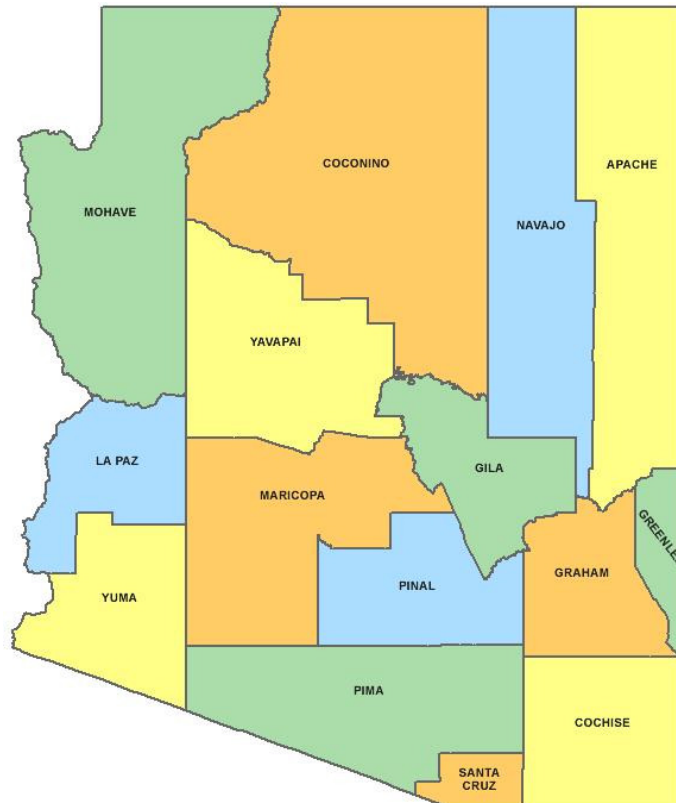


Analysis of Arizona County Budgets



Fiscal Year 2013

ARIZONA TAX RESEARCH ASSOCIATION

The taxpayer's watchdog for 72 years

For decades, ATRA and its members have attended budget meetings in each of Arizona's 15 counties to meet with county officials. This year, ATRA met with officials from every county with the exception of Mohave County. ATRA appreciates the cooperation of all the counties that participated in the budget meetings with ATRA staff and its members. A draft of the report was made available to each county that participated in the process prior to its publication in order to allow officials an opportunity to provide comments.



Introduction
Table of Contents

Apache County
Revenues..... 5
Expenditures..... 7

Cochise County
Revenues..... 8
Expenditures..... 9

Coconino County
Revenues..... 11
Expenditures..... 13

Gila County
Revenues..... 14
Expenditures..... 15

Graham County
Revenues..... 16
Expenditures..... 17

Greenlee County
Revenues..... 18
Expenditures..... 19

La Paz County
Revenues..... 20
Expenditures..... 21

Maricopa County
Revenues..... 22
Expenditures..... 23

Mohave County
Revenues..... 26
Expenditures..... 27

Navajo County
Revenues..... 29
Expenditures..... 30

Pima County
Revenues..... 32
Expenditures..... 33

Pinal County
Revenues..... 35
Expenditures..... 36

Santa Cruz County
Revenues..... 38
Expenditures..... 39

Yavapai County
Revenues..... 40
Expenditures..... 41

Yuma County
Revenues..... 43
Expenditures..... 45

Introduction to County Budgets

Many counties made modest budget cuts in fiscal year (FY) 2013 as statewide assessed valuations dropped for the third straight year. One trend this budget season was that all of the counties adopted primary tax rates within their truth-in-taxation (TNT) limits. As a result, primary levies dropped collectively as property values continued to decline. Despite the losses in property tax revenue, general fund budgets increased in a majority of counties largely because of the estimated growth in sales tax revenues for FY 2013. Overall, general fund budgets decreased 5.1% and total budgets declined slightly by 2.7%.

General Funds

General fund budgets finance the day-to-day operations and basic services of a county. As a whole, county general fund budgets decreased \$123 million (5.1%) after a negligible reduction last year. Most of the collective decrease is attributable to Maricopa County, which lowered its general fund budget by a net of \$120 million (10.4%) after transferring \$159 million of its cash balance to capital projects. Of the five other counties that decreased their general fund budgets, Mohave County led the way with the largest reduction of 12.8% (\$10.8 million); however, much of the decrease was the result of the county drawing down its contingency, nearly half of which was transferred to its jail debt service fund. Apache County had the second largest decrease with a 9% reduction (\$1.5 million), and the remaining counties with reduced general fund budgets experienced decreases of only 1.6% or less. Excluding Maricopa from the analysis, general fund budgets collectively decreased just \$2.7 million (0.2%).

Of the nine counties that increased their general fund budgets, Greenlee County showed the largest increase of 18% (\$1.8 million) as the result of a \$2.5 million increase in its cash balance over last year. Other notable increases occurred in La Paz County with an 11.1% increase (\$1.4 million), which is being held in the county's contingency fund. A significant increase in Graham County's share of the state's sales tax revenue attributed greatly to the 5.7% (\$1 million) bump in its general fund over the previous year.

TABLE 1: General Fund Budgets

	FY 2012	FY 2013	\$ Change	% Change
Apache	\$17,021,306	\$15,488,797	-\$1,532,509	-9.0%
Cochise	\$81,552,007	\$83,964,571	\$2,412,564	3.0%
Coconino	\$67,955,736	\$67,158,299	-\$797,437	-1.2%
Gila	\$46,461,076	\$46,155,010	-\$306,066	-0.7%
Graham	\$19,220,684	\$20,309,658	\$1,088,974	5.7%
Greenlee	\$9,760,765	\$11,514,477	\$1,753,712	18.0%
La Paz	\$12,646,826	\$14,055,366	\$1,408,540	11.1%
Maricopa	\$1,155,761,404	\$1,035,674,136	-\$120,087,268	-10.4%
Mohave	\$84,098,134	\$73,297,582	-\$10,800,552	-12.8%
Navajo	\$38,692,033	\$39,325,245	\$633,212	1.6%
Pima	\$491,653,455	\$492,090,256	\$436,801	0.1%
Pinal	\$190,104,408	\$190,822,498	\$718,090	0.4%
Santa Cruz	\$25,814,499	\$27,108,017	\$1,293,518	5.0%
Yavapai	\$85,772,031	\$88,018,086	\$2,246,055	2.6%
Yuma	\$76,603,524	\$75,367,041	-\$1,236,483	-1.6%
TOTAL	\$2,403,117,888	\$2,280,349,039	-\$122,768,849	-5.1%

Property Taxes

Primary property taxes make up a significant portion of county general fund budgets. While property values were growing dramatically during the last decade, it was common for a county to adopt its maximum tax rate and levy. Now that a quarter of the state's primary property tax base has been stripped

from the system since FY 2009, counties have become reluctant to raise property tax rates to account for the loss in value. Last year, nine counties adopted tax rates within their TNT limits despite the 15.1% drop in primary values, which resulted in an overall decrease of \$47 million in primary property taxes. In FY 2013, primary levies fell more than \$70 million for all counties, equaling a 6.8% drop, while primary net assessed value statewide decreased 8.3%. This year's decrease in primary levies, resulting from all 15 counties adopting primary tax rates within their TNT limits, follows last year's trend of reducing tax rates.

TNT allows a county to adjust its tax rate based on the change in value on existing property that was taxable in the previous year, excluding any growth associated with new construction, in order to maintain the same levy. Six of the counties adopted their TNT rates, while the remaining nine counties adopted the same or lower primary tax rates compared to last year.

TABLE 2: Primary Levies

	FY 2012	FY 2013	\$ Change	% Change	Max. Levy
Apache	\$2,239,494	\$2,256,361	\$16,867	0.8%	\$2,347,313
Cochise	\$27,585,264	\$27,283,082	-\$302,182	-1.1%	\$29,578,824
Coconino	\$7,783,484	\$7,830,225	\$46,741	0.6%	\$7,985,781
Gila	\$21,695,555	\$19,919,963	-\$1,775,592	-8.2%	\$25,630,846
Graham	\$4,239,565	\$4,361,232	\$121,667	2.9%	\$4,448,356
Greenlee	\$2,169,644	\$2,349,223	\$179,579	8.3%	\$2,396,110
La Paz	\$4,477,787	\$4,250,508	-\$227,279	-5.1%	\$4,250,702
Maricopa	\$477,571,468	\$425,111,491	-\$52,459,977	-11.0%	\$558,192,255
Mohave	\$35,167,076	\$32,602,959	-\$2,564,117	-7.3%	\$36,510,799
Navajo	\$6,140,405	\$6,155,109	\$14,704	0.2%	\$6,488,787
Pima	\$284,023,289	\$275,951,044	-\$8,072,245	-2.8%	\$345,467,646
Pinal	\$86,403,886	\$81,841,628	-\$4,562,258	-5.3%	\$111,253,697
Santa Cruz	\$10,795,615	\$10,425,390	-\$370,225	-3.4%	\$12,617,621
Yavapai	\$38,797,705	\$39,512,311	\$714,606	1.8%	\$46,877,871
Yuma	\$23,442,709	\$22,305,815	-\$1,136,894	-4.8%	\$24,279,139
TOTAL	\$1,032,532,946	\$962,156,341	-\$70,376,605	-6.8%	\$1,218,325,747

The largest decrease in primary property taxes of 11% occurred in Maricopa County, which maintained the same rate as last year. Gila County and Mohave County, which also maintained last year's rates, dropped their primary levies 8.2% and 7.3%, respectively. Pinal County reduced its primary tax rate by 20 cents, the largest rate decrease of all the counties and well below its TNT rate, resulting in a 5.3% decrease in its primary levy. La Paz County, on the other hand, was required to drop its primary levy and rate in FY 2013 as a penalty for levying more than was allowed by law last year.

TABLE 3: Primary Tax Rates

	FY 2012	FY 2013	\$ Change	% Change	TNT Rate	Max. Tax Rate
Apache	0.4264	0.4143	-0.0121	-2.8%	0.4143	0.4310
Cochise	2.6276	2.6276	0.0000	0.0%	2.6801	2.8487
Coconino	0.4303	0.4480	0.0177	4.1%	0.4480	0.4569
Gila	4.1900	4.1900	0.0000	0.0%	4.3482	5.2295
Graham	1.8556	2.0874	0.2318	12.5%	2.0874	2.1291
Greenlee	0.7736	0.6213	-0.1523	-19.7%	0.6213	0.6337
La Paz	1.9744	1.8646	-0.1098	-5.6%	1.8998	1.9378
Maricopa	1.2407	1.2407	0.0000	0.0%	1.4172	1.6291
Mohave	1.8196	1.8196	0.0000	0.0%	1.9977	2.0377
Navajo	0.5984	0.6401	0.0417	7.0%	0.6401	0.6660
Pima	3.4178	3.4178	0.0000	0.0%	3.5480	4.2788
Pinal	3.9999	3.7999	-0.2000	-5.0%	4.0574	5.1655
Santa Cruz	2.8215	2.8215	0.0000	0.0%	2.9570	3.4148
Yavapai	1.4305	1.6426	0.2121	14.8%	1.6426	1.9488
Yuma	1.8798	1.8798	0.0000	0.0%	2.0059	2.0461
AVERAGE	1.9657	1.9677	0.0019	0.1%	2.0510	2.3236

Although Greenlee County adopted its TNT rate, the county experienced the largest increase of 8.3% as the result of new construction. Graham County followed Greenlee with a 2.3% increase, and Yavapai County with a 1.8% increase, again as a result of new construction.

In contrast to this year’s adopted tax rates, 13 counties adopted their maximum tax rates in FY 2008, the year in which Arizona’s property values nearly peaked, resulting in a \$72 million increase in primary levies. Of course, since statewide values were on the rise at the time, the tax rates fell in each county. Last year, however, when values had plummeted, only six counties adopted their maximum tax rates.

Secondary property taxes, although separate from general fund budgets, provide additional padding to county general fund budgets. Secondary taxes fund special taxing districts, such as flood control, library, and public health services districts, as well as voter-approved bonds and overrides. Similar to primary property tax rates, despite the drop in property values, secondary tax rates in many counties were held constant this year. Overall, secondary taxes decreased \$20.3 million (6.9%), from \$294.3 million to \$274 million. The largest decrease of 43% was in Apache County, which did not levy a property tax for flood control, in addition to the elimination of the county’s secondary override since voters rejected its reapproval. Maricopa had a notable decrease in secondary levies of more than \$9 million (11%), as did Pima, with a decrease of \$4 million (3.4%). Yavapai County, on the other hand, increased its secondary tax rates for the library and flood control districts in order to maintain the same levies from the previous year.

Cash Balances

County general fund cash balances collectively decreased \$118 million (19.5%), from \$604 million to \$486 million. Maricopa drove the large decrease with a \$137 million (36%) drop of its own by shifting \$159 million from the general fund to its Capital Projects fund to finance its pay-as-you-go capital improvement program as noted previously. Excluding Maricopa County, cash balances went up \$19 million, with the largest increase in Greenlee of 227% (\$2.5 million). Pima also had a significant increase in cash, which shot up 24% (\$13 million). The increase in Pima, as was the case in other counties, was from the county shutting down its ALTCS provider, which was privatized last year, and transferring that cash to the general fund.

	FY 2012	FY 2013	\$ Change	% Change	% of GF-FY 2012	% of GF-FY 2013
Apache	\$4,000,000	\$4,000,000	\$0	0.0%	23.5%	25.8%
Cochise	\$28,416,129	\$30,861,018	\$2,444,889	8.6%	34.8%	36.8%
Cocino	\$25,644,420	\$25,659,330	\$14,910	0.1%	37.7%	38.2%
Gila	\$13,500,000	\$14,243,331	\$743,331	5.5%	29.1%	30.9%
Graham	\$1,359,422	\$1,479,784	\$120,362	8.9%	7.1%	7.3%
Greenlee	\$1,100,000	\$3,596,005	\$2,496,005	226.9%	11.3%	31.2%
La Paz	\$350,917	\$200,000	-\$150,917	-43.0%	2.8%	1.4%
Maricopa	\$384,405,703	\$247,432,960	-\$136,972,743	-35.6%	33.3%	23.9%
Mohave	\$11,134,589	\$11,830,484	\$695,895	6.2%	13.2%	16.1%
Navajo	\$4,000,000	\$4,000,000	\$0	0.0%	10.3%	10.2%
Pima	\$53,651,182	\$66,529,982	\$12,878,800	24.0%	10.9%	13.5%
Pinal	\$39,600,000	\$42,324,779	\$2,724,779	6.9%	20.8%	22.2%
Santa Cruz	\$9,963,139	\$10,611,502	\$648,363	6.5%	38.6%	39.1%
Yavapai	\$9,845,758	\$8,079,147	-\$1,766,611	-17.9%	11.5%	9.2%
Yuma	\$17,258,797	\$15,628,058	-\$1,630,739	-9.4%	22.5%	20.7%
Total	\$604,230,056	\$486,476,380	-\$117,753,676	-19.5%	25.1%	21.3%

Santa Cruz County continues to lead all counties with the highest cash as a percentage of its general fund budget at 39.1%. In fact, nine counties in total carry a cash composition greater than 20% of their general fund budgets.

For the second year in a row, La Paz County’s cash decreased significantly with a 43% reduction. Only 1.4% of La Paz County’s general fund budget is composed of cash. The county’s two-year drop reflects an 87% decrease from the FY 2011 balance of \$1.6 million. The only other counties to spend down their cash are Yavapai (18%) and Yuma (9.4%).

Total Budgets

In addition to the general fund, total budgets include special revenue, debt service, enterprise, and capital project funds. Special districts like flood control, library, and public health services make up a considerable portion of special revenue funds.

Total budgets are down \$189 million (2.7%) in FY 2013 to \$6.9 billion. As usual, the \$191 million (5.8%) decrease in Maricopa weighed heavily on the overall decrease. The largest total budget reduction was in Yuma County, which dropped its budget 16.7% (\$48.8 million) mainly by reducing its capital projects and special revenue fund budgets. Yavapai County had the second largest decrease at 8.1% (\$20.9 million), followed by Pinal at 6.3% (\$22.6 million), and Cochise at 6.3% (\$10.8 million). When Maricopa County is removed from the analysis, total budgets actually increased \$1.6 million (0.04%).

