- \$2.8 million reduction in budgeted expenditures of ARRA stimulus in Employment & Training
- \$2.6 million reduction in spending for the County Free Library for maintenance and materials purchases
- \$1.9 million decrease in the IT Enhancement Fund as no expenditures are planned for the current year
- \$1.9 million net decrease in Facilities Renewal Fund due to completion of a \$1.8 million project to improve lighting in County parks in fiscal year 2010/11
- \$1.5 million decrease in Facilities Management Grants due to a reduction in energy efficiency/conservation funding
- \$1.5 million decrease due to the transfer of Office of Emergency Management and Homeland Security from Health to General Fund and a reduction in grant funding of \$1.0 million
- \$0.9 million decrease in activity planned in the Housing Trust Fund
- \$0.6 million decrease in Transportation as a result of reduced street and highway user revenue collections
- \$1.0 million increase in grant funding for County Attorney victim services
- \$2.6 million increase from the formation of a Pima Health System transition fund to provide for unexpected costs arising from the transfer of AHCCCS contracts to Bridgeway Health Solutions
- also includes other position related adjustments, benefits adjustments, adjustments for one time costs, etc.

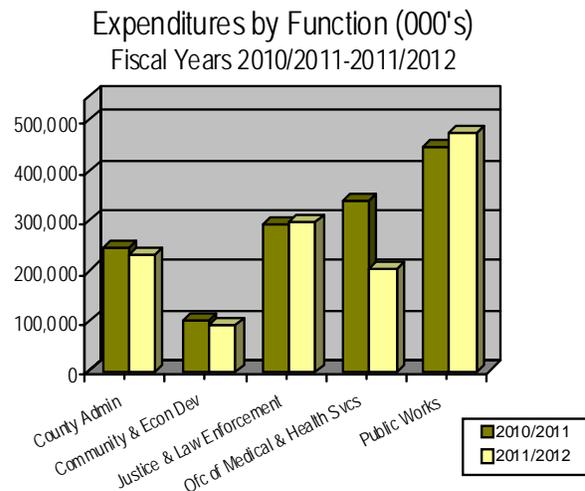
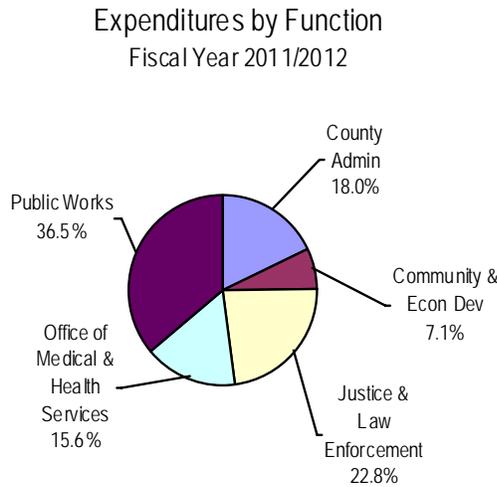
**DEBT SERVICE FUND:** The Fiscal Year 2011/12 Adopted Budget for Debt Service Fund expenditures decreased \$5.5 million from fiscal year 2010/11. This decrease is the net of retired debt and anticipated debt service costs related to bond and certificates of participation sales to be made in fiscal year 2011/12.

**CAPITAL PROJECTS FUND:** The Fiscal Year 2011/12 Adopted Budget for the Capital Projects Fund expenditures increased by \$22.5 million over fiscal year 2010/11, based on the implementation of the approved current year Capital Improvement Budget, as detailed in the County's Fiscal Year 2011/12 to Fiscal Year 2015/16 Capital Improvement Plan. (See *the Capital Improvement Projects section - Summary of Active Capital Improvement Projects.*)

**ENTERPRISE FUNDS:** The Fiscal Year 2011/12 Adopted Budget for Enterprise Fund expenses decreased by \$128.4 million from fiscal year 2010/11. Significant changes include:

- \$136.9 million net decrease in Pima Health System & Services reflecting the transfer of AHCCCS contract service delivery to an outside provider
- \$9.8 million increase in the Regional Wastewater Reclamation Enterprise Fund, relating to the rehabilitation of the system, inspection/assessment work, increased depreciation, debt service, etc.
- also includes position related adjustments, benefits adjustments, adjustments for one time costs, etc.

