MEMORANDUM

Date: June 11, 2019

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

Re: **Fiscal Year 2019/20 Budget Options**

At the June 4, 2019 Board of Supervisors meeting, the Board discussed the upcoming Final Budget adoption and a number of strategies to reduce the overall budget cost and achieve Truth in Taxation tax neutrality where possible.

This memorandum will discuss a number of options available to the Board for those topic areas discussed at the June 4 meeting. Further, a recommendation for consideration to modify the Tentative Recommended Budget for Final Budget consideration will be included.

Truth in Taxation Tax (TNT) Levy and Rate Neutrality

The recommended levy and tax rate adopted in the Fiscal Year (FY) 2019/20 Tentative Budget for the primary property tax rate and levy, Library District tax rate and levy and Flood Control District are shown in Table 1 below. The Truth in Taxation neutral rate and levy is shown adjacent to the tentative adopted values.

Table 1: Tentative Adopted Tax Rates and Levy Reduction to achieve TNT Neutral

Fiscal Year 2019/20 Budget	Budgeted Expenditures	Tax Rate	TNT Rate	Levy Reduction
Total County Budget	$1,310,817,540	$5.5584	--	
Primary Property Tax:				
General Fund Primary	$616,076,355	$3.9996	$3.9257	$6,451,443
Secondary Property Taxes:				
County Free Library District	$43,111,317	$0.5353	$0.4971	$3,334,846
Regional Flood Control District	$16,914,213	$0.3335	$0.3208	$1,008,979
Debt Service	$107,861,884	$0.6900		

To achieve Truth in Taxation neutrality simply means the primary property tax rate should be reduced another $0.0739 cents from the already $0.0700 cent reduction by Tentative Budget adoption. This equates to a $6,451,443 decrease in the levy. The Library District secondary levy and rate would need to be reduced to $0.4971 from the adopted tentative budget or a decrease in the rate by $0.0382 cents and levy decrease by $3,334,846.

For the Regional Flood Control District (RFCD) secondary levy and rate would need to be reduced to $0.3208 from the adopted tentative budget or a decrease in the rate by $0.0127 cents and levy decrease by $1,008,979.

The easiest TNT neutral levy and rate to achieve is for the RFCD as its final budget tax rate could be reduced by $0.0127 cents and the tax levy by $1,008,979 to achieve fiscal neutrality and the elimination of the necessary TNT public hearing.

Please note the hearings are already advertised and should be held due to the Tentative Budget exceeding the neutral amount. However, the Board decides to structure the Final Budget, all of the Truth in Taxation hearings will need to be held even though the Board may adopt tax rates and levies that would then be below the tax neutral amounts upon final adoption.

Library District and Regional Flood Control District Secondary Levies and Rates
The Library and Flood Control Districts deserve a separate discussion from the County primary property tax levy and rate. This is simply because both are special districts and have unique characteristics, which means a savings in the RFCD cannot be transferred and used for any other County purpose. Similarly, the same constraint applies to the Library District levy. Therefore, if we were to reduce the RFCD capital projects transfer by $8.4 million, it would not affect the rates/levies of either the Library secondary or the County primary property tax levies and rates.

Flood Control District
The easiest tax levy and rate to achieve TNT neutrality is in the RFCD. Over the years, the capital projects transfer from the RFCD to the Capital Projects Fund has been highly variable and as shown in Table 2 below.

Table 2: Regional Flood Control District Transfers to Capital Projects

Fiscal Year	Total Operating Transfers
2011/12	$14,000,000
2012/13	9,844,737
2013/14	6,152,732
2014/15	10,000,020
2015/16	8,316,203
2016/17	6,363,964
2017/18	8,400,000
2018/19	8,621,943
2019/20*	$17,500,000

***Tentative Budget**

This variability arises, because in many cases, major flood control projects take many years to plan and implement, particularly if there is federal funding associated with the project. In addition, these transfers reflect the variability of flood damages that may occur from year to year. Hence, reducing the RFCD rate and levy to achieve neutrality is easily executed if the Board so desires.

Library District

The Library District is more complicated because our system is unique in the State of Arizona as it provides regional services regardless of jurisdiction. The County assumed the library system from the City of Tucson in 2006. It is truly a regional library system, unlike any other in any county in this State.

Historically, the Library District relied on voter-approved General Obligation bonding for capital library expansion. The Pay-As-You-Go (PAYGO) transition transfers this debt capital model to one based on PAYGO funding.

Presently, the Library District has completed one major library improvement and is in the middle of planning and implementing two others:

- Expansion of the Flowing Wells Library, which is now complete;
- Development of a new library at the Southeast Regional Park near Mary Ann Cleveland Way and Houghton Road; and,
- New regional library in the Town of Sahuarita

The Southeast and Sahuarita libraries are significant capital projects totaling over $13.5 million and both communities are eagerly anticipating their new libraries. Hence, I do not recommend the Board delay the two-cent tax increase for the Library District as this increase will rapidly achieve the PAYGO program status for the District and fund these new facilities in a timely manner.

Transitioning from Capital Debt Financing to PAYGO Financing Requires Truth in Taxation Exceedance

This year, Maricopa County has indicated that the FY 2020 budget allocates $296.9 million in capital improvement projects and they are holding their tax rate constant, which means it is not decreasing. Given the Maricopa County tax base grew by 6.9 percent and 2.7 percent was new construction, Maricopa County, by holding a flat tax rate (the same as their primary tax rate last year) will receive an additional $38 million in primary property taxes and is required to hold a TNT hearing. Hence, Maricopa County is in a great position to continue significant