	FY 2012	FY 2013	\$ Change	% Change
Apache	\$52,555,247	\$51,492,813	-\$1,062,434	-2.0%
Cochise	\$169,534,449	\$158,782,707	-\$10,751,742	-6.3%
Coconino	\$224,907,504	\$216,743,152	-\$8,164,352	-3.6%
Gila	\$96,045,612	\$96,468,130	\$422,518	0.4%
Graham	\$30,430,376	\$31,890,759	\$1,460,383	4.8%
Greenlee	\$16,911,943	\$21,290,602	\$4,378,659	25.9%
La Paz	\$26,916,805	\$26,965,250	\$48,445	0.2%
Maricopa	\$3,303,148,531	\$3,112,081,596	-\$191,066,935	-5.8%
Mohave	\$268,815,191	\$255,080,903	-\$13,734,288	-5.1%
Navajo	\$113,913,886	\$113,367,385	-\$546,501	-0.5%
Pima	\$1,766,776,771	\$1,891,854,274	\$125,077,503	7.1%
Pinal	\$357,096,950	\$334,515,835	-\$22,581,115	-6.3%
Santa Cruz	\$76,677,132	\$73,370,071	-\$3,307,061	-4.3%
Yavapai	\$257,471,933	\$236,582,755	-\$20,889,178	-8.1%
Yuma	\$291,601,369	\$242,839,540	-\$48,761,829	-16.7%
Total	\$7,052,803,699	\$6,863,325,772	-\$189,477,927	-2.7%

Total Budgets reflect total financial resources.

Of the five counties that increased their total budgets, Greenlee County experienced the most growth at 25.9% (\$4.4 million), mostly because of the increase in its general fund. The \$125 million (7.1%) increase in Pima County's total budget, which was almost entirely in its Regional Wastewater Reclamation Enterprise Fund, partially offset the massive decrease in Maricopa County. This is in stark contrast to FY 2012 when Pima cut its total budget by \$208 million (10.5%).

APACHE COUNTY

Overview

- Apache's general fund budget for FY 2013 is \$15,488,797. This represents a decrease of \$1,532,509 (9%), from last year's budget of \$17,021,306.
- The county holds \$4 million in unreserved funds, which is the same as last year. The unreserved fund balance represents 25% of the total general fund.
- The total budget for FY 2013 is \$51,492,813, a decrease of \$1,062,434 (5.4%), from last year's final budget of \$52,555,247.

Property Values

- The county's primary net assessed value increased \$19,410,503 (3.7%), from \$525,209,726 to \$544,620,229. Secondary net assessed value rose from \$550,508,747 to \$559,493,639, an increase of \$8,984,892 (1.6%).

Property Tax Revenues

Primary Levy

- The primary levy decreased \$27,776 (3%), from \$2,284,137 to \$2,256,361, which is the county's TNT levy.
- Apache County adopted its TNT rate of \$0.4143; therefore, the county was not required to hold a TNT hearing.

Flood Control District

- The Board did not levy a tax for the flood control district this year. Last year, the flood control district levy increased \$239,325 (351%), from \$53,010 to \$292,335.
- The flood control district budget decreased \$117,621 (23.5%) from \$500,000 to \$382,379.
- The FY 2013 beginning fund balance for the flood control district is \$250,000.

Override

- FY 2012 was the final year of the county's seven-year secondary property tax override.
- The county went to voters during the 2010 general election to request an extension to the override but the question was rejected. The county went back to voters again in November of 2011, and voters once again overwhelmingly rejected the override, which had an estimated annual levy between \$3.8 million and \$5 million.

County Library

- The library district levy decreased \$214,470 (10.3%), from \$2,080,106 [\$1,583,382 (operating) + \$496,724 (bonds)] to \$1,865,636 [\$1,240,009 (operating) + \$625,627 (bonds)]. The total rate is decreasing from \$0.3778 (operations=\$0.2876 + bonds=0.0902) to \$0.3334 (operations=\$0.2216 + bonds=\$0.1118).
- The library operating budget of \$1,602,892 is \$226,970 (12.4%) less than last year's budget of \$1,829,862.
- At the November 2006 general election, voters approved \$7.19 million in general obligation bonds to construct new libraries. The debt service payment for the district bonds is staying the same at \$705,825.
- The county transferred \$551,293 (44% of operating levy) from the library district to the general fund, which is 30% of the district's levy. Apache is utilizing the state budget provision that allows it to

backfill state cost shifts with special revenue. This year, the county is backfilling state cost shifts with \$300,000 from the library district.

- Last year's beginning fund balance was \$700,000. County officials have not determined the balance in FY 2013.

Jail District

- The FY 2013 jail district levy is \$1,118,987, an increase of \$73,021 (7%) from FY 2012. The property tax rate of \$0.2000 remains at the maximum rate per statute.
- Apache County is budgeting between \$650,000 and \$700,000 for inmate housing in FY 2013. The adult facility can hold up to 178 beds. The county contracts with the Bureau of Prisons (BOP) to rent approximately 50 beds at a charge of \$63/day. The jail is nearly 80% occupied on average.
- The jail district's budget increased \$920,332 (39%), from \$2,380,341 to \$3,300,673.
- The maintenance of effort payment is \$440,298 in FY 2013.
- The county is transferring \$275,534 (25% of levy) from the jail district to the general fund.
- In FY 2012, budgeted medical expenses in the jail were \$110,000. County officials have not determined the budgeted medical costs in FY 2013.

Juvenile Jail District

- The county juvenile jail district rate decreased from \$0.0838 to \$0.0749, producing a levy of \$418,957, a decrease of \$184,887 (31%).
- The juvenile facility holds 13 beds and the average occupancy is 60%. The county does not rent its juvenile beds to other entities.
- The juvenile jail district budget increased \$6,000, from \$880,538 to \$886,538.
- The maintenance of effort payment is \$308,865 in FY 2013.
- The county is transferring \$300,000 (72% of levy) from the juvenile jail district to the general fund.
- The county has not determined the budgeted medical costs for the juvenile jail in FY 2013.

Community College/Post Secondary Education

- Apache's community college tuition levy increased from \$1,299,124 to \$1,312,690, \$13,566 (1%) more than last year. The rate decreased slightly this year from \$0.2360 to \$0.2346. The budget increased \$101,941, from \$2,098,059 to \$2,200,000.
- The county's post secondary education levy to operate a local branch of Northland Pioneer College increased \$161,437 (26%), from \$621,854 to \$783,291. The rate increased from \$0.1130 to \$0.1400. The budget increased \$131,099 (15%), from \$900,000 to \$1,031,099.

Public Health Services District (PHSD)

- FY 2008 was the first year the county levied a property tax for the PHSD. The district was created by a unanimous vote of the Board in April 2007. The rate decreased in FY 2013, from \$0.1388 to \$0.1224, and will generate a levy of \$685,053, \$79,138 less than last year.
- The PHSD budget increased from \$436,956 to \$499,089 (operations budget only).
- The maintenance of effort payment from the general fund to the PHSD is \$105,688; however, the county transferred \$651,997 (95% of levy) back from the PHSD to the general fund. Of this amount, \$300,000 was used to backfill state cost shifts and the remaining \$351,997 is for reimbursement of services.
- Last year, the beginning fund balance was \$1,050,000. The county has not determined the beginning fund balance for the PHSD in FY 2013.

Apache County	TY 2011 Rate	TY 2012 Rate	Difference	TNT	2011 Levy	2012 Levy	Difference	% Difference
Primary	0.4349	0.4143	-0.0206	0.4143	\$2,284,137	\$2,256,361	-\$27,776	-1%
Flood	0.1164	0.0000	-0.1164		\$292,335	\$0	-\$292,335	-100%
Override	0.4963	0.0000	-0.4963		\$2,731,982	\$0	-\$2,731,982	-100%
Library*	0.3778	0.3334	-0.0444		\$2,080,106	\$1,865,636	-\$214,470	-10%
Jail District	0.2000	0.2000	0.0000		\$1,045,966	\$1,118,987	\$73,021	7%
Juvenile Jail	0.0838	0.0749	-0.0089		\$603,844	\$418,957	-\$184,887	-31%
JR College	0.2360	0.2346	-0.0014		\$1,299,124	\$1,312,690	\$13,566	1%
Post S.Ed	0.1130	0.1400	0.0270		\$621,854	\$783,291	\$161,437	26%
PHSD	0.1388	0.1224	-0.0164		\$764,191	\$685,053	-\$79,138	-10%
Overall Rate	2.1970	1.5196	-0.6774		\$11,723,539	\$8,440,975	-\$3,282,564	-28%

Other General Fund Revenues

- Auto lieu is decreasing from \$550,000 to \$520,000.
- State shared sales tax revenues are up \$485,000 (12.8%), from \$3,800,000 to \$4,285,000.
- The half-cent sales tax decreased from \$1,200,000 to \$1,100,000.
- PILT increased to \$1,602,166 from \$1,550,000.

Special Revenues

Road Fund

- HURF revenue is remaining the same at \$5,200,000.
- VLT revenue is remaining the same at \$2,100,000.
- National Forest Fees are dropping from \$1,500,000 to \$1,000,000.
- The county is transferring \$927,682 from the Road Fund to the general fund for indirect costs.

Expenditures:

- **Employee Compensation:** The county is considering a one-time \$1,000 across-the-board payment to employees at an estimated cost to the general fund of \$155,000 and the total estimated cost is \$380,000. The effective date of the payment, if awarded, has not been determined. Employees who complete their six-month probation period receive a 2.5% increase in pay.
- **Employee benefits:** The county covers 98% of the health premium costs for employees and 76% (on average) for dependents. In FY 2013, there is no increase in health insurance premiums.
- **Budgeted payroll:** General fund budgeted payroll, including ERE's, was \$9,993,298 and total budgeted payroll was \$20,203,268 in FY 2012. County officials have not determined the budgeted payroll in FY 2013.
- **Budgeted FTE's:** In FY 2013, there are approximately 152 FTE's in the general fund and 376 in total funds, down from 180 general fund FTE's and 426 total FTE's in FY 2012.
- **Employee vacancy & turnover rates:** The county does not calculate vacancy rate and turnover rate but is hoping to do so once the new HR system is implemented in January 2013.

Debt/Capital Projects:

According to the Department of Revenue's FY 2010-11 Report of Indebtedness, the library district has \$6,090,000 in outstanding G.O. debt. The county also has a GADA loan, which has an outstanding balance of \$3,980,000 million. The county will use \$2.2 million from its general fund balance to pay off the balance on the loan. The debt service budget for FY 2013 increased \$1,000,844 (27%), from \$3,705,825 to \$4,706,669.

In FY 2013, there is no budget for capital projects; however, the county is building a new library, which will be funded with the library construction bonds. County officials stated that this will be the final library built by the county.

COCHISE COUNTY

Overview

- Cochise County's general fund budget for FY 2013 is \$83,964,571, a \$2,412,564 (3%) increase over the FY 2012 budget of \$81,552,007.
- The county has a beginning fund balance of \$30,861,018, an increase of \$2,447,889 (8.6%) over last year. The beginning fund balance represents 37% of the total general fund.
- The total budget is \$158,782,707, which is a \$10,751,742 (6.3%) decrease below last year's adopted budget of \$169,534,449. The main reason for the drop in total funds was the eradication of Cochise Health Systems, which is a result of the state's decision to privatize long-term health care.

Property Values

- The county's primary net assessed value dropped \$11,500,275 (1.1%), from \$1,049,827,355 to \$1,038,327,080. Secondary net assessed value fell \$31,881,907 (2.9%), from \$1,092,081,033 to \$1,060,199,126.

Property Tax Revenues

Primary Levy

- Cochise County's primary property tax levy is \$27,283,082, which represents a decrease of \$302,182 (1.1%).
- The primary tax rate of \$2.6276 is the same rate for the last two years and is below this year's maximum rate of \$2.8487 and the TNT rate of \$2.6801; therefore, the county was not required to hold a TNT hearing.

Flood Control District

- The county's flood control district rate remains the same at \$0.2597. The levy decreased from \$2,416,778 to \$2,333,793, \$82,985 less than last year.
- Budgeted expenditures for the flood control district are \$6,995,323, an increase of \$1,065,320 from last year.
- In FY 2012, the county charged the district \$185,813 for reimbursement of services. Charges for reimbursement of services in FY 2013 decreased to \$174,953 (7% of levy).
- The beginning fund balance in the district was \$4,692,120.

County Library

- The library district levy is \$1,538,349, a decrease of \$46,261 below last year's levy of \$1,584,610. The rate remains the same at \$0.1451.
- The library district budget decreased from \$2,292,324 to \$2,255,053, \$37,271 less than last year. The county operates five branches and a bookmobile. The library district also operates the information system that is used by the city libraries.
- The beginning fund balance for FY 2013 was \$853,391. The reserves in the district will be used to purchase a new library cataloging system in the future at a cost of \$500,000.
- The county charges the library district \$174,953 (11% of levy) for reimbursement of services.

Cochise County	TY 2011 Rate	TY 2012 Rate	Difference	TNT	2011 Levy	2012 Levy	Difference	% Difference
Primary	2.6276	2.6276	0.0000	2.6801	\$27,585,264	\$27,283,082	-\$302,182	-1%
Flood	0.2597	0.2597	0.0000		\$2,416,778	\$2,333,793	-\$82,985	-3%
Library	0.1451	0.1451	0.0000		\$1,584,610	\$1,538,349	-\$46,261	-3%
Overall Rate	3.0324	3.0324	0.0000		\$31,586,652	\$31,155,224	-\$431,428	-1%

Other General Fund Revenues

- Budgeted Auto Lieu is up \$200,000, from \$3,500,000 to \$3,700,000.
- State shared sales tax is up \$490,000 (4.6%), from \$10,710,000 to \$11,200,000.
- The county's half-cent sales tax remained at \$6,800,000.
- PILT is budgeted at \$1,914,000 in FY 2013, which is up from \$1,861,000 in FY 2012.

Special Revenues

HURF

- HURF revenues are down from \$8,935,000 to \$8,100,000.
- The HURF budget is \$16,237,558, which includes contingency of \$1,193,213.

Health System

- The Cochise Health System is completely dissolved in FY 2013 (Budget in FY 2012 was \$11,823,819). The Cochise Health System was the program contractor for AHCCCS in Cochise, Greenlee, and Graham counties. However, the state signed a contract with a private provider (Bridgeway Health Solutions) to provide long-term health care under AHCCCS, which took effect October 1, 2011, at which time 54 FTE's were eliminated. Four to six FTE's remained to process claims through December. The county is leasing the buildings that housed system employees to the private vendor.

Expenditures

- **Budgeted FTE's:** The general fund budgeted FTE's increased from 615 in FY 2012 to 618 in FY 2013 (72 FTE's remain frozen and are not budgeted). Total funds FTE's increased from 1,026 to 1,037.
- **Budgeted Payroll:** The total general fund budgeted payroll, including ERE's, increased in FY 2013, from \$37,873,000 to \$38,848,850. Total budgeted payroll increased from \$57,227,000 to \$57,429,523.
- **Turnover & Vacancy rates:** The employee vacancy rate is approximately 11% for all funds. The employee turnover rate is 20.1%.
- **Employee compensation:** The county has budgeted \$1,500,000 for a one-time pay-for-performance distribution, one-third of which was distributed in September 2012. The remaining two-thirds will be distributed based on revenue collections; however, county officials have not determined when that will be.
- **Health benefits:** The 2.8% increase in this year's health premium costs will be absorbed by the county. The impact to the general fund is \$103,826 and the impact to other funds is \$57,703. The county subsidizes 100% of the employee's premiums and 44.5% of dependents (tiered system).
- **Jail Facilities:**
 - **Juvenile:** The County has one juvenile facility with 20 detention cells that are double-bunked for a total of 40 beds. The average occupancy is estimated at 18. The county does not rent its juvenile beds to other entities.
 - **Adult:** The adult facility is designed to hold 160 beds but actually has 260 beds with double bunking and has an occupancy rate of 95%. The county rents beds annually to the military, Customs, and Federal prisoners at a daily rate of \$65.56. Federal Prisoner Reimbursements are budgeted at \$9,000 in FY 2013. The Cochise County Jail operates a clinic in order to provide medical care to all inmates and the Cochise County Health Department provides full-time medical professionals to the jail. Inmates are required to make a co-payment for medical services and medication. Medical costs for the jail are budgeted at \$960,160, which includes \$195,126 for mental health.