### Comparison of Expenditures by Functional Area



**COUNTY ADMINISTRATION:** The Fiscal Year 2011/12 Adopted Budget for expenditures for the County Administration functional area decreased by \$12.1 million from fiscal year 2010/11. Major reasons for the net decrease include:

- \$13.4 decrease in support to University Physicians Healthcare Hospital previously budgeted in Contingency, now budgeted in Institutional Health
- \$11.4 million decrease in Debt Service composed of \$5.9 million in General Fund Debt Service budgeted in fiscal year 2010/11 transferred to the Debt Service Fund in fiscal year 2011/12 and a further decrease in existing principal and interest payments in the Debt Service Fund of \$5.5 million
- \$1.9 million decrease in the IT Enhancement Fund as no expenditures are planned for the current year
- \$5.4 million decrease in costs for 2010 primary and general elections in Elections and Recorder departments
- \$1.2 million decrease in total contingency reserves for deficits in Solid Waste Management and Development Services
- \$0.8 million decrease in Information Technology due to reduced staffing needs
- \$340 thousand increased contributions to employee retirement plans
- \$1.6 million increase from the transfer of the Office of Emergency Management & Homeland Security from the Office of Medical & Health Services functional area
- \$1.7 million increase in costs for the 2011 Presidential Preference election
- \$2.6 million increase by the establishment of a transition fund for Pima Health System & Services
- \$4.6 million increase for Graduate Medical Education (GME) and Disproportionate Share Hospital (DSH) programs previously budgeted in Institutional Health
- \$10.7 million increase to the General Fund budgeted reserve due to adverse economic conditions
- also includes other position related adjustments, benefits adjustments, adjustments for one time costs in other funds, etc.

**COMMUNITY & ECONOMIC DEVELOPMENT:** The Fiscal Year 2011/12 Adopted Budget for expenditures for the Community & Economic Development functional area decreased by \$11.0 million from fiscal year 2010/11. Major factors contributing to this net decrease are:

- \$3.8 million decrease in grant funding for Community Development's Housing program
- \$2.8 million reduction in budgeted expenditures of ARRA/stimulus in Employment & Training
- \$2.6 million reduction in spending for the County Free Library for maintenance and materials purchases
- \$0.9 million reduction in funding to the County's Housing Trust Fund
- also includes other position related adjustments, benefits adjustments, adjustments for one time costs in other funds, etc.

**JUSTICE & LAW ENFORCEMENT:** The Fiscal Year 2011/12 Adopted Budget for the Justice & Law Enforcement functional area increased by \$2.1 million over fiscal year 2010/11. This net increase is due primarily to:

- \$1.8 million increase in Sheriff department for budgeted motor pool costs
- \$1.7 million increase for Justice & Law Enforcement departments' 1.0% cost of living allowance
- \$1.5 million increase for Justice & Law Enforcement departments' medical insurance costs
- \$1.0 million increase in County Attorney grants for Victim Services
- \$4.2 million decrease in Sheriff Grants for the Pima County Wireless Integrated Network (PCWIN) project, from the federal High Intensity Drug Trafficking Area (HIDTA); grant funded equipment was purchased in fiscal year 2010/11
- also includes other position related adjustments, benefits adjustments, adjustments for one time costs in other funds, etc.