Debt/Capital Projects:

According to the Department of Revenue's FY 2010-11 Report of Indebtedness, the county held \$5,200,000 in outstanding Certificates of Participation (COPs). The COPs funded the construction of the Melody Lane County Complex. The budgeted debt service payment in FY 2013 is \$862,200. The County reports that the remaining balance as of year end FY 2012 is \$4,550,000.

The Capital Projects budget increased \$398,846 (1.8%), from \$22,217,525 to \$22,616,371. Budgeted capital projects for FY 2013 include the following:

New cell construction at landfill	\$732,586
Computer backbone	\$200,000
Computer replacement	\$200,000
Management system software	\$93,000
Regional evidence storage facility	\$700,000

The following are paid from general fund reserves:

Foothills Rd. improvements	\$1,000,000
Gleeson Rd. improvements	\$1,000,000
Moson Rd. – Highway 92 connector	\$1,000,000
Maintenance chip seal program	\$1,000,000
Phase I of jail expansion	\$6,000,000

COCONINO COUNTY

Overview

- Coconino County's general fund budget for FY 2013 is \$67,158,299. This is a decrease of \$797,437 from last year's budget of \$67,955,736.
- The county's beginning fund balance is \$25,659,330, which makes up 38% of the total general fund.
- Coconino County's total budget (total financial resources) for FY 2013 is \$216,743,152, a decrease of \$8,164,352 (3.6%) from last year's final budget of \$224,907,504. The decrease is the result of a \$9.8 million drop in the Special Revenue funds; however, the budgeted expenditures in the Special Revenue funds make up only 81% of the total financial resources available.

Property Values

- In FY 2013, Coconino County's primary value fell from \$1,808,850,474 to \$1,747,818,103, a decrease of \$61,032,371 (3.4%). Secondary value decreased from \$1,840,142,610 to \$1,759,609,915, a drop of \$80,532,695 (4.4%).

Property Tax Revenues

Primary Levy

- Coconino's primary tax levy increased from \$7,783,484 to \$7,830,225, an increase of \$46,741 (0.6%).
- The county adopted its TNT primary property tax rate of \$0.4480, which is an increase of \$0.0177 from last year. Therefore, the county was not required to hold a TNT hearing.

County Library

- The library district levy is \$4,164,997, a decrease of \$190,621 (4.4%) from last year's levy of \$4,355,618. The rate stayed the same at \$0.2367.
- The budget increased \$208,331 (4.9%), from \$4,218,752 to \$4,427,083.
- In FY 2012, the county transferred \$298,103 (6.8% of levy) from the library district to the general fund to backfill state cost shifts. The county is not making any transfers in FY 2013.
- The beginning fund balance is \$262,304.

Flood Control

- Coconino County's flood control district tax is levied on all properties outside the cities of Flagstaff, Page, and Fredonia. The tax rate in FY 2013 stayed the same at \$0.4000.
- The levy decreased \$197,669 (6.2%), from \$3,175,218 to \$2,977,549.
- The flood control district budget increased \$13,882,565, from \$3,285,841 to \$17,168,406. The significant increase is the result of several anticipated grants and reimbursements that will be awarded in FY 2013 that were not awarded in previous years. FEMA will reimburse the county for up to 75% of the expenses incurred as a result of the Schultz Fire and Flood. The county is anticipating \$1 million to \$1.5 million in reimbursements from FEMA. Engineers are designing a canal system that will feed into a retention area at a cost between \$15 million and \$60 million and will be funded by Emergency Watershed Protection grants.
- The district is beginning FY 2013 with a fund balance of \$3,176,277.

Public Health Services District (PHSD)

- The county levied a property tax for the first time in FY 2011 for the Public Health Services District. The District was created in 2009 by a unanimous vote of the Board of Supervisors.
- The county continues to levy the 25-cent maximum tax rate. In FY 2013, the levy decreased from \$4,600,357 to \$4,399,025.

- The maintenance of effort payment for the district is \$4,038,348.
- The FY 2013 PHSD budget (operating only) increased from \$9,430,542 to \$9,819,680.
- The county is charging the district \$1,263,516 (29% of levy) for indirect costs.
- In FY 2013, the district had a beginning fund balance of \$1,092,611, which is \$492,611 more than last year.

Coconino County	TY 2011 Rate	TY 2012 Rate	Difference	TNT	TY 2011 Levy	TY 2012 Levy	Difference	% Difference
Primary	0.4303	0.4480	0.0177	0.4480	\$7,783,484	\$7,830,225	\$46,741	1%
Library	0.2367	0.2367	0.0000		\$4,355,618	\$4,164,997	-\$190,621	-4%
Flood*	0.4000	0.4000	0.0000		\$3,175,218	\$2,977,549	-\$197,669	-6%
Public Health	0.2500	0.2500	0.0000		\$4,600,357	\$4,399,025	-\$201,332	-4%
Overall Rate	1.3170	1.3347	0.0177		\$19,914,677	\$19,371,796	-\$542,881	-3%

* Applies to all property outside the cities of Flagstaff, Page, and Fredonia

Other Revenues

General Fund Revenues

- Auto lieu revenue decreased \$8,763, from \$3,162,000 to \$3,153,237.
- State shared sales tax is up \$2,278,134 (14.9%), from \$15,326,750 to \$17,604,884.
- The half-cent sales tax is up \$382,500 (3.3%), from \$11,398,500 to \$11,781,000.
- PILT revenue remained the same in FY 2013 at \$1,514,240.
- Non-departmental revenue decreased \$116,526 (3.4%), from \$3,458,538 to \$3,342,012. This line-item includes all of the indirect costs charged to county departments.

Special Fund Revenues

- National forest fees decreased from approximately \$3.6 million to \$3.4 million in FY 2013.

Special Revenues

Jail District

- The county jail district was initially approved by voters in 1997. In September 2006, the voters approved the county's request to increase the jail sales tax rate from a $\frac{3}{10}$ -cent rate to a $\frac{1}{2}$ -cent, which was effective January 1, 2007. In addition, the jail district sales tax was extended 15 years, which will now sunset in 2027.
- Budgeted jail district sales tax collections for FY 2013 are up from \$11,398,500 to \$11,781,000.
- The county's maintenance of effort payment increased from \$2,420,000 to \$2,455,695.
- The county is charging the jail district \$824,879 for indirect costs.
- The jail district operating budget decreased \$3,144,209 (19%), from \$16,590,417 to \$13,446,208.
- **Jail facilities**
 - **Juvenile:** The juvenile facility currently holds 34 beds. The county can potentially rent beds to the Federal Marshalls at \$75/day; however, the county did not receive any revenue from renting beds in FY 2010 or FY 2011. The average occupancy of the facility is 18.
 - **Adult Detention:** The Flagstaff Detention Facility holds 596 beds (average occupancy is approximately 80%) and the Page facility holds 48 beds. The county rents beds to the Bureau of Indian Affairs (\$60/day), the Federal Bureau of Prisons (\$60/day), and the Yavapai County Sheriff's office (\$60/day). Budgeted revenues in FY 2013 are \$1,850,179.
 - Medical expenses in FY 2013 for the Flagstaff and Page facilities are estimated at \$706,587.

Parks and Open Space

- At the 2002 general election, voters approved a $\frac{1}{8}$ -cent capital projects sales tax for the purpose of implementing the Coconino Parks and Open Space Program. The tax will sunset when collections

amount to the estimated cost for the program, which is \$33 million. (Through June 2012, the tax has generated \$26,285,936.)

- The $\frac{1}{8}$ -cent sales tax is budgeted at \$2,988,806 in FY 2013, up \$74,505 (2.6%) from last year.
- The Parks Capital Projects budget increased from \$7,419,011 to \$10,365,495.

Road Fund

- HURF (Public Works) budgeted revenues dropped \$3,041,219, from \$15,904,061 to \$12,862,842.
- The HURF budget increased \$3,439,098 (18%), from \$18,948,367 to \$22,387,465.
- In FY 2012, the county charged the HURF fund \$851,000 for reimbursement of services. The county is charging the district \$785,909 for reimbursement of services in FY 2013.

Expenditures

- **Employee Compensation:** The county made a one-time 2% payment to approximately 985 employees in February 2012 at a cost of \$552,089 to the general fund and \$606,351 to other funds. In July 2012, the county implemented Phase II of the Classification and Compensation Plan, which affected roughly 400 employees and cost \$441,364 in the general fund and \$409,791 in other funds. The county is also considering a mid-year raise in FY 2013 at a cost of \$422,000 to the general fund and \$371,000 to other funds. It has not been determined if the proposed mid-year raises would be an increase to base pay or a one-time payment or which employees would receive the raises.
- **Budgeted FTEs:** In FY 2013, the general fund budgeted FTE's are up from 492 to 493 and total FTEs are down 5, from 1,085 to 1,080.
- **Budgeted Payroll:** Budgeted payroll, including EREs, is up slightly in the general fund, from \$34,127,516 to \$34,482,586, and is up in total funds, from \$71,090,098 to \$71,955,340.
- **Vacancy and Turnover rates:** In FY 2012, the county's vacancy rate was 9%, while the turnover rate was 13%.
- **Health Benefits:** Health insurance costs increased 4.4%, or \$373,000, in FY 2013 and will be covered by the Northern Arizona Public Employees Benefit Trust reserves. The county is the primary contributor to the trust while employee contributions are minimal. The county has begun phasing in its wellness program, which offers a \$20/month discount to employees who participate in preventive screenings and a healthy lifestyle.

Debt/Capital Projects:

According to the Department of Revenue's FY 2010-11 Report of Bonded Indebtedness, the county does not hold any debt.

Budgeted capital projects total \$34,921,995 in FY 2013 and include the following projects:

- **Facilities Capital Projects (\$1,087,814):** Includes the Page Justice facility remodel (\$192,017) and several miscellaneous upgrades to county facilities;
- **Parks and Recreation (\$10,067,307):** Consists of Ft. Tuthill Expansion (\$5,000,000), Ft. Tuthill water/wastewater (\$2,750,516), Cataract Lake County Park (\$1,082,351);
- **Public Works (\$8,377,436):** Includes Lake Mary Road – Tree Removal and Startdust/Yance (\$3,400,000), heavy equipment and light vehicle replacement (\$2,528,530), and Bader Road Rio Crossing Project (\$1,745,000).

Additionally, \$1 million of the general fund balance will be used to update computer facilities and perform tech upgrades.

GILA COUNTY

Overview

- Gila County's general fund budget for FY 2013 is \$46,155,010, a \$306,066 (0.7%) decrease from last year's budget of \$46,461,076.
- The county's beginning fund balance for this year is \$14,243,331, \$743,331 higher than last year's fund balance. The fund balance now represents 31% of the total general fund.
- The total budget for FY 2013 of \$96,468,130 is an increase of \$422,518 (0.4%) from last year's adopted budget of \$96,045,612.

Property Values

- The primary net assessed value decreased from \$517,793,688 to \$490,120,381, a drop of \$27,673,307 (5.3%). Secondary net assessed value decreased \$33,555,197 (6.4%), from \$526,039,289 to \$492,484,092.

Property Tax Revenues

Primary Levy

- The County's primary levy of \$19,919,963 is \$1,124,307 below last year's levy of \$21,695,555. The \$2,617,736 (11%) reduction in value on existing property was offset by a \$494,751 increase in value attributable to new construction.
- Gila's primary property tax rate stayed the same this year at \$4.1900, which is \$1.0395 less than the maximum allowable tax rate of \$5.2295. In addition, the proposed primary tax rate is \$0.1582 below the TNT rate of \$4.3482; therefore, the county was not required to hold a TNT hearing.

County Library

- The library district levy is \$955,652, down \$96,427 (12.5%) from last year. The library district rate is staying the same at \$0.2000.
- The library district budget increased from \$1,724,222 to \$1,869,559.
- The beginning fund balance for FY 2013 is \$651,020.
- The county does not charge the library district for reimbursement of services.

Gila County	TY 2011 Rate	TY 2012 Rate	Difference	TNT	2011 Levy	2012 Levy	Difference	% Difference
Primary	4.1900	4.1900	0.0000	4.3482	\$21,044,270	\$19,919,963	-\$1,124,307	-5%
Library	0.2000	0.2000	0.0000		\$1,052,079	\$955,652	-\$96,427	-9%
Overall Rate	4.3900	4.3900	0.0000		\$22,096,349	\$20,875,615	-\$1,220,734	-6%

Other General Fund Revenues

- Auto lieu is up \$11,250 (0.7%), \$1,588,750 to \$1,600,000.
- State shared sales tax is up \$685,000 (16%), from \$4,395,000 to \$5,080,000.
- Half-cent sales tax decreased \$97,250 (3.6%), from \$2,797,250 to \$2,500,000.
- PILT revenue is estimated at \$3,023,345.

Jail Facilities

Adult Facility

- The adult facility holds a total of 179 beds with an average occupancy of 143. However, the county completed the jail expansion in September, which included an additional 40 beds. The County currently rents beds to other counties at a rate of \$54.63/day and is budgeting \$120,000 for renting beds in FY 2013.

Juvenile Facility

- The juvenile facility holds a total of 26 beds. Gila County contracts with the US Marshals and BIA for renting beds at \$131/day with revenue budgeted at \$200,000. The average occupancy during FY 2012 is five from US Marshals, two from BIA, and five from other agencies, for a total of twelve.
- The Sheriff's budget decreased \$274,655 (2.5%), from \$10,840,498 to \$10,565,843. The juvenile detention budget decreased \$18,428 (1.3%), from \$1,389,804 to \$1,371,376.

Special Revenues

Road Budget

- HURF revenues decreased \$215,054 (6.2%), from \$3,456,494 to \$3,241,440.
- VLT decreased \$78,595 (8.5%), from \$929,586 to \$850,991.
- The county transportation sales tax is up \$97,384 (3.5%), from \$2,818,450 to \$2,915,834. The sales tax is scheduled to sunset in 2014.
- The total road fund budget is up \$1,991,331 (15.2%), from \$13,082,669 to \$15,074,000.

Expenditures

- **Budgeted FTE's:** In FY 2013, general fund FTE's decreased from 433 to 418 and total funds FTE's decreased from 694 to 675. Most of the positions eliminated were vacant and 3 or 4 were laid off.
- **Employee compensation:** The county is considering awarding employees with a one-time COLA payment at a cost of \$500,000 in December 2012. Each department will pay for its share of the COLA if its budget permits. Otherwise, the COLA will be paid from the general fund. The county may also award select employees with a one-time merit increase in June 2013 at a budgeted cost of \$400,000. The specific costs to the general fund and total funds are unknown. The county also budgeted \$500,000 for a reclassification and compensation study in order to identify salary inequities in Gila County with respect to other counties.
- **Budgeted payroll:** In FY 2013, general fund budgeted payroll, including EREs, decreased from \$24.6 million to \$23.7 million and total payroll is down from \$38.3 million to \$37 million.
- **Employee vacancy & turnover rates:** The county vacancy rate is 12% and the turnover rate is 11%.
- **Health benefits:** There was no change in the County's health insurance premium costs for FY 2013. The County currently pays 93% for employee coverage and 60% for dependents, depending on the level of benefits.

Capital Projects/Debt Service

During FY 2010, the county borrowed \$8 million in revenue bonds for the construction of the new Public Works facilities, expansion of its jail facilities, and a new evidence storage facility for the Sheriff's office. According to the Department of Revenue's FY 2010-11 Report of Bonded Indebtedness, there is \$7,510,000 outstanding on the revenue bonds. The bond term is 20 years. The budgeted debt service payment stayed the same for FY 2013 at \$628,150.

The county's capital improvements for FY 2013 includes the following: Broad Street Project (\$200,325), vehicle purchases (\$191,000), Michaelson fascia removal (\$184,000), Payson Court roof/porch/steps (\$129,000), Treasurer's Tyler Tax Package (\$127,765), Globe building repair (\$87,000), courthouse exterior stabilization (\$80,000), Payson jail ceiling (\$50,000), and Pine/Strawberry shelters (\$47,389).

Other projects amount to \$2,687,571, including projects for: community college (\$275,000), financial system update (\$100,000), natural resources (\$250,000), Court security (\$200,000), public information/transparency (\$10,000), community/economic development (\$140,000), and Pine/Strawberry WID water line (\$212,571).

GRAHAM COUNTY

Overview

- Graham County's general fund budget for FY 2013 is \$20,309,658, an increase of \$1,088,974 (5.7%) from \$19,220,684 in FY 2012.
- The county's opening fund balance is \$1,479,784, up \$186,776 from last year's fund balance of \$1,293,008. The fund balance represents 7.3% of the total general fund.
- The county's total budget of \$31,890,759 is an increase of \$1,460,383 (4.8%) from last year's total budget of \$30,430,376.

Property Values

- In FY 2013, the primary value of the county dropped from \$228,474,104 to \$208,931,298, a decrease of \$19,542,806 (8.6%). The county's secondary value experienced a decrease of \$27,565,472 (11.5%), from \$238,954,912 to \$211,389,440.

Property Tax Revenues

Primary Levy

- The county adopted its TNT levy of \$4,361,232, which is an increase of \$311,028 (7.7%) over last year's levy of \$4,050,204.
- The primary tax rate increased to \$2.0874, up from last year's rate of \$1.8556. Since the county adopted its TNT rate, the county was not required to hold a TNT hearing.

Flood Control District

- The County Flood Control District rate is staying the same at \$0.0953.
- The levy for the flood control district decreased \$16,009, from \$217,463 to \$201,454.
- The budget increased \$46,114 (14.7%), from \$314,111 to \$360,225.
- In FY 2013, the county is charging the district \$74,000 for reimbursement of services.
- The beginning fund balance is \$158,000 and will be built up by the county for flood emergencies.

November Election

- On the November general election ballot, county voters will be asked to approve the formation of a library district. The district will be funded by a secondary property tax rate of \$0.20, if approved, and using this year's secondary net assessed value, will generate a levy of \$422,779. In 2007, a committee was formed to study the feasibility of forming a library district in Graham County, which was made up of representatives from the cities of Safford, Thatcher, and Pima, and the county. In 2012, the committee convinced the county that a library district would be beneficial to the cities as well as the county. The county Board of Supervisors has the authority to create the new taxing district, but insisted that the formation be sent to the voters.

Graham County	TY 2011 Rate	TY 2012 Rate	Difference	TNT	TY 2011 Levy	TY 2012 Levy	Difference	% Difference
Primary	1.8556	2.0874	0.2318	1.9941	\$4,050,204	\$4,361,232	\$311,028	7.7%
Flood	0.0953	0.0953	0.0000		\$217,463	\$201,454	-\$16,009	-7.4%
Overall Rate	1.9509	2.1827	0.2318		\$4,267,667	\$4,562,686	\$295,019	6.9%

Other General Fund Revenues

- PILT increased from \$2,672,505 to \$2,700,000.
- State shared sales tax is up \$675,000 (20.3%), from \$3,325,000 to \$4,000,000.
- The half-cent sales tax is increasing \$250,000 (14.7%), from \$1,700,000 to \$1,950,000.
- Auto Lieu is up \$75,000, from \$750,000 to \$825,000.

- **Jail facilities:**

- The juvenile facility holds 48 beds. The county budgeted \$1,050,000 for renting beds to other jurisdictions. The Bureau of Prisons (BOP) rents five to six beds, on average, at a charge of \$230/day (\$500,000 annually). A memorandum of understanding was approved by the US Marshals for renting beds at \$125/day (\$300,000). The County charges Greenlee County \$250,000 for utilizing up to eight beds.
- The current adult facility holds a maximum of approximately 200 beds. The county rents approximately 35 beds, on average, to BOP at \$57/day and to the state at \$38/day. However, the BOP removed its adult inmates from the facility in October 2011. The county rents beds to cities at a rate of \$50/day. Budgeted revenue from renting beds in FY 2013 is \$67,000. The average occupancy is 75%.
- The county sends its female prisoners to Greenlee County at \$50/day.
- Budgeted medical costs in the jail facilities amount to \$465,004 in FY 2013.
- The Sheriff's budget increased from \$5,652,123 to \$5,807,328.

Special Revenues

Road Fund

- HURF revenue increased \$40,000, from \$2,960,000 to \$3,000,000.
- The Road Fund budget increased from \$5,525,260 to \$5,835,433.
- In FY 2013, forest fee revenues are decreasing from \$640,739 to \$551,176.

Expenditures

- **Budgeted FTE's:** In FY 2013, budgeted FTE's in the general fund increased from 174 to 182 and total FTEs increased to 247 from 240.
- **Employee compensation:** The county is budgeting for longevity raises at a cost of \$38,000 to the general fund and \$53,000 to all funds. Prior to August 2012, longevity raises were awarded after a 6-month probation period, and awarded successive raises at two years, five years, and every five years after that. In August 2012, the Board voted to award longevity increases at one-year employment, two years, five years, and every third year beyond that point. Also, as a result of the increased caseload in the attorney's office, four attorneys will receive raises in FY 2013 at a cost of \$19,680.
- **Budgeted payroll:** The general fund budgeted payroll, including ERE's, in FY 2013 increased from \$10,843,000 to \$11,351,000 and total budgeted payroll increased from \$15,210,000 to \$15,532,000.
- **Vacancy & Turnover rates:** The employee vacancy rate is approximately 3.4% and the turnover rate is approximately 10%.
- **Health benefits:** Health insurance premium costs did not change from FY 2012 to FY 2013. In FY 2011, the county began charging employees with single coverage \$50/month and increased the charge to employees with family coverage to \$250/month. The county pays approximately 90% for single coverage and 78% for family coverage. The county has implemented a health risk analysis and encourages employees to fill out the assessment or pay a \$10/month penalty for failure to do so.
- The county contracts with Yavapai County to provide its restoration to competency (RTC) services. The county also has a contract with Pima County for the same services. The county is able to get the same services from Pima and Yavapai Counties rather than the state at a much lower cost.

Capital Projects/Debt:

The county is in the planning stages of building new adult jail facilities since the existing facility is in poor condition. County officials estimate the cost of building new jail facilities will cost between \$30 million and \$40 million. The county currently has no debt.

GREENLEE COUNTY

Overview

- Greenlee’s general fund budget for FY 2013 is \$11,514,477, an increase of \$1,753,712 (18%) from the FY 2012 budget of \$9,760,765.
- The county’s beginning general fund balance is \$3,596,005, an increase of \$2,496,005 (227%) from last year’s balance of \$1,100,000. The fund balance represents 31% of the total general fund.
- The total budget (total financial resources) for FY 2013 is \$21,290,602, an increase of \$4,378,659 (26%) from the FY 2012 total budget of \$16,911,943.

Property Values

- The county’s primary value increased in FY 2013 from \$280,460,740 to \$378,114,177, a jump of \$97,653,437 (34.8%). Secondary value in the county grew \$97,485,007 (34.7%), from \$280,746,565 to \$378,231,572.

Property Tax Revenues

Primary Levy

- The county’s primary property tax levy is \$2,349,223, \$179,579 (8.3%) more than last year’s levy. Because the county adopted its TNT levy, the growth in its primary levy is associated with new construction.
- The county adopted its TNT rate of \$0.6213, a decrease from last year’s rate of \$0.7736. The county was not required to hold a TNT hearing.

Public Health Services District (PHSD)

- In June 2006, the County Board of Supervisors created the PHSD by unanimous vote of the Board. The tax rate is staying the same in FY 2013 at \$0.1850. As a result, the levy increased \$179,207 (34%), from \$520,521 to \$699,728.
- The county uses the PHSD fund to pay for health department services, animal control, inmate medical expenses, and ambulance services. The expenses for inmate medical expenses include nurses’ salaries.
- The Health Services Fund budget increased \$230,901 (14.7%), from \$1,566,422 to \$1,797,323.
- The maintenance of effort payment for the PHSD is \$356,000. The county does not charge the district for reimbursement of services.

Flood Control District

- The district tax rate is staying the same at \$0.1426. The levy increased from \$49,000 to \$87,672 (), which was a result of the large increase in secondary net assessed value (see *Property Values* section).
- The flood control district budget is up \$38,463 (15.3%), from \$252,000 to \$290,463.

Greenlee County	TY 2011 Rate	TY 2012 Rate	Difference	TNT	2011 Levy	2012 Levy	Difference	% Difference
Primary	0.7736	0.6213	-0.1523	0.6213	\$2,169,644	\$2,349,223	\$179,579	8%
Public Health Services	0.1850	0.1850	0.0000		\$520,521	\$699,728	\$179,207	34%
Flood	0.1426	0.1426	0.0000		\$49,000	\$87,672	\$38,672	79%
Overall Rate	1.1012	0.9489	-0.1523		\$2,739,165	\$3,136,623	\$397,458	15%

Other General Fund Revenues

- Auto lieu remains the same at \$300,000.
- The half-cent sales tax is staying the same at \$1,000,000.
- State shared sales tax is up \$600,000 (17%), from \$3,600,000 to \$4,200,000.
- PILT is up \$74,977 (9.2%), from \$816,023 to \$891,000.

- The county budgeted to receive \$382,800 from the state for out-of-county tuition, which is the same as last year.

Special Revenue Funds

- Road fund revenue is staying the same at \$800,000. The budget increased from \$1,700,000 to \$1,750,000.
- National Forest fees are staying the same at \$600,000. The county distributes the money to the schools (\$300,000) and the road fund (\$300,000).

Expenditures

- **Employee compensation:** Effective September 1, the County will award employees with a 3% COLA, which will have an impact of \$164,485 to the general fund and \$255,196 to total funds. The budget also includes funding for two promotions, two reclassifications, and a market adjustment for one position at a cost of \$38,766.
- **Health benefits:** Health premium costs did not increase in FY 2013. The county charges employees \$28/month for single coverage and \$196/month for family coverage. The county currently covers 94% for employee coverage and 82% for dependents.
- **Budgeted payroll:** General fund budgeted payroll, including EREs, increased from \$5,482,842 to \$5,772,347 in FY 2013. Total payroll increased from \$8,506,540 to \$8,863,964.
- **Budgeted FTE's:** Budgeted FTE's in the general fund are up from 98 to 101 and total budgeted FTE's are down two positions, from 167 to 165.
- **Employee vacancy & turnover rates:** The employee vacancy rate is less than 1% and the countywide turnover rate is 12%.
- **Jail Facilities:** The County uses Gila Health Resources to control its inmate costs, which amount to \$87,410 in FY 2013. Also, to control costs, the county has an ambulance service that it uses to avoid using a helicopter for emergencies. There are 55 beds in the adult facility, which has an average occupancy rate of 33%. The county does not have a facility to hold its juvenile inmates and instead transfers its juveniles to Graham County at an annual cost of approximately \$250,000 by renting up to eight beds.

Debt/Capital Projects:

Budgeted capital improvements in FY 2013 include the following:

- Replacement of Duncan Annex (\$750,000)
- Courtroom renovation and installation of audio visual equipment (\$314,000)
- Guthrie Peak tower (\$204,000)
- Airport improvements of drainage, apron, taxiway (\$400,000)
- Ward Canyon Flood Control Project
- Wildfire Hazardous Mitigation Grant
- Loma Linda Ball Park (\$86,000)
- Greenlee County Fairgrounds (\$125,000)
- Continuing construction of kitchen for county jail facility (included in courtroom renovation)
- Landfill (\$35,000)
- Road projects (\$317,000)

The Department of Revenue's FY 2011 Report of Bonded Indebtedness reports that the county does not hold any bonds; however, the debt service budget for lease-purchase debt remains the same in FY 2013 at \$600,000. The lease-purchases are for various Road Department vehicles and equipment.

LA PAZ COUNTY

Overview

- La Paz's general fund budget (total financial resources) for FY 2013 is \$14,055,366, an increase of \$1,408,540 (11%) from FY 2012's general fund budget of \$12,646,826.
- The county's beginning general fund balance of \$200,000 is a decrease of \$150,917 from last year's beginning fund balance of \$350,917. The balance accounts for 1.4% of the general fund.
- FY 2013's total budget (total financial resources) is \$26,965,250, an increase of \$48,445 from last year's total budget of \$26,916,805.

Property Values

- The county's primary net assessed value increased \$1,165,971 (0.5%), from \$226,792,253 to \$227,958,224. Secondary net assessed value decreased from \$241,409,065 to \$235,015,726, a drop of \$6,393,339 (2.6%).

Property Tax Revenues

Primary Levy

- La Paz County's primary property tax levy is \$4,250,702, down \$227,085 (5.1%) from last year's levy of \$4,477,787, which was the constitutional levy limit. The county was required to reduce its levy in FY 2013 by \$166,672 as a penalty for over-levying property taxes in the previous year.
- The rate decreased \$0.1098, from \$1.9744 to \$1.8646, which is the maximum allowable rate after the penalty is applied.

La Paz County	TY 2011 Rate	TY 2012 Rate	Difference	TNT	2011 Levy	2012 Levy	Difference	% Difference
Primary	1.9744	1.8646	-0.1098	1.8998	\$4,477,787	\$4,205,702	-\$272,085	-6%

Other General Fund Revenues

- Auto lieu is up \$30,000, from \$540,000 to \$570,000.
- State shared sales tax is up \$515,000 (30.3%), from \$1,700,000 to \$2,215,000.
- Half-cent sales tax revenues are increasing slightly from \$1,000,000 to \$1,025,000.
- PILT is up \$42,363, from \$1,800,000 to \$1,842,363.

Special Revenues

Road Fund

- HURF revenue increased \$484,864 (14.3%), from \$3,400,000 to \$3,884,864.
- Intergovernmental revenues increased \$2,000, from \$473,000 to \$475,000.
- The Public Works budget is up \$452,895 (10.2%), from \$4,423,410 to \$4,876,305.

Enterprise Fund

- The revenues from the La Paz County Golf Course increased \$9,748, from \$1,714,856 to \$1,724,604.
- The Golf Course budget increased \$115,834, from \$1,363,941 to \$1,479,775.

Jail District

- The jail district excise tax is estimated at \$1,030,000 in FY 2013, \$30,000 more than last year.
- The jail district budget includes \$1,500,000 in intergovernmental revenues from the housing of federal and Coconino County inmates, which is \$388,000 below last year. The County rents beds to the U.S. Marshals at a rate of \$42/day and to the Colorado River Indian Tribes and private entities at \$65/day.

The county's maintenance of effort payment is staying the same at \$705,509 in FY 2013. Medical expenses in the adult facility are budgeted at \$120,000 in FY 2013.

- Existing jail facilities: The adult facility holds 266 beds, and during FY 2012, the average daily bed occupancy was 135. There are 44 FTE's in the district.
- The County does not currently have a juvenile facility, and instead, transfers its juveniles to Yuma County. Yuma County charges La Paz \$80/day at a cost of less than \$30,000.

Expenditures:

- **Budgeted Payroll:** Budgeted payroll for FY 2012 was \$7,791,323 for the general fund and \$14,457,830 for total funds. Total budgeted payroll increased in FY 2013 to \$16,194,331. County officials have not determined the budgeted payroll for the general fund in FY 2013.
- **Employee compensation:** The County did not budget for any pay raises in FY 2013. However, the county awarded a 3% COLA in April 2012 but county officials have not determined the cost.
- **Vacancy & Turnover rates:** The employee vacancy rate is 3.48% and the employee turnover rate is 13.2%.
- **Budgeted FTE's:** In FY 2013, budgeted FTEs are staying the same at 122 in the general fund and 246 in total funds.
- **Health Benefits:** The County covers 100% of health benefit costs for employees and 50% for dependents. The county is experiencing a negligible increase in health insurance premiums in FY 2013.

Yakima Judgment/Bonds:

With the passage of SB1178 in the 2011 legislative session, the county issued TPT-funded bonds to pay its \$14 million judgment to Yakima. The amount budgeted, not to exceed \$19 million, includes the judgment, 2% underwriting fees, bond counsel fees, and a \$275,000 charge for the bond issuance. The half-cent sales tax took effect on December 1, 2011. The tax is estimated to be in effect for 20 years, although the county anticipates it will be less at around 16 years.

The tax revenue and debt service payment are not reflected on the county's budget schedules. County officials claim that the tax revenue does not flow through the county, but instead goes straight to the State Treasurer, who subsequently makes the debt service payment.

Debt/Capital Projects:

According to the Department of Revenue's FY 2011 Report of Bonded Indebtedness, La Paz County has \$1,487,966 in outstanding lease-purchase debt (the lease-purchase was for 500 acre feet of 4th priority Colorado River Water and construction of the Centennial Community Center) and the La Paz County jail district has \$1,727,231 in outstanding lease-purchase debt as a result of the jail expansion discussed below.