**OFFICE OF MEDICAL AND HEALTH SERVICES:** The Fiscal Year 2011/12 Adopted Budget for the Office of Medical and Health Services functional area decreased by \$136.7 million from fiscal year 2010/11. The main reasons for this net increase include:

- \$136.9 million net decrease in Pima Health System & Services reflecting the expiration of AHCCCS contracts
- \$4.6 million decrease for Graduate Medical Education (GME) and Disproportionate Share Hospital (DSH) programs now budgeted in County Administration functional area
- \$3.5 million decrease in Health Grants primarily due to a reduction of federal stimulus funded Communities Putting Prevention to Work (CPPW) program
- \$2.7 million decrease in costs for psychiatric care under Title 36
- \$2.6 million decrease from the Office of Emergency Management & Homeland Security which has been transferred to the County Administration functional area
- \$6.5 million increase in the County's contribution to the Arizona Long Term Care System (ALTCS) due to a reduction in American Recovery and Reinvestment Act (ARRA)/stimulus funding
- \$8.4 million increase in County support for University Physicians Healthcare Hospital from \$6.6 million in fiscal year 2010/11 to \$15.0 million in fiscal year 2011/12
- also includes other position related adjustments, benefits adjustments, adjustments for other one time costs, increased depreciation, etc.

**PUBLIC WORKS:** The Fiscal Year 2011/12 Adopted Budget for the Public Works functional area increased by a net \$28.2 million over fiscal year 2010/11. Significant changes include the following:

- \$22.5 million increase in Capital Projects based on the implementation of the approved current year Capital Improvement Budget, as detailed in the County's Fiscal Year 2011/12 to Fiscal Year 2015/16 Capital Improvement Plan. (*See the Capital Improvement Projects section - Summary of Active Capital Improvement Projects.*)
- \$8.7 million increase in the Regional Wastewater Reclamation Enterprise Fund, relating to the rehabilitation of the system, inspection/assessment work, increased depreciation, and debt service
- \$0.6 million decrease in Transportation as a result of reduced street and highway user revenue collections
- \$1.5 million decrease in Facilities Management Grants due to a reduction in energy efficiency/conservation funding
- \$1.9 million decrease in Facilities Renewal Fund due to completion of a \$1.8 million project to improve lighting in County parks in fiscal year 2010/11
- also includes other position related adjustments, benefits adjustments, adjustments for other one time costs, increased depreciation, etc.

### Comparison of Revenues

Please refer to the *Revenue Sources* section for an analysis of significant revenue variances and trends.

## Projected Net Changes in Fiscal Year End Fund Balances/Net Assets

The following is a discussion of changes in ending fund balances or net assets in fiscal year 2011/12:

### General Fund

Due to a change in the method of budgeting for the ending fund balance implemented in fiscal year 2007/08, the adopted ending fund balance for the General Fund in future years will be zero. In fiscal year 2011/12, General Fund expenditures include \$34.8 million, an amount equal to the expected ending fund balance, to represent a General Fund Reserve in order for the County to be in compliance with state statute. Changes other than this reserve represent a net decrease of \$18.9 million from the beginning fund balance. Major factors contributing to this decrease are discussed under the Budget Issues Tab (pages 4-9 through 4-11).

### Special Revenue Funds

The fiscal year 2011/12 adopted ending fund balance for all Special Revenue Funds is \$59.8 million, a net decrease of \$55.3 million from the budgeted beginning fund balance. Major factors contributing to this decrease include net reductions/increases in the various special revenue fund and grant fund balances reflecting increases or decreases in the 8 major and nearly 60 minor County funds due to restricted funds being spent on their specified services. These funds account for such diverse functions as Transportation, Regional Flood Control District, Health, Solid Waste Management, the County Free Library, Stadium District, Justice and Law Enforcement Grants, etc.

### Debt Service Fund

The fiscal year 2011/12 adopted ending fund balance for the Debt Service Fund is \$12.8 million, a net decrease of \$10.0 million from the budgeted beginning fund balance. Major factors contributing to this decrease include:

- \$3.8 million net increase in operating transfers in
- \$5.5 million decrease in overall debt service payments. This decrease is the net of retired debt and anticipated debt service costs related to bond sales and the issuance of Certificates of Participation to be made in fiscal year 2011/12
- \$3.2 million decrease in property tax revenues
- \$1.0 million decrease in interest revenue