In 2003, the county refunded their 1996 COPs (reduced interest rate with the original maturity date) with a \$480,000 remaining balance. In addition, the county issued \$2.022 million in COPs in 2007, financed over ten years, for the jail expansion. The budgeted lease-purchase payment in FY 2013 is \$244,000. The county is considering refinancing its water and jail debt in FY 2013.

The County recently expanded its jail facilities. The facility is a two-story addition, which includes a remodel of the booking and administration areas, expansion of the dispatch area, upgrades to existing electronics in the control tower and throughout the jail. Also included is the addition of a 15-prisoner dormitory, with the intention to hold female detainees and an isolation cell that can hold up to four prisoners.

MARICOPA COUNTY

Overview

- In the FY 2013 budget, Maricopa County is disclosing all of its fund balances for the first time (previously, the budget only reflected appropriated fund balances). After adjusting for previously excluded fund balances, the general fund budget decreased \$120,087,268 (10.4%), from \$1,155,761,404 to \$1,035,674,136.
- The decrease in the general fund is largely the result of the shift of \$159 million in the FY 2012 beginning fund balance to capital projects in FY 2013. The general fund beginning balance in FY 2013 is \$247,432,960 and represents 24% of the general fund budget. The county states that the capital fund cash balances are dedicated to their “pay-as-you-go” capital projects program (*see “capital projects” summary*).
- Correcting for the omitted fund balances in FY 2012, Maricopa County’s total financial resources decreased \$191,066,935 (6%) in FY 2013, largely due to the \$159 million general fund balance shift to capital projects, from \$3,303,148,531 to \$3,112,081,596. (Actual budgeted expenditures decreased \$33,049,326 (1.4%), from \$2,423,827,579 to \$2,390,778,253.)

Property Values

- The county’s primary value fell \$4,228,256,361 (11%), from \$38,492,098,635 to \$34,263,842,274. Secondary value for the county dropped \$4,359,840,998 (11.2%), from \$38,760,296,714 to \$34,400,455,716.

Property Tax Revenues

Primary Levy

- The primary levy decreased from \$477,571,468 to \$425,111,491, which is \$52,459,977 (11%) less than last year and \$133,080,763 less than the constitutional levy limit.
- The primary tax rate for Maricopa County stayed the same at \$1.2407, which is \$0.3884 below the maximum tax rate of \$1.6291. In addition, this year’s primary rate is \$0.1765 less than the TNT rate of \$1.4172. The county was not required to hold a TNT hearing.

Library District

- The library district’s levy for FY 2013 is down from \$19,070,066 to \$16,925,024. The secondary rate stayed the same at \$0.0492.
- The library district budget increased 4.3%, from \$24,564,950 to \$25,627,596.
- The county charged the district \$952,741 for reimbursement of services in FY 2013.
- The beginning fund balance in the library district is \$16,375,347.

Flood Control District

- The FY 2013 flood control levy is \$54,584,578, a \$7,816,594 (12.5%) decrease from last year. The tax rate stayed the same at \$0.1780.
- The flood control district budget decreased \$12,402,492 (12.7%), from \$97,426,423 to \$84,124,369.
- The FY 2013 district budget includes \$50 million in capital projects, \$10 million less than last year.
- The county is charging the district \$1,524,626 in FY 2013 for reimbursement of services.
- The beginning fund balance in FY 2013 is \$59,663,665.

Stadium District

- The FY 2013 stadium district budget is \$10,285,335, up \$1,894,252 (23%) from last year’s budget of \$8,391,083.

- Sales tax revenues are increasing from \$4,321,845 to \$4,752,087. License & permit revenues increased slightly from \$3,200,901 to \$3,234,031. Other charges decreased from \$1,198,123 to \$1,164,993.
- The FY 2013 beginning fund balance is \$30,420,533.
- The county charged the district \$36,762 for reimbursement of services in FY 2013.

Maricopa County	TY 2011 Rate	TY 2012 Rate	Difference	TNT	TY 2011 Levy	TY 2012 Levy	Difference	% Difference
Primary	1.2407	1.2407	0.0000	1.4172	\$477,571,468	\$425,111,491	-\$52,459,977	-11.0%
Library	0.0492	0.0492	0.0000		\$19,070,066	\$16,925,024	-\$2,145,042	-11.2%
Flood	0.1780	0.1780	0.0000		\$62,401,172	\$54,584,578	-\$7,816,594	-12.5%
Overall Rate	1.4679	1.4679	0.0000		\$559,042,706	\$496,621,093	-\$62,421,613	-11.2%

Other General Fund Revenues

- State shared sales taxes are increasing \$34,337,485 (9.3%), from \$369,740,752 to \$404,078,237.
- State shared vehicle license tax is decreasing \$1,925,554 (1.7%), from \$111,119,076 to \$109,193,522.
- PILT is down slightly from \$11,775,550 to \$11,714,503.

Special Revenues

Jail Sales Tax

- The jail sales tax revenue increased from \$109,584,249 in FY 2012 to \$121,452,195 in FY 2013. The maintenance of effort payment in FY 2013 is \$170,497,876.

Highway & Transportation Revenue

- HURF revenue increased in FY 2013, from \$77,990,758 to \$84,652,860.
- The HURF budget (transportation operations fund) increased \$19,216,411 (21.7%) in FY 2013, from \$88,403,517 to \$107,619,928.

Expenditures

- **Employee Compensation:** The County did not budget for employee compensation in FY 2013. However, the county budgeted \$750,000 for their Peak Performers Program in which the county distributes awards, typically \$25, to employees that qualify. The county continued to fund tuition reimbursement (Education Assistance Program), which stayed the same this year at \$2,000,000. Costs associated with the Rewarding Ideas Program (no specific budget) and the Attorney Loan Repayment Program, amounting to \$185,475 in FY 2013, are absorbed by the departments' budgets. In the Rewarding Ideas Program, an employee may receive up to \$2,500 for ideas demonstrated to save costs to the county.
- **Vacancy & Turnover rates:** The employee vacancy rate is approximately 4% and the voluntary turnover rate is 5.6%.
- **Budgeted FTEs:** Budgeted FTEs in the general fund increased from 6,996 in FY 2012 to 7,112 in FY 2013. Total FTEs are budgeted at 13,899, up 138 from last year's total of 13,761.
- **Budgeted payroll:** General fund budgeted payroll, including EREs, increased from \$504,282,039 to \$510,717,509 and total payroll increased from \$929,420,888 to \$937,598,427.
- **Health Benefits:** The county made a change in its benefit structure from six plans down to three. Changes in premiums will depend on the employee's former plan and the new plan selected. Overall, the county is anticipating no net change in premium costs. Maricopa County is self-insured for health benefits and charges each department a composite rate for each employee (\$8,904/year).

Jail facilities

- **Adult facilities:** The adult facilities hold up to 11,509 beds (includes triple-bunking, portable beds, and beds in “tent city”). Average occupancy is approximately 8,000 inmates. Maricopa County does not rent beds to other jurisdictions.
- **Juvenile facilities:** The juvenile facilities hold up to 406 beds; the most recently calculated average daily population is 266.
- Medical costs in the jail facilities are budgeted at \$56,977,327.

Capital Projects

Maricopa County’s Capital Improvement Program (CIP) is a “pay as you go” policy in which the County pays for projects with cash. The county used to supplement the cash funding with revenue bonds but the county is no longer using this method of funding.

In the FY 2013 budget, the county is planning to spend \$387 million for CIP:

FUND	FY 2012	FY 2013
General Fund		
Intergovernmental capital projects	\$125,000	\$124,999
General Fund county improvements	\$95,154,377	\$63,478,837
Technology capital improvements	\$99,002,554	\$115,575,079
Subtotal	\$194,281,931	\$179,178,915
Special Revenue		
Transportation capital projects	\$115,550,123	\$103,932,010
Dentention capital projects	\$101,873,974	\$66,512,503
Dentention Technology improvements	\$12,279,466	\$37,174,214
Subtotal	\$229,703,563	\$207,618,727

The detailed list of the FY 2013 capital projects is as follows:

Intergovernmental Capital Projects		Technology Capital Improvements (cont.)	
Vulture Mountain Study	\$124,999	Inegrated Workplace Mgmt System	\$859,388
		Radio System	\$47,554,380
General Fund County Improvements		Sheriff's HQ - IT Infrastructure	\$18,044,810
Energy Conservation Projects	\$2,929,566	Infrastructure Refresh Phase 2	\$26,944,723
Clerk of the Court Remodel	\$8,547,017		\$115,575,079
Court Tower	\$750,000	Detention Technology Capital Improvements	
East Court Improvement	\$3,587,500	Correctional Health Zone H	\$3,401,496
Maricopa Regional Trail System	\$784,083	Electronic Medical Records System	\$3,102,042
Security Building	\$5,965,858	Sheriff Nice Vision	\$5,670,676
Southeast Facility Remodel	\$2,000,000	Project Reserve	\$25,000,000
Sheriff's Headquarters Project	\$31,727,773		\$37,174,214
SWAT Covered Parking	\$2,877,086	Transportation Capital Projects	
Vulture Mountain Study	\$61,111	MAG ALCP Projects	\$56,214,030
Southwest Justice Courts	\$4,034,060	County Arterials	\$7,580,000
Project Reserve	\$214,783	Bridge Preservation	\$2,635,000
	\$63,478,837	Dust Mitigation	\$4,255,750
Detention Capital Projects		Intelligent Transportation Systems	\$1,346,000
Energy Conservation Projects	\$460,451	Pavement Preservation	\$6,773,000
Sheriff's Headquarters Project	\$30,000,000	Partnership Support	\$2,140,000
Project Reserve	\$36,052,052	Right-of-Way	\$280,000
	\$66,512,503	Safety Projects	\$2,560,000
Technology Capital Improvements		Transportation Administration	\$11,678,230
Board of Supervisors' Auditorium	\$750,000	Traffic Improvements	\$6,640,000
Contact Center System	\$1,775,461	Transportation Planning	\$1,830,000
Enterprise Data Center	\$10,286,400		\$103,932,010
County Telephone System	\$9,359,917		

Debt Service

In FY 2011, the total outstanding debt amounted to \$133,930,000, according to the Arizona Department of Revenue's annual report on Bonded Indebtedness. Of that amount, \$131,555,000 is in Revenue Bonds and \$2,375,000 in certificates of participation (COP's).

In addition, the Stadium District has a total outstanding debt amount of \$34,515,000 in revenue bonds.

The FY 2013 county budget shows the total debt service payments at \$23,371,374, with \$16,736,830 attributable to non-departmental funds and \$6,634,544 for the Stadium District debt.

MOHAVE COUNTY

Overview

- Mohave County's general fund budget decreased \$10,800,552 (12.8%), from \$84,098,134 to \$73,297,582.
- The county's unreserved general fund balance increased \$695,895 (6.2%), from \$11,134,589 to \$11,830,484. The general fund balance represents 16% of the total general fund.
- The total budget for Mohave County is \$255,080,903, which is a decrease of \$13,734,288 (5%) from last year's total adopted budget of \$268,815,191.

Property Values

- The county's primary net assessed value decreased \$140,916,567 (7.3%), from \$1,932,681,722 to \$1,791,765,155. Secondary net assessed value dropped \$165,575,225 (8.3%), from \$1,997,158,478 to \$1,831,583,253.

Property Tax Revenues

Primary Levy

- The county's primary levy dropped \$2,564,117 (7.3%), from \$35,167,076 to \$32,602,959, which is \$3,907,840 below the maximum primary levy.
- The county maintained a primary tax rate of \$1.8196, which is \$0.2181 below the county's maximum tax rate of \$2.0377. Since the rate is below the TNT rate of \$1.9977, the County was not required to hold a TNT hearing.

Flood Control

- The county flood control rate is \$0.5000, the same rate that the county has levied since tax year 1998, which is also the maximum rate allowable by statute.
- In FY 2013, the flood control district levy decreased \$800,281 (8.3%), from \$9,670,323 to \$8,870,042.
- In FY 2012, the beginning fund balance was \$19.3 million and increased to \$21.2 million in FY 2013.
- The flood control district budget increased \$3,072,634, from \$22,877,006 to \$25,949,640. Actual expenditures in FY 2012 were reported at \$11,099,340 (49% of budget).
- The county transferred \$451,184 from the flood control district to the general fund in FY 2011. The amount transferred from the district to the general fund in FY 2012 and FY 2013 is unknown.

Library District

- The library district rate stayed the same at \$0.3236, which will generate \$535,802 (8.3%) less in revenue this year, from \$6,462,805 to \$5,927,003.
- In FY 2012, the beginning fund balance was \$10.4 million and decreased to \$8.5 million in FY 2013.
- The library district budget increased \$120,659, from \$11,448,229 to \$11,568,888. Actual expenditures in FY 2012 were reported at \$5,597,005 (49% of budget).

Television District

- Mohave County's TV district exists to provide and maintain communication equipment resources for residents. The TV district will generate \$143,553 (8.3%) less than last year, from \$1,731,536 to \$1,587,983, since the district levied a rate of \$0.0867 (same rate since tax year 1998).
- The district held \$7.2 million in its fund balance at the beginning of FY 2012. The district's beginning fund balance in FY 2013 is \$7.9 million.

- The district's budget decreased \$6,046,961 (68%), from \$8,934,295 to \$2,887,334. Actual expenditures in FY 2011 were reported at only \$786,556 and even less during FY 2012 at \$641,130 (7% of budget).

Mohave County	TY 2011 Rate	TY 2012 Rate	Difference	TNT	2011 Levy	2012 Levy	Difference	% Difference
Primary	1.8196	1.8196	0.0000	1.9977	\$35,167,076	\$32,602,959	-\$2,564,117	-7%
Flood	0.5000	0.5000	0.0000		\$9,670,323	\$8,870,042	-\$800,281	-8%
Library	0.3236	0.3236	0.0000		\$6,462,805	\$5,927,003	-\$535,802	-8%
T.V.	0.0867	0.0867	0.0000		\$1,731,536	\$1,587,983	-\$143,553	-8%
Overall Rate	2.7299	2.7299	0.0000		\$53,031,740	\$48,987,987	-\$4,043,753	-8%

Other General Fund Revenues

- State shared sales tax is up \$298,367, from \$17,811,633 to \$18,110,000.
- Auto lieu increased \$185,000, from \$6,015,000 to \$6,200,000.
- PILT is up from \$3,216,280 in FY 2012 to \$4,248,358 in FY 2012.
- The county has a general fund quarter-cent sales tax that is used to fund capital projects. In FY 2013, the revenues stayed the same at \$5,814,100.

Special Revenues

Road Fund

- Revenues under the Transportation Operations Fund increased from \$12,503,649 to \$12,518,849. At the end of FY 2011, the county held \$15,630,064 in reserves in the Road Fund.
- The HURF budget decreased \$772,342 (4%), from \$19,287,446 to \$18,515,104. Actual expenditures in FY 2012 were reported at \$14,016,483.

Expenditures

Employee compensation (History):

- FY 2006: The county awarded employee's with a 3% COLA, effective 7/7/05. The cost to the general fund was \$800,000 and \$1,300,000 to total funds. The county also set aside \$1 million for mid-year market adjustments (10% increase for all employees), which took effect on 1/1/06. The county claimed that the market adjustment was necessary due to the county's 16% turnover rate.
- FY 2007: 8.7% increase for employees.
- FY 2008: 2.5% COLA (all); 2.5% step (70% of eligible employees).
- FY 2009: The County awarded employees with a 2.5% merit increase and \$996,000 in step increases. The county did not budget for employee pay raises in FY 2010. However, four of seven county employees were promoted to "deputy county managers" with salaries ranging from \$97,552 to \$151,381. It is estimated that promoting the four individuals cost the county \$100,000 but saved the county \$560,000 according to county officials (based on eliminating the positions through the restructuring and vacant positions).
- FY 2010: Unknown
- FY 2011: The County did not budget for any pay raises.
- FY 2012: The County did not budget for any pay raises.
- FY 2013: The County did not budget for any pay raises.
- **Budgeted FTE's:** In FY 2010, no employees were laid off, but after cutting 65 vacant positions, general fund FTE's amounted to 747. There were approximately 75 vacant positions in the general fund at that time. FTE's in the special funds were estimated at 1,335. In FY 2011, the county reduced general fund FTE's by 19.5, bringing the total unfunded positions to 73 of the 749 total FTE's in the general fund. In FY 2012, the county budgeted for 779 general fund FTE's, which includes 117 vacant

positions. In FY 2013, the county budgeted for 772 general fund FTE's, which includes 77 vacant positions.

- **Budgeted Payroll:** In FY 2011, general fund payroll was \$110 million and increased in FY 2012 to \$130,269,754. General fund payroll in FY 2013 is approximately \$157 million.
- **Jail facilities:** The existing jail facility was designed to hold 240 beds but housed an average of 350 to 400. The County built a new jail which opened in December 2010. The total cost of the project was \$72 million, with the majority financed through a 15-year lease-purchase agreement (\$25.5 million was dedicated from the county's ¼-cent sales tax). The facility has 242,000 square feet and holds 688 beds, with the ability to expand up to 850 beds upon the completion of an unfinished pod, with maximum future expansion up to 1,400 beds. Staffing levels of existing jail was 38 detention officers, 11 officer assistants, and 1 detention supervisor, which amounted to \$2.3 million. The new jail will staff 68.5 detention officers, 15 officer's assistants, and 1 detention officer, which will cost an additional \$1.58 million. While the old jail was located directly across the street from Superior Court, the new jail is one mile from the courthouse; therefore, the county is now required to bus the prisoners for court appearances. The county increased its charges to the cities, from \$58 to \$79 per inmate days and increased the fee to \$98 beginning July 1, 2012.
- In FY 2013, the Sheriff's budget increased from \$10,843,397 to \$11,169,487 and the Sheriff's jail fund increased from \$10,573,836 to \$10,806,603.
- The General Administration budget decreased from \$2,856,363 to \$1,436,671.
- The County landfill budget increased \$1,105,747 (53%) in FY 2013, from \$2,079,623 to \$3,185,370. The county spent 42% of its budget in FY 2012.
- The budget for the Immunization Program decreased \$398,008 (38.9%), from \$1,024,330 to \$626,322. Only 15% of the program's budget was spent in FY 2011.

Debt/Capital Projects:

Debt: In FY 2011, the certificates of participation (COP's) reported in the Arizona Department of Revenue annual debt report for Mohave County was \$11,920,000. In addition, Mohave County has \$36,155,000 outstanding in revenue bonds for its jail district.

The total debt service budget for FY 2013 amounts to \$23,096,271, an increase of \$4,979,904. The debt service payment for the Jail increased from \$9,872,188 to \$15,818,156. The debt service payments for the 2004 Certificates of Participation (COPs) decreased from \$7,281,615 to \$7,278,115.

Capital Projects: The total budget for capital projects in FY 2013 is \$11,492,311, up from last year's budget of \$10,847,102. The largest portion of the capital projects budget is for the Public Works Administration Building, which amounts to \$5,900,000 (Total cost of the project is actually \$6.2 million). Another \$5 million is allocated for Capital Improvements for construction of the Moccasin Justice Court. The audited fund balance for the County Capital Improvement Fund on June 30, 2011 was approximately \$11.9 million.

Sources: Mohave County Comprehensive Annual Financial Report
Mohave County Treasurer's Reports
Mohave County Board of Supervisors Meeting Minutes
Mohave County Budget Schedules

NAVAJO COUNTY

Overview

- Navajo County's general fund budget increased \$633,212 (1.6%), from \$38,692,033 to \$39,325,245.
- The general fund began FY 2013 with a \$4 million unreserved fund balance. The fund balance represents 10.2% of the total general fund.
- The county's total budget is down \$546,501, from \$113,913,886 to \$113,367,385.

Property Values

- Primary value in Navajo County fell \$51,844,735 (5.1%), from \$1,026,137,125 to \$974,292,390. Secondary value dropped \$62,148,191 (6%), from \$1,040,412,117 to \$978,263,926.

Property Tax Revenues

Primary Levy

- Navajo County levied \$6,155,109 in primary property taxes in FY 2013, which is \$184,211 (3.1%) more than last year's levy of \$5,970,898.
- The rate increased from \$0.5984 to \$0.6401, which is the county's TNT rate; therefore, the county was not required to hold a TNT hearing.

Flood Control District

- The flood control district tax rate remains the same at \$0.3000 in FY 2013, which generated a levy of \$2,644,314, \$394,525 (13%) less than last year.
- In FY 2013, the county is transferring \$894,828 (34% of the levy) from the flood control district to the county general fund, which is up \$680,300 from last year's transfer of \$214,528, which was for reimbursement of indirect costs. The county is transferring the additional funds as a result of the state budget provision that allows counties to backfill state cost shifts with special district revenue, of which \$580,300 is for AHCCCS contributions, \$214,528 is for indirect costs, and \$100,000 is for Return-to-Competency/Sexually Violent Offenders. The district is also transferring \$184,362 for child support services.
- The beginning fund balance for the district is \$7,376,813. The district holds a large beginning fund balance for the repair of the Winslow levee, which is still in the study phase. The anticipated cost to the county is approximately \$25 to \$30 million. County officials do not expect construction to commence for another decade.

Library District

- The library district levied \$511,414, which is down \$8,792 (7.8%) from last year's levy of \$520,206. The library district tax rate remains the same at \$0.0500.
- The library district budget decreased \$8,427, from \$522,788 to \$514,361.
- In FY 2013, the county is charging the district \$245,564 for reimbursement of services, which represents approximately 48% of the library district levy.
- The district has a minimal beginning fund balance in FY 2013.

Public Health Services District (PHSD)

- The Board of Supervisors established the PHSD by unanimous vote of the Board in 2002. In FY 2013, the tax rate remains the same at \$0.1963, generating \$142,329 (7%) less in secondary taxes, from \$2,042,329 to \$1,900,000. The maintenance of effort payment is \$211,175.
- The PHSD budget is increasing \$74,338 (4%), from \$1,840,055 to \$1,914,393. The district pays for a variety of services, ranging from animal control services to detention nurses' salaries.

- The county is budgeting for the transfer of \$461,467 from the PHSD to the general fund for reimbursement of services, which accounts for 24% of the property taxes levied for the district.
- The PHSD has a beginning fund balance of \$860,822.

Navajo County	TY 2011 Rate	TY 2012 Rate	Difference	TNT	TY 2011 Levy	TY 2012 Levy	Difference	% Difference
Primary	0.5984	0.6401	0.0417	0.6401	\$5,970,898	\$6,155,109	\$184,211	3.1%
Flood	0.3000	0.3000	0.0000		\$3,038,839	\$2,644,314	-\$394,525	-13.0%
Library	0.0500	0.0500	0.0000		\$520,206	\$511,414	-\$8,792	-1.7%
PHSD	0.1963	0.1963	0.0000		\$2,042,329	\$1,900,000	-\$142,329	-7.0%
Overall Rate	1.1447	1.1864	0.0417		\$11,572,272	\$11,210,837	-\$361,435	-3.1%

Other General Fund Revenues

- Auto lieu is decreasing \$98,257 (4.8%), from \$2,045,139 to \$1,946,882.
- State shared sales tax is up \$284,409 (3%), from \$9,563,641 to \$9,848,050.
- Half-cent sales tax is increasing \$364,778 (6.1%), from \$6,021,973 to \$6,386,751.
- PILT is remaining the same at \$1,053,000.

Special Revenues

Road Fund

- HURF revenue is decreasing \$1,175,000 (15.8%), from \$7,450,000 to \$6,275,000. The Public Works/HURF budget decreased \$2,559,696 (12.8%), from \$20,023,986 to \$17,464,290.
- The County is transferring \$678,399 from HURF to the county general fund for reimbursement of services, the same as last year.
- Auto Lieu is decreasing \$328,451 (14.6%), from \$2,250,000 to \$1,921,549.

Expenditures

- **Employee compensation:** Effective January 1, 2012, the county restored salaries for employees who received a 2.5% salary decrease in July 2009. The annualized cost to the general fund is \$90,000 and the cost to total funds is \$135,000. The budget includes an across-the-board 2% raise, which will be awarded based on a vote by the Board in January, 2013 at the earliest. According to county officials, pay raises will only be proposed if reported revenues come in strong and are sustainable long-term.
- **Budgeted FTEs:** In FY 2013, budgeted FTEs stayed the same at 346 in the general fund and 659 in total funds.
- **Vacancy & turnover rates:** The County has a vacancy rate of approximately 10.6% and a turnover rate of approximately 20% for all funds.
- **Budgeted payroll:** Budgeted payroll in the general fund increased slightly in FY 2013, from \$23,020,379 to \$23,775,588 and total revenue is up from \$40,905,148 to \$40,951,915.
- **Health benefits:** County employees absorbed approximately 70% of the 5% increase in health insurance premiums in FY 2013. The cost to the county is \$330,000 in the general fund and \$500,000 in total funds. There was no change in benefit structure. The County pays approximately 70% for employee and family health coverage in FY 2013, the same as FY 2012.
- **Jail Facilities:** The County jail holds 420 beds and is near full capacity. The county is in the planning stages of expanding the jail facility and county officials state that construction will begin in December. The expansion will be funded by a loan secured by the county (see *Debt/Capital Projects* section). The jail expansion will add 20 beds and will be equipped for medical examinations. Last year, the county began charging municipalities for bed rentals at half of the federal rate for the next three years, with a revenue estimate in FY 2013 of approximately \$350,000 (\$279,000 actual for FY 2012). The county has secured a contract to house up to 120 US Marshall inmates (average population is 60 inmates) at \$59/day. Budgeted revenue from the US Marshalls is \$3,716,126 in FY 2013. The

county contracts with BIA for housing juvenile inmates at \$130/day. Budgeted revenue from BIA in FY 2013 is \$200,000 and the average BIA population is approximately 3 to 4 inmates. Total medical costs in the jail facilities are budgeted at \$207,168. Of that amount, \$97,168 is for medication, \$60,000 is for hospital and medical facilities, \$25,000 is for physician services, and \$25,000 is for dental services.

Debt/Capital Projects:

According to the Department of Revenue's FY 2011 Report of Indebtedness, the county holds \$9,890,000 in revenue bonds:

- In August, the county secured a loan of \$8.5 million for debt refinancing (\$4.3 million), jail construction (\$4 million), and miscellaneous fees (\$200,000). The county will use the \$4.3 million set aside for debt refinancing to pay off the balance on the 2000 Series COPs for jail construction.
- The county issued \$6.6 million in 15-year revenue bonds in 2008 to pay for several projects, including a new county administrative building in Heber-Overgaard, facility renovations and improvements of water tanks and other facilities at the Holbrook county complex, renovations and improvements to the electrical system at the county complex, and the acquisition of sites, improvements and buildings located in Show Low, which will serve as a new regional county service center. The county pays for the debt service payments with general fund TPT revenues, with a payment in FY 2013 of \$1,150,000.

Capital projects in FY 2013 amount to \$6,474,585 and include a new public health facility in Show Low (\$749,950) and the expansion of the jail facility (\$5,246,729). Of the cost of the jail expansion, \$4 million will be funded by the \$8.5 million bank loan.

PIMA COUNTY

Overview

- Pima County's general fund budget for FY 2013 is \$492,090,256, an increase of \$436,801 over last year's general fund budget of \$491,653,455.
- The county's unreserved general fund balance for the beginning of this fiscal year is \$66,529,982, \$12,878,800 (24%) more than last year's fund balance of \$53,651,182. The current fund balance represents 13.5% of the total general fund.
- The total budget (total financial resources available) increased \$125,077,503 (7.1%), from \$1,766,776,771 to \$1,891,854,274 (Total budgeted expenditures decreased \$68.9 million (5.3%), from \$1.3 billion to \$1.2 billion). The major fluctuations in this year's budget (financial resources) consist of the following: Special revenue funds are decreasing \$34.6 million (10.9%); Debt service fund is up \$30.4 million (26.7%); Pima Health Systems fund is down \$53.6 million (72%); and the Wastewater Reclamation fund is up \$172.7 million (36.9%).

Property Values

- Pima County's primary value dropped from \$8,310,120,212 to \$8,073,937,734, a decrease of \$236,182,478 (2.8%). Secondary value decreased \$277,069,664 (3.3%), from \$8,448,281,586 to \$8,171,211,922

Property Tax Revenues

Primary Levy

- The levy decreased \$8,072,245 (3%), from \$284,023,289 to \$275,951,044, which is \$69,516,602 below the maximum allowable levy of \$345,467,646.
- The county's primary tax rate is staying the same at \$3.4178, which is 86 cents below the maximum rate of \$4.27488 and \$0.1302 below the TNT rate of \$3.5480. Therefore, the county was not required to hold a TNT hearing.

Debt Service

- The county's debt service rate remains the same at \$0.7800. The levy is decreasing \$2,161,143 (3%), from \$65,896,596 to \$63,735,453.
- The debt service budget is up \$12,142,142 (12%), from \$100,824,209 to \$112,966,351.

Flood Control

- The flood control district levy is dropping \$935,954 (5%), from \$20,116,215 to \$19,180,261. The rate stayed the same at \$0.2635.
- The district's budget is down \$586,948 (4.9%), from \$12,043,950 to \$11,457,002.
- The beginning fund balance for FY 2013 is \$8,221,913 (43% of levy).

Library District

- The Pima County library district rate is the same at \$0.3460. The levy is decreasing \$958,661 (1.3%), from \$29,231,054 to \$28,272,393.
- The Library District budget is up \$1,787,404 (5.5%), from \$32,212,596 to \$34,000,000. The county operates 27 branches (Effective July 1, 2012, Oro Valley converts from affiliate status to a branch within the system), a Book Mobile, and main deposit locations at the Pima County Jail and the Juvenile Detention Center.
- The library district began FY 2013 with a beginning fund balance of \$14,519,035 (51% of levy).

Pima County	TY 2011	TY 2012	Difference	TNT	TY 2011	TY 2012	Difference	% Difference
Primary	3.4178	3.4178	0.0000	3.5480	\$284,023,289	\$275,951,044	-\$8,072,245	-2.8%
Bonds	0.7800	0.7800	0.0000		\$65,896,596	\$63,735,453	-\$2,161,143	-3.3%
Flood	0.2635	0.2635	0.0000		\$20,116,215	\$19,180,261	-\$935,954	-4.7%
Library	0.3460	0.3460	0.0000		\$29,231,054	\$28,272,393	-\$958,661	-3.3%
Overall Rate	4.8073	4.8073	0.0000	3.5480	\$399,267,154	\$387,139,151	-\$12,128,003	-3.0%

Other General Fund Revenues

- State shared sales tax revenues are budgeted to bring in \$93,646,000, \$7,417,300 (8.6%) more than last year.
- Auto lieu tax is down slightly to \$23,113,145.
- Transient lodging tax is up \$691,048 (14.9%), from \$4,651,352 to \$5,342,400.

Other Special Revenues

Transportation

- Intergovernmental revenue (HURF) is budgeted to generate \$46,964,305, \$847,389 (1.8%) less than last year. The transportation budget increased \$1,281,695 (3.5%), from \$36,753,241 to \$38,034,936.

Sheriff

- The county does not rent beds to other jurisdictions, however, other jurisdictions are charged for misdemeanor arrests; \$200.38 for the first day and \$82.03/day for the remaining time served.
- The adult facility can hold up to 2,200 beds with triple bunking and the estimated average occupancy is 78%.

Expenditures

- **Budgeted FTE's:** Total FTE's decreased from 7,361 to 7,314 in FY 2013. In FY 2012, there were 4,782 FTE's in the general fund. County officials have not determined the number of general fund FTE's in FY 2013.
- **Budgeted Payroll:** In FY 2013, general fund budgeted payroll, including ERE's, increased \$15,544,701, from \$257,497,403 to \$273,042,104. Budgeted payroll for all funds decreased from \$433,446,049 to \$428,183,725, a decrease of \$5,262,324.
- **Employee Compensation:** Pay raises are not budgeted to county employees in FY 2013.
- **Health Benefits:** In FY 2013, healthcare premiums increased 11% at a cost of \$6 million. The impact to the general fund is approximately \$3.6 million. The county will absorb \$5 million of the increase and employees will absorb \$1 million.
- **Vacancy and Turnover Rates:** The employee vacancy rate is approximately 3% and county officials have not determined the turnover rate, which was 13.7% last year.

Capital Projects/Debt Service

The total Capital Projects fund, which includes both bond and non-bond projects, is budgeted at \$224,127,426 in FY 2013.

According to the Department of Revenue's report on indebtedness, the total outstanding debt at the end of FY 2011 in Pima County was \$997,804,256 [COP's=\$42,495,000; G.O.=\$452,750,000; and Revenue Bonds=\$502,559,256].