### Capital Projects Fund

The fiscal year 2011/12 adopted ending fund balance for the Capital Projects Fund is \$67.2 million, a net decrease of \$38.1 million from the budgeted beginning fund balance as existing bond and non-bond funds are expended in the implementation of the approved current year Capital Improvement Budget, as detailed in the County's proposed fiscal year 2011/12 to 2015/16 Capital Improvement Plan. (See *the Capital Improvement Project section - Summary of Active Capital Improvement Projects*)

### Enterprise Funds

The fiscal year 2011/12 adopted ending net assets for all Enterprise Funds is \$324.6 million, a net increase of \$232.0 million over the budgeted beginning net assets. Major factors contributing to this increase include:

- \$230.0 million increase in sewer revenue obligation proceeds
- \$11.8 million net increase in the Regional Wastewater Reclamation Enterprise Fund due primarily to an increase in sewer revenue fees partially offset by decreased connection fees
- \$8.9 million decrease in Pima Health System & Services following the transfer of its AHCCCS contracts to an outside provider

Note that the ending net assets for Regional Wastewater Reclamation do not include the impact of Capital Improvement Projects planned for fiscal year 2011/12.

A summary table of beginning and ending fund balances/net assets for all funds is located on pages 8-2 through 8-4 of the Summary Schedules section.

**ADOPTED FULL TIME EQUIVALENT POSITIONS  
FISCAL YEARS 2009/2010 - 2011/2012**

<b>FUNCTIONAL AREA/SUPER DEPARTMENT</b>	<b>ADOPTED 2009/2010</b>	<b>REVISED 2010/2011</b>	<b>ADOPTED 2011/2012</b>	<b>CHANGE 10/11 to 11/12</b>
<b><u>COUNTY ADMINISTRATION</u></b>				
ASSESSOR	160.5	160.5	155.0	(5.5)
BOARD OF SUPERVISORS	24.0	24.0	23.4	(0.6)
CLERK OF THE BOARD	17.0	16.0	16.0	0.0
COMMUNICATIONS OFFICE	6.0	5.5	10.4	4.9
COUNTY ADMINISTRATOR	17.8	17.8	11.8	(6.0)
ELECTIONS	17.0	16.0	16.0	0.0
FINANCE & RISK MANAGEMENT	133.1	246.7	234.0	(12.7)
FORENSIC SCIENCE CENTER	27.0	27.0	27.5	0.5
HUMAN RESOURCES	37.0	51.1	49.1	(2.0)
INFORMATION TECHNOLOGY	128.0	200.0	172.0	(28.0)
OFC OF EMERG MGMT & HOMELAND SECURITY	0.0	0.0	11.4	11.4
PROCUREMENT	31.8	30.8	30.6	(0.2)
RECORDER	50.3	61.8	45.0	(16.8)
TREASURER	40.0	38.6	38.5	(0.1)
<b>TOTAL COUNTY ADMINISTRATION</b>	<b>689.5</b>	<b>895.8</b>	<b>840.7</b>	<b>(55.1)</b>
<b><u>COMMUNITY &amp; ECONOMIC DEVELOPMENT</u></b>				
COMMUNITY & ECONOMIC DEVELOPMENT ADMIN	6.6	4.0	4.0	0.0
COMMUNITY DEVELOP & NEIGHBORHOOD CONSERV	25.6	30.4	32.6	2.2
COMMUNITY SVCS, EMPLOYMENT & TRAINING	159.0	155.5	141.1	(14.4)
COUNTY FREE LIBRARY	383.7	387.5	388.1	0.6
ECONOMIC DEVELOPMENT & TOURISM	2.9	3.1	3.0	(0.1)
KINO SPORTS COMPLEX	20.2	19.0	15.8	(3.2)
SCHOOL SUPERINTENDENT	14.0	14.5	14.0	(0.5)
STADIUM DISTRICT	30.7	31.2	33.1	1.9
<b>TOTAL COMMUNITY &amp; ECONOMIC DEVELOPMENT</b>	<b>642.7</b>	<b>645.2</b>	<b>631.7</b>	<b>(13.5)</b>
<b><u>JUSTICE &amp; LAW ENFORCEMENT</u></b>				
CLERK OF SUPERIOR COURT	217.5	212.6	212.0	(0.6)
CONSTABLES	13.0	13.0	13.0	0.0
COUNTY ATTORNEY	448.3	457.6	467.9	10.3
INDIGENT DEFENSE	208.0	202.8	206.7	3.9
JUSTICE COURT AJO	10.6	10.6	11.6	1.0
JUSTICE COURT GREEN VALLEY	9.5	11.5	11.5	0.0
JUSTICE COURTS TUCSON	139.1	135.0	136.0	1.0
JUVENILE COURT	541.6	530.6	525.4	(5.2)
OFFICE OF COURT APPOINTED COUNSEL	9.2	14.6	21.1	6.5
PUBLIC FIDUCIARY	38.3	35.5	35.5	0.0
SHERIFF	1,412.2	1,413.2	1,418.2	5.0
SUPERIOR COURT	672.5	667.6	666.9	(0.7)
<b>TOTAL JUSTICE &amp; LAW ENFORCEMENT</b>	<b>3,719.8</b>	<b>3,704.6</b>	<b>3,725.8</b>	<b>21.2</b>
<b><u>OFFICE OF MEDICAL AND HEALTH SERVICES</u></b>				
HEALTH	390.6	367.0	381.3	14.3
INSTITUTIONAL HEALTH	30.0	31.0	30.3	(0.7)
OFC OF EMERG MGMT & HOMELAND SECURITY	0.0	11.0	0.0	(11.0)
PIMA HEALTH SYSTEM & SERVICES	680.5	586.4	256.4	(330.0)
<b>TOTAL OFFICE OF MEDICAL AND HEALTH SERVICES</b>	<b>1,101.1</b>	<b>995.4</b>	<b>668.0</b>	<b>(327.4)</b>