G.O. Bond debt: The budgeted payment in FY 2013 is \$64,920,089 to fund existing debt service and the debt service on a \$50 million bond sale expected in Spring of 2013. As the 1997 bonds are being retired, 2004 and 2006 bonds are being sold incurring new debt. Several major capital improvement projects are

slated for this year, including the Justice Court/Municipal Court Complex (\$19.6 million G.O./\$22.5 million Other Special Revenue), the communication emergency operations center (\$8.7 million), the Regional Public Safety Radio System (PCWIN-\$22.9 million), and park improvement projects.

Street and Highway Revenue Debt Service: The 1997 Transportation Bond authorization provides for the sale of Street and Highway Revenue bonds with the debt service being repaid from HURF revenues. The budgeted debt service in FY 2013 is \$18,291,321.

Certificates of Participation (COP's): The 2008 and 2009 COP's were issued primarily to fund short-term cash flow requirements affecting the construction of transportation and sewer projects. The debt service is primarily funded with operating transfers from transportation impact fees and sewer revenue funds. In January, 2010, the county issued \$20 million in COP's to fund the PimaCore project for the acquisition of a countywide resource management system. In FY 2013, the county will issue \$54.5 million in COPs, in which \$30 million will fund short-term cash flow requirements, \$18.5 million for the construction of Fleet services facility improvements, and \$6 million for the construction of Curtis Park. The amount of \$29,754,941 is budgeted to fund total debt service requirements.

The county is going back to voters with another bond election in 2014.

PINAL COUNTY

Overview

- Pinal County's general fund budget for FY 2013 is \$190,822,498. This is an increase of \$718,090 (0.3%) above the adopted FY 2012 budget.
- The county shows an unreserved general fund balance of \$42,324,779, which is \$2,724,779 (6.9%) more than last year. The fund balance represents 22% of the total general fund.
- The total budget dropped \$22,581,115 (6.3%), from \$357,096,950 to \$334,515,835.

Property Values

- The county's primary net assessed value decreased \$6,367,425 (0.3%), from \$2,160,151,164 to \$2,153,783,739. The secondary net assessed value decreased \$41,629,045 (1.9%), from \$2,218,641,620 to \$2,177,012,575.

Property Tax Revenues

Primary Levy

- The primary property tax levy for FY 2013 is \$81,841,628, generating \$4,562,258 (5.3%) less revenue than last years' levy of \$86,403,886.
- The primary tax rate dropped 20 cents to \$3.7999, which is \$1.3656 below the maximum allowable tax rate of \$5.1655. The proposed primary rate is also \$0.2575 less than the TNT rate of \$4.0574; therefore, the County was not required to hold a TNT hearing.

Flood Control District

- The Flood Control District levy decreased \$55,141 (1.8%), from \$3,111,460 to \$3,056,319. The tax rate for the district remains the same at \$0.1700.
- The flood control district budget is up \$204,872 (2.7%), from \$7,624,927 to \$7,829,799.
- The county is charging the district \$54,646 for reimbursement of services, up from \$15,577 in FY 2012.
- The beginning fund balance for FY 2013 is \$5,900,000, nearly double the levy (193% of levy).

Library District

- The Library District levy is \$40,380 (1.9%) lower than last year, with a decrease from \$2,152,082 to \$2,111,702. The rate remains the same this year at \$0.0970.
- The total Library District budget decreased \$83,332 (3.9%), from \$2,155,672 to \$2,072,340.
- The county is charging the district \$619,409 for reimbursement of services, up from \$566,218 last year.
- The district had a beginning fund balance of \$500,000 (24% of levy).

Pinal County	TY 2011	TY 2012	Difference	TNT	TY 2011	TY 2012	Difference	% Difference
Primary	3.9999	3.7999	-0.2000	4.0574	\$86,403,886	\$81,841,628	-\$4,562,258	-5.3%
Flood	0.1700	0.1700	0.0000		\$3,111,460	\$3,056,319	-\$55,141	-1.8%
Library	0.0970	0.0970	0.0000		\$2,152,082	\$2,111,702	-\$40,380	-1.9%
Overall Rate	4.2669	4.0669	-0.2000	4.0574	\$91,667,428	\$87,009,649	-\$4,657,779	-5.1%

Other General Fund Revenues

- The half-cent sales tax increased \$667,410 (5.5%), from \$12,207,590 to \$12,875,000.
- State shared sales tax is up \$1,302,000 (5%), from \$25,890,000 to \$27,192,000.
- Auto Lieu is down \$160,000 (1.9%), from \$8,320,000 to \$8,160,000.

- PILT dropped \$5,000, from \$1,255,000 to \$1,250,000.
- Building permit revenues increased \$200,000 (20%), from \$1,000,000 to \$1,200,000.

Public Health Services District

- The county board of supervisors created a PHSD by unanimous vote of the board, which became effective in October 2007, and is funded by a 0.10-cent sales tax rate.
- The sales tax revenue that supports the PHSD budget stayed the same at \$2,512,887.
- The PHSD budget is up 12,821, from \$3,593,188 to \$3,606,009.
- The maintenance of effort payment is \$1,207,075.
- The county is charging the district \$406,003 for reimbursement of services.
- The beginning fund balance for the PHSD is \$423,837 (17% of sales tax revenues).

Special Revenue Funds

Roads

- HURF revenue is up \$1,900,000 (11%), from \$17,280,000 to \$19,180,000.
- The HURF budget increased \$457,293 (2.3%), from \$19,986,030 to \$20,443,323.

Jail Facilities:

- **Adult Jail:** The adult facility has a maximum of 1,511 beds with an average daily occupancy of 1,135. The county has a contract with the US Marshalls to rent up to 250 beds at \$59.74/day and ICE to rent up to 625 beds at \$59.64/day. Budgeted revenue from renting beds in the adult facility in FY 2013 is \$12,447,000.
- **Juvenile:** The juvenile facility holds 96 beds, with an average occupancy of 42. Up to 22 beds are rented to the US Marshalls at \$80/day (average beds rented to the US Marshalls is 16). Budget revenue from renting beds in FY 2013 is \$186,680.
- Budgeted medical costs are \$3,730,045 in the adult facility and \$266,326 in the juvenile facility.

Expenditures:

- **Employee compensation:** The County is not budgeting for employee pay raises in FY 2013.
- **Budgeted FTE's:** In FY 2013, general fund FTE's decreased from 1,563 to 1,515 and total FTE's decreased from 2,211 to 2,132.
- **Vacancy & turnover rates:** The employee vacancy rate is 6% and the turnover rate is 11.5%.
- **Budgeted Payroll:** In FY 2013, general fund budgeted payroll, including EREs, decreased from \$108 million to \$107 million and total payroll dropped from \$149 million to \$146 million.
- **Health benefits:** The County covers a flat amount toward employee benefits which is budgeted at \$6,741/employee. The County will absorb 100% of the increase in insurance premiums, which may be 10%. The budgeted cost of the increase to the county is \$503,909 in the general fund and \$686,801 in all funds.

Debt/Capital Projects:

According to the Department of Revenue's FY 2010-11 Report of Indebtedness, the county held \$158,870,000 in debt. Of that amount, \$61,685,000 is in MPC debt and \$97,185,000 in revenue bonds. In FY 2011, the county issued \$30.4 million in new revenue bonds, of which \$12 million was for construction of health clinics and renovations of Human Resources and Administration office space. \$18.4 million was for the refunding of the Series 2001 COPs.

Debt Service Payments: Total debt service payments in FY 2013 amount to \$17,168,659:

- **Certificates of Participation (\$5,039,114):** Adult/juvenile detention expansion (\$4,975,022); energy conservation (\$64,092)
- **Revenue Bonds (\$2,984,901):** Series 2010 refunding bonds (\$2,215,325); Series 2010 Bonds (\$384,788 each for public health clinics and general fund)
- **Various Capital Leases (\$1,882,543)**
- **GADA (\$7,255,213):** Ironwood/Gantzel Road (\$5,107,513); Animal Control expansion (\$213,199); 2008 long-term care facility (\$347,851); and various projects (\$1,586,650).

Capital Projects: The total capital projects budget in FY 2013 is at \$16,413,797, down from last year's budget of \$20,159,869:

- Countywide Computer Project (\$5,114,210)
- Public Works/Kelvin Bridge (\$4,000,000)
- Justice Complex Water Storage and Appropriation Reserve (\$58,000)
- Public Works/Gantzel Road (\$1,505,000)
- Florence Courthouse renovation (\$4,300,000)
- Fairgrounds (\$227,337)
- Facilities Management (\$1,209,250)

SANTA CRUZ COUNTY

Overview

- Santa Cruz County's FY 2013 general fund budget is \$27,108,017, which is \$1,293,518 (5%) higher than last year's budget of \$25,814,499.
- The county started the year with an unreserved general fund balance of \$10,611,502. This is \$648,363 (6.5%) above last year's balance of \$9,963,139. The fund balance represents 39% of the total general fund.
- This year's total budget of \$73,370,071 is \$3,307,061 (4.3%) less than last year's adopted budget of \$76,677,132.

Property Values

- Primary net assessed value decreased \$13,121,593 (3.4%), from \$382,619,719 to \$369,498,126. Secondary net assessed value decreased from \$399,635,559 to \$375,669,863, a drop of \$23,965,696 (6%).

Property Tax Revenues

Primary Levy

- The primary property tax levy of \$10,425,390 is \$370,225 (3.4%) less than last year's levy of \$10,795,615 and \$2,192,231 below the county's constitutional levy limit.
- The county kept the primary tax rate the same this year at \$2.8215, which is over 59 cents below the maximum allowable rate of \$3.4148 and nearly 46 cents below the TNT rate. Therefore, the county was not required to hold a TNT hearing.

Flood Control

- The county's flood control levy is down \$135,777 (6.5%) this year, from \$2,089,389 to \$1,953,612. The rate remains constant at \$0.5643.
- The flood control district budget is down \$309,360 (11.3%), from \$2,738,497 to \$2,429,137. Reserves are decreasing from \$11,772,156 to \$10,006,343 (see description under *Debt/Capital Projects* section).
- At the end of FY 2012, the county transferred \$1.5 million from the flood control district to the general fund based on the authority provided by the state budget provision to backfill state cost shifts.

Santa Cruz County	TY 2011	TY 2012	Difference	TNT	TY 2011	TY 2012	Difference	% Difference
Primary	2.8215	2.8215	0.0000	2.9570	\$10,795,615	\$10,425,390	-\$370,225	-3.4%
Flood	0.5643	0.5643	0.0000		\$2,089,389	\$1,953,612	-\$135,777	-6.5%
Overall Rate	3.3858	3.3858	0.0000	2.9570	\$12,885,004	\$12,379,002	-\$506,002	-3.9%

Other General Fund Revenues

- Auto lieu tax remains the same at \$1,200,000.
- The county half-cent sales tax increased \$100,000, from \$2,200,000 to \$2,300,000.
- State shared sales tax is up \$400,000 (11.8%), from \$3,400,000 to \$3,800,000.
- PILT is down \$475,000 (54.3%), from \$875,000 to \$400,000.

Special Revenue Funds

- Road fund revenue is up \$470,700 (15.3%), from \$3,079,300 to \$3,550,000.
- The road fund budget is increasing \$801,130 (17.1%), from \$4,672,507 to \$5,473,637.
- Forest fees decreased from \$547,186 to \$304,054.

Jail District

- Voters approved the jail district in November 2005, with the ability to levy a half-cent sales tax effective 7/1/06. Total revenues in the jail district are decreasing slightly from \$6,277,059 to \$6,100,000, which includes a combination of the ½-cent sales tax revenue (approximately \$2.5 million) and revenue from renting beds to other entities (approximately \$3 million).
- The jail district budget is down \$112,800 (1.2%), from \$9,632,310 to \$9,519,510.
- The maintenance of effort payment increased from \$2,898,656 in FY 2012 to \$2,956,915 in FY 2013.
- **Juvenile jail facilities:** The old juvenile jail facility holds 28 beds, with approximately 10 beds occupied on average. The new juvenile facility holds 32 beds, which was completed in FY 2010. Juveniles moved into the new facility in December 2011.
- **Adult facilities:** The adult jail facility holds 377 beds and the average occupancy is approximately 50%.
- In FY 2013, medical expenses in the jail facilities are budgeted at \$900,000. The county has four nurses, after adding two more this year, assigned to the jail facilities in order to maintain low medical costs.
- In FY 2013, the county is hoping to rent 150 beds (currently 100) to other entities, mostly the Marshalls, ICE, and Customs, at \$65/day. The Feds are responsible for any additional medical and dental costs, as well as transportation costs. In FY 2013, approximately \$3 million is budgeted to be generated by housing inmates of other jurisdictions (estimating 165 inmate days).

Expenditures

- **Budgeted payroll:** In FY 2012, general fund budgeted payroll was \$11,046,742 and total budgeted payroll was \$23,163,240. In FY 2013, general fund budgeted payroll is \$11,531,576 and budgeted payroll in total funds is \$23,113,581.
- **Budgeted FTE's** in the general fund in FY 2012 were 176 and 389 in total funds. In FY 2013, budgeted general fund FTE's is 174 and 383 in total funds.
- **Employee compensation:** The County did not originally budget for any pay raises in FY 2012; however, the county did award employees with a one-time bonus in December of 2011, in which full-time employees received \$250 and part-time permanent employees received \$125. The impact of the bonus to the general fund was \$39,328 and \$50,250 for all funds. The county did not budget for any raises in FY 2013.
- **Vacancy & Turnover rates:** The County's vacancy rate was less than 5%. Estimated turnover for the County was less than 1%.
- **Health benefits:** Health premiums did not increase in FY 2012 or FY 2013. The average subsidy for employee coverage is 89.3% and 75.3% for dependents.

Debt/Capital Projects:

Debt: According to DOR's FY 2011 Report of Bonded Indebtedness, Santa Cruz County had \$14,465,000 in outstanding revenue bonds, which was a GADA loan used for the new court facilities. The debt service payment in the county's FY 2013 budget is \$1,366,945. The Santa Cruz County Jail District had \$40,780,000 outstanding in revenue bonds and the budgeted debt service payment in FY 2013 is \$3,248,306.

In FY 2012, the Board of Supervisors approved a \$13 million, 20-year loan for the construction of the Chula Vista Bridge and Palo Parado Road. Construction on the Palo Parado project has begun and is anticipated to be completed in 18 months. However, construction on the Chula Vista Bridge will not commence until the Federal government approves the funding for the project.

YAVAPAI COUNTY

Overview

- The county general fund budget for FY 2013 of \$88,018,086 is a \$2,246,055 (2.6%) increase from last year's adopted budget of \$85,772,031.
- This year's beginning general fund balance of \$8,079,147 is \$1,766,611 (18%) less than last year's fund balance of \$9,845,758. The fund balance represents 9.2% of the total general fund.
- The total budget (total financial resources) for FY 2013 is \$236,582,755, \$20,889,178 (8.1%) less than last year's total budget of \$257,471,933.

Property Values

- Primary net assessed value decreased \$306,704,158 (11%), from \$2,712,177,881 to \$2,405,473,723. The county's secondary net assessed value dropped \$338,865,699 (12%), from \$2,753,690,772 to \$2,414,825,073.

Property Tax Revenues

Primary Levy

- The county's primary property tax levy of \$39,512,311 is \$714,606 (1.8%) more than last year's levy of \$38,797,705.
- The primary rate increased \$0.2121, from \$1.4305 to \$1.6426, which is the county's TNT rate; therefore, the county was not required to hold a TNT hearing.

Flood Control District

- The Flood Control rate increased from \$0.2483 to \$0.2963. The levy is staying the same at \$6,093,654.
- The Flood Control District budget increased \$461,145 (4.7%), from \$9,904,935 to \$10,366,080. Actual expenditures during FY 2012 are reported at \$5,282,509 (53% of budget).
- The county transferred \$550,000 from the flood control district to the general fund to backfill state cost shifts. The transfer is 9% of the district's property tax levy.
- The county is charging the district \$529,774 (8.7% of levy) for administrative costs in FY 2012.
- The district has a beginning fund balance of \$4,622,426 (76% of levy) in FY 2013.

Library District

- The Library District rate increased from \$0.1456 to \$0.1660, with the levy staying the same at \$4,009,612.
- The Library District budget decreased \$200,293, from \$5,667,758 to \$5,467,465.
- The county is charging the library district \$570,342 (14% of levy) for reimbursement of services in FY 2013.
- The FY 2013 beginning fund balance in the library district is \$1,421,710 (35% of levy).
- County employees only staff libraries in unincorporated areas of the county. Otherwise, cities administer their municipal libraries. The county supports all libraries with the library network for inter-library book loans, databases, and capital improvements.

Yavapai County	TY 2011 Rate	TY 2012 Rate	Difference	TNT	TY 2011 Levy	TY 2012 Levy	Difference	% Difference
Primary	1.4305	1.6426	0.2121	1.6426	\$38,797,705	\$39,512,311	\$714,606	1.8%
Flood	0.2483	0.2963	0.0480		\$6,093,654	\$6,093,654	\$0	0.0%
Library	0.1456	0.1660	0.0204		\$4,009,612	\$4,009,612	\$0	0.0%
Overall Rate	1.8244	2.1049	0.2805		\$48,900,971	\$49,615,577	\$714,606	1.5%

Other General Fund Revenues

- Through December 2012, the county's half-cent sales tax is apportioned as follows: 30% to the county general fund; 30% to capital improvements; and 40% to regional roads. Beginning January 2013, 40% will go to the county general fund, 20% will go to capital improvements, and regional roads will continue to receive 40%. The total budgeted ½-cent sales tax for FY 2013 is \$12,833,625, which is \$1,118,715 (9.5%) more than last year's budgeted revenues of \$11,714,910.
- VLT decreased \$132,780 (1.9%), from \$6,815,492 to \$6,682,712.
- State shared sales tax is up \$1,345,642 (6%), from \$22,547,378 to \$23,893,020.
- PILT revenues decreased \$162,207, from \$3,035,000 to \$2,872,793.

Special Revenue Funds

Road Fund

- In FY 2012, budgeted HURF revenue was \$9,344,803, VLT was \$2,818,446, national forest fees were \$97,283, and other revenues were \$100,000. In FY 2013, budgeted HURF is up to \$9,663,513, VLT is down to \$2,635,568, and other revenues remain the same at \$100,000.
- The HURF budget decreased \$1,059,247, from \$15,733,786 to \$14,674,539.
- The revenue distributed to Regional Roads increased \$447,486 (9.5%), from \$4,685,964 to \$5,133,450.
- The Regional Roads budget decreased \$4,101,868 (21.8%), from \$18,788,242 to \$14,686,374.

Jail District

- Yavapai County voters approved a jail district in November 1999 with the authority to levy a sales tax to fund the district. In FY 2013, the sales tax rate will generate \$6,368,442, \$803,513 more than last year.
- In FY 2013, the maintenance of effort payment increased \$156,393 (2.4%), from \$6,490,787 to \$6,647,180.
- The jail district budget increased \$1,105,531 (7.5%), from \$14,705,092 to \$15,810,623.
- There are approximately 600 beds in the Verde Valley adult facility, with the ability to open an additional 44 beds (the Prescott facility held 135 beds). The average occupancy of the Verde Valley facility was 563 in FY 2012. In FY 2013, the county estimates total revenues of approximately \$2,400,000 by renting beds at \$60/day to other jurisdictions, the same as last year. The county rents beds to ICE, US Marshals, Yav-Apache Nation Police, and Yavapai-Prescott Indian tribe. Medical costs in the jail are budgeted at \$3,330,360.
- The county contracts with Wexford Health Solutions, Inc. to deliver its medical services in the jails, including restoration-to-competency (RTC) services. Yavapai contracts with seven counties to provide RTC services – Coconino, Mohave, Yuma, Navajo, Graham, Gila, and La Paz. The county budgeted \$1,100,000 for renting beds for RTC at a rate of \$350 on the day of intake and \$250 for subsequent days.
- The county is constructing a new juvenile jail facility at an estimated cost of \$16,800,000, down from last year's estimate of \$18,525,000. The new facility will hold 80 beds and will be completed during FY 2013 (see discussion under *Debt* category).

Expenditures

- **Employee compensation:** In January 2012, the Board awarded a 2% COLA to employees at an annualized cost of \$1,000,000 to the general fund and jail district and \$200,000 to other budgeted funds. Also, the county reclassified approximately 176 positions as the result of a study that the county conducted through the use of Compease software. The County also compared its salary ranges to five other counties – Coconino, Mohave, Pinal, Yuma, and Cochise. The annualized cost is

estimated at \$764,000 (effective 1/11/12), with an impact to the general fund of \$621,496 and \$142,504 to the jail district. In FY 2013, employees will receive a merit increase of 1%, effective October 2012. The total cost of the increase is \$603,727—\$430,425 in the general fund and \$173,302 in other budgeted funds.

- **Budgeted FTE's:** Budgeted FTEs for the general fund increased from 793 to 833 and total FTEs remain at 1,169. The increase in the general fund is largely the result of 23 positions that were added to the Facilities department and additional staff was added as a result of the Board of Supervisors expanding from three supervisors to five.
- **Budgeted payroll:** In FY 2012, the general fund budgeted payroll was \$51,971,233 and total payroll, including EREs, was \$72,362,114. Budgeted payroll is up in the general fund in FY 2013 to \$55,470,068 and total payroll increased to \$76,092,970.
- **Health benefits:** The 2.5% increase in health premium insurance costs this year will be proportionally absorbed between the counties and the employees. The insurance premium increase impacted the General Fund by \$156,692 and other funds by \$64,162. The county continues to pay 100% of employee benefit costs and 25% for dependents.
- **Vacancy & Turnover rates:** The employee vacancy rate at the end of FY 2012 for the general fund was 15.5% and 18.4% for all funds and the turnover rate for calendar year 2011 was 12.7%.

Debt:

The County had a \$25,275,000 Variable Rate Demand Highway Construction Advancement Revenue Bond Series 2007 (dated July 2008) that was used to advance funds to ADOT for the construction of SR260 in order to move the project up on ADOT's construction schedule. ADOT will pay back the County within five to eight years and the County will be paying interest only during that time. According to DOR's FY 2011 bonded indebtedness report, the outstanding balance for these revenue bonds is \$2,800,000. No payment was budgeted in FY 2011 but expenditures amounted to \$11.2 million. The debt was paid in full in FY 2012; however, the county is expecting the final reimbursement payment from ADOT of \$1,400,000 in FY 2013.

The jail district issued \$15,260,000 in revenue bonds in 2002 to build the Camp Verde jail. The debt service for FY 2012 was the final bond payment.

The debt service for the capital projects funded with the ½-cent sales tax increased from \$2,111,865 to \$2,113,865.

Capital Projects:

In May 2008, the County entered into a 20-year, \$50 million lease/purchase agreement to fund its capital projects. However, due to the dramatic drop in general fund revenues in FY 2010, the county made the decision to return \$25 million. The \$25 million remaining was used to construct a new Superior Court building next to the Camp Verde Jail (\$11 million) and a new Juvenile Detention and Administration facility on the Prescott Lakes Parkway currently under construction (\$14 million).

Remaining county funds and 30% of the county's half-cent sales tax revenues will help fund the following projects: Public Works addition (\$1,880,000); Administration building (\$2,600,000); Courthouse renovation (\$700,000); Parking deck at Criminal Justice building (\$600,000).

The capital projects budget dropped from \$29,888,051 to \$10,451,659.

YUMA COUNTY

Overview

- Yuma County's FY 2013 general fund budget decreased from \$76,603,524 to \$75,367,041, which is \$1,236,483 (1.6%) less than last year.
- The county started FY 2013 with an unreserved general fund balance of \$15,628,058, which is \$1,630,739 (9.4%) less than last year's fund balance. The fund balance represents 20.7% of the total general fund.
- The FY 2013 total budget decreased \$48,761,829 (16.7%), from \$291,601,369 to \$242,839,540. The majority of the decreases occurred in the capital projects fund (\$27.7 million), special revenue funds (\$12.5 million), and the debt service funds (\$5.2 million).

Property Values

- The county's primary net assessed value decreased \$60,479,600 (4.8%), from \$1,247,085,332 to \$1,186,605,732. The secondary net assessed value dropped from \$1,312,293,848 to \$1,226,368,745, a decrease of \$85,925,103 (6.5%).

Property Tax Revenues

Primary Levy

- The primary levy of \$22,305,815 is a decrease of \$1,136,894 (4.8%) below last year's levy of \$23,442,709.
- The Yuma County primary tax rate stayed the same at \$1.8798, which is less than the maximum tax rate of \$2.0461 and the TNT rate of \$2.0059. Therefore, the county was not required to hold a TNT hearing.

Flood Control District

- In FY 2013, the flood control district levy decreased \$216,251 (6.7%), from \$3,211,011 to \$2,994,760.
- The tax rate for the flood control district stayed the same at \$0.2794.
- The district began FY 2013 with a fund balance of \$16,384,836. The fund balance has been accumulated for several projects, including the Smucker Park detention basin.
- The flood control district budget increased \$858,658 (4.6%), from \$18,485,700 to \$19,344,358.
- The county charged the flood control district \$86,531 in FY 2013 for reimbursement of services.

Library District

- The library district levy decreased \$470,405 (4.5%), from \$10,540,460 to \$10,070,055 (M&O from \$7,216,050 to \$6,741,030; bonds from \$3,324,410 to \$3,329,025).
- The library district rate increased slightly from \$0.8009 to \$0.8191 (M&O rate stays constant at \$0.5483; bond rate is increasing from \$0.2526 to \$0.2708). In 2005, the voters of Yuma County authorized the library district to sell \$53 million in G.O. bonds to pay for three new libraries, expansion/renovation of three branches, and enhancements of two branches throughout the county.
- The budgeted amount for the library district debt service in FY 2013 is \$7,519,493 (includes contingency of \$4,190,468), up from last year's budget of \$7,189,190 (includes contingency of \$3,866,865).
- The beginning fund balance for FY 2013 was \$8,824,378.
- The library district budget decreased \$126,917, from \$15,596,024 to \$15,469,107.
- The county charged the district \$412,529 for reimbursement of services.

Yuma County	TY 2011	TY 2012	Difference	TNT	TY 2011	TY 2012	Difference	% Difference
Primary	1.8798	1.8798	0.0000	2.0059	\$23,442,709	\$22,305,815	-\$1,136,894	-4.8%
Flood	0.2794	0.2794	0.0000		\$3,211,011	\$2,994,760	-\$216,251	-6.7%
Library*	0.8009	0.8191	0.0182		\$10,540,460	\$10,070,055	-\$470,405	-4.5%
Overall Rate	2.9601	2.9783	0.0182	2.0059	\$37,194,180	\$35,370,630	-\$1,823,550	-4.9%

* Yuma's Library District rate includes a rate of \$0.2526 for voter-approved G.O. bonds in tax year 2011 and \$0.2708 in tax year 2012.

Other General Fund Revenue

- Auto lieu is down \$400,000 (5.9%), from \$6,793,862 to \$6,393,862, and is distributed as follows: \$4,593,862 (general fund); \$900,000 (HURF-public works); and \$900,000 (HURF-development services).
- The budgeted half-cent county sales tax is up \$693,119 (6.4%), from \$10,845,462 to \$11,538,581.
- State shared sales tax increased \$334,136 (2%), from \$16,706,786 to \$17,040,922.
- PILT remains the same at \$3,224,801.

Special Revenue Funds

HURF (Road) Fund

- The county's HURF revenues are down \$1,146,199 (10.9%), from \$10,563,199 to \$9,417,000. In FY 2013, the county is distributing \$3,883,807 of HURF revenues to development services and \$5,533,193 to public works.
- The HURF fund budget decreased \$3,952,741 (12.1%), from \$32,574,512 to \$28,621,771 (\$18,936,692 in the Development Services fund and \$9,685,079 in Public Works).

Jail District

- The Yuma County jail district sales tax increased \$691,119 (6.4%), from \$10,845,462 to \$11,536,581. In May 2011, voters approved a 20-year extension for the jail district sales tax. The tax, which was supposed to expire at the end of 2015, will now expire in 2035.
- The adult facility holds approximately 840 beds and the average occupancy is 650. The county rents beds at \$78/day for total budgeted revenues of \$553,500 from the Cocopah Tribe (\$43,500), the U.S. Marshalls, and other federal law enforcement agencies (\$510,000). Medical expenses are budgeted at \$685,169 in FY 2013.
- The juvenile facility holds 79 beds and beds are rented to La Paz County and the Cocopah Tribe at an estimated \$32,000 in FY 2013.
- There are 272 FTE's in the adult and juvenile jail facilities, with 38 vacant medical, clerical, supervisory, and officer positions.
- The county jail annex was completed in August 2008. The facility added 81 beds and increased the total number of beds to 757, of which approximately 650 are occupied.
- The beginning fund balance for FY 2013 is \$1,519,565 (13% of sales tax revenue).
- The jail district budget increased \$165,523, from \$18,994,291 to \$19,159,814.
- The maintenance of effort payment in FY 2013 is \$6,415,099.
- The jail district was charged \$582,262 by the county for reimbursement of services.

Public Health Services District (PHSD)

- The County Board of Supervisor's created the PHSD in April 2005. The district is funded with a 0.1% sales tax rate, which is estimated to produce \$2,225,000 in FY 2013, up \$55,907 (2.6%) from \$2,169,093 in FY 2012.
- The maintenance of effort payment for the district is \$786,898.
- The PHSD began FY 2013 with a balance of \$1,057,393 (48% of sales tax revenue).

- The health services budget increased \$185,927 (4%), from \$4,627,865 in FY 2012 to \$4,813,792 in FY 2013.
- The county charged the district \$1,032,674 (46% of sales tax revenue) for reimbursement of services.

Expenditures

- **Employee compensation:** The County is reclassifying approximately nine positions, effective July 1, 2012. The cost to the general fund is \$5,927 and \$37,557 to total funds. Otherwise, the county is not awarding any other pay raises.
- **Budgeted FTE's:** In FY 2012, the general fund FTE's were budgeted at 663 and special revenue fund FTE's at 802, amounting to 1,465 in total FTE's. In FY 2013, the general fund FTE's are budgeted at 655 and special revenue fund FTE's at 796, resulting in 1,450 total budgeted FTE's.
- **Vacancy & Turnover rates:** The vacancy rate is 8.67% and the turnover rate is 8.61%.
- **Budgeted payroll:** In FY 2012, the budgeted payroll for the general fund was \$41,341,403 and \$85,839,843 in total funds. Budgeted payroll decreased slightly in FY 2013 to \$41,029,054 in the general fund and \$85,495,453 in total funds.
- **Health benefits:** The County continues to offer a \$250 and a \$750 deductible PPO option for health insurance. Depending on which tier and plan the employee chooses, the county pays between 72% and 100% in premium costs. In plan year 2013, the County is adding a High Deductible Health Plan with a Health Savings Account (HSA) as a third option where the County pays 100% of the premium costs. The County will make a monthly contribution towards the employee's HSA. In FY 2013, the Employee Benefit Trust Fund budget decreased \$2,198,263 (11.1%), from \$19,720,410 to \$17,522,147.

Capital Projects:

- The capital projects budget decreased \$27,740,000 (80%), from \$34,525,140 to \$6,785,140. Capital projects slated for FY 2013 include:
 - **General (\$4,421,720):** East County facility (\$2,032,995);
 - **Improvement Districts (\$1,934,420):** B&C Colonia sewer (\$1,201,920); Mesa Del Sol landscape/wall repair (\$200,000); El Prado chemical feed (\$532,500).
 - **Jail District (\$429,000):** HVAC controller replacement (\$250,000); security control panel replacement (\$179,000).

Debt Service:

The county has entered into a lease purchase agreement to construct the East County facility. As of June 30, 2012, the outstanding balance on the revenue bonds is \$2,190,000 and the debt service payment for FY 2013 is \$282,826. The bonds are scheduled to be paid off in FY 2021.

Library District: As of June 30, 2012, the total G.O. debt for the library district was \$46,755,000. The debt service payment in FY 2013 is \$7,519,493, which includes \$4,190,468 in contingency. The debt is scheduled to be paid off in FY 2035.

Jail District: The total outstanding revenue bond debt for the Jail District amounted to \$8.5 million as of June 30, 2011, and was originally scheduled to be paid off on or before July 1, 2015. However, since the voters approved the extension to the sales tax, the county has refunded the bonds through a refunding refinance, which will extend the payment over 10 years. The outstanding debt as of June 20, 2012 after the refinance is \$7,450,000 and the budgeted debt service payment in FY 2013 is \$1,036,725. The debt will be paid off in FY 2021.