**ADOPTED FULL TIME EQUIVALENT POSITIONS  
FISCAL YEARS 2009/2010 - 2011/2012**

FUNCTIONAL AREA/SUPER DEPARTMENT	ADOPTED 2009/2010	REVISED 2010/2011	ADOPTED 2011/2012	CHANGE 10/11 to 11/12
<b><u>PUBLIC WORKS</u></b>				
CAPITAL PROJECTS	9.5	4.0	5.0	1.0
DEVELOPMENT SERVICES	71.2	65.8	65.1	(0.7)
ENVIRONMENTAL QUALITY	43.9	35.2	36.0	0.8
FACILITIES MANAGEMENT	173.0	168.0	168.0	0.0
FLEET SERVICES	62.7	54.0	55.0	1.0
NATURAL RESOURCES, PARKS & RECREATION	251.3	236.2	230.1	(6.1)
OFFICE OF SUSTAINABILITY & CONSERVATION	0.0	0.0	11.5	11.5
PUBLIC WORKS ADMINISTRATION	34.0	30.0	23.0	(7.0)
REGIONAL FLOOD CONTROL DISTRICT	70.3	70.3	67.3	(3.0)
REGIONAL WASTEWATER RECLAMATION	580.0	519.7	511.8	(7.9)
SOLID WASTE MANAGEMENT	34.5	33.5	28.5	(5.0)
TRANSPORTATION	354.1	295.6	294.7	(0.9)
<b>TOTAL PUBLIC WORKS</b>	<b>1,684.5</b>	<b>1,512.3</b>	<b>1,496.0</b>	<b>(16.3)</b>
<b>TOTAL FUNCTIONAL AREAS</b>	<b>7,837.6</b>	<b>7,753.3</b>	<b>7,362.2</b>	<b>(391.1)</b>

## Pima County FY 2011/2012 Adopted Budget

Major net changes in Full Time Equivalent (FTE) positions from fiscal year 2010/11 to 2011/12 are generally explained below:

FTEs in County Administration decreased by 55.1 or 6.2%. Major factors contributing to this net decrease include:

- 28.0 FTE decrease in Information Technology from eliminating vacant positions
- 16.8 FTE decrease in Recorder mainly from the reduction of temporary elections worker positions from the 2010 primary and general elections
- 12.7 FTE decrease in Finance & Risk Management mainly due to eliminating or reducing hours of vacant positions net of adding 10.1 FTEs in Graphic Services Production transferred from the Public Works functional area
- 5.5 FTE decrease in Assessor from eliminating vacant positions
- 11.4 FTE increase due to the transfer of the Office of Emergency Management & Homeland Security from the Office of Medical & Health Services functional area
- 3.5 FTE net increase in various other County Administration departments

FTEs in Community & Economic Development decreased by 13.5 or 2.1%. Major factors contributing to this net decrease include:

- 2.2 FTE increase in Community Development & Neighborhood Conservation mainly due to positions needed for grant research and to administer new grants
- 14.4 FTE decrease in Community Services, Employment & Training due to the transfer of 8.0 Teen Center FTEs to Health, the transfer of 4.2 FTEs due to the consolidation of central services, partially offset by 8.7 additional FTEs needed to administer new grants
- 3.2 FTE decrease in the Kino Sports Complex due to elimination or reduction in hours to vacant positions
- 1.9 FTE increase in the Stadium District for additional fields maintenance needs
- Minor changes in other Community & Economic Development departments net to a zero FTE change

FTEs in Justice & Law Enforcement increased by 21.2 or 0.6%. Major factors contributing to this net increase include:

- 3.9 FTE net increase in Indigent Defense General Fund positions due to a transfer of funding from Contract Attorneys in order to handle representation of first degree homicide and death penalty cases
- 5.7 FTE net increase in various Justice and Law enforcement special revenue fund and grant departments
- 2.3 FTE net decrease in County Attorney General Fund positions primarily due to the end of FY 2010/11 supplemental funding that provided one additional year of auto theft prosecution which had previously been funded by an expired grant
- 1.0 FTE increase in Justice Court Ajo, a short term administrative position added to improve court processing.
- 6.5 FTE increase in Office of Court Appointed Counsel General Fund departments' positions due to the transfer of funding from Contract Attorneys in order to handle representation of juvenile dependency cases
- 5.0 FTE increase in Sheriff General Fund positions due to the transfer of grant positions resulting from the loss of grant funding

## Pima County FY 2011/2012 Adopted Budget

FTEs in Office of Medical and Health Services decreased by 327.4 or 32.9%. Major factors contributing to this net decrease include:

- 0.7 FTE decrease in Institutional Health due to the Medical Director's reduction in hours
- 11.0 FTE decrease due to the transfer of the Office of Emergency Management & Homeland Security to the County Administration functional area
- 330.0 FTE decrease in Pima Health System and Services is due to the expiration of AHCCCS/ALTCS contracts at September 30, 2011
- 14.3 FTE increase in Health mainly due to additional grant positions

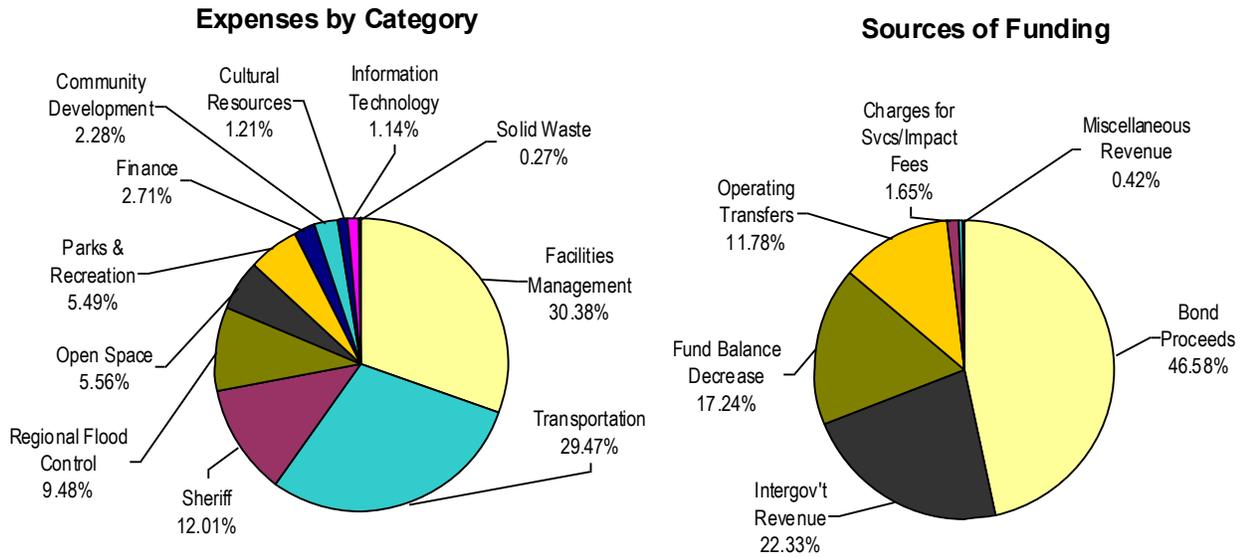
FTEs in Public Works decreased by 16.3 or 1.1%. Major factors contributing to this net decrease include:

- 6.1 FTE decrease in Natural Resources, Parks & Recreation due to eliminating 4.2 Intermittent FTEs to meet the 1.5 % reduction and eliminating 1.9 FTEs budgeted in various job classifications
- 0.9 FTE decrease in Transportation mainly due to eliminating or reducing hours of vacant positions
- 7.9 FTE decrease in Regional Wastewater Reclamation due to unfunding 8.4 FTEs and 1.4 FTEs decreased due to a reduction of hours offset by a 1.9 FTE increase for new positions
- 0.8 FTE increase in Environmental Quality due to additional hours
- 5.0 FTE decrease in Solid Waste Management due to unfunding 5.0 FTEs
- 7.0 FTE decrease in Public Works Administration due to the transfer of 1.0 FTE to Capital Projects and 6.0 FTE to the new Office of Sustainability and Conservation department
- 1.0 FTE increase in Capital Projects due to the transfer of 1.0 FTE from Public Works Administration
- 11.5 FTE increase in Office of Sustainability due to the transfer of 6.0 FTEs from cultural resource division, 4.0 FTEs transfer from County Administrator, 1.0 FTE from Development Services, and 0.5 FTE new position
- 1.0 FTE increase in Fleet Services due to the addition of an Administrative Services Manager
- 3.0 FTE decrease in Regional Flood Control due to unfunding
- 0.7 FTE decrease in Development Services due to reduction in hours (Note: The transfer of 1.0 FTE as part of the formation of the Office of Sustainability and Conservation was offset with the addition of a new position)

## PIMA COUNTY CAPITAL IMPROVEMENT PROGRAM OVERVIEW

The following charts provide summary information for Pima County's fiscal year 2011/12 adopted expenditures, revenues, and other funding sources for all Capital Projects Fund projects.

### Pima County FY 2011/12 Capital Projects Fund<sup>1</sup>



Expenses by Category	
Facilities Management	\$67,190,735
Transportation	65,170,961
Sheriff	26,561,383
Regional Flood Control	20,973,632
Open Space	12,290,824
Parks and Recreation	12,132,559
Finance	5,991,216
Community Development	5,048,550
Cultural Resources	2,674,225
Information Technology	2,528,696
Solid Waste	596,679
<b>Total</b>	<b>\$221,159,460</b>

Sources of Funding	
Other Funding: Bond Proceeds	\$103,000,000
Intergovernmental Revenue	49,384,375
Other Funding: Fund Balance Decrease	38,133,541
Other Funding: Operating Transfers	26,048,639
Charges for Services/Impact Fees	3,655,905
Miscellaneous Revenue	937,000
<b>Total</b>	<b>\$221,159,460</b>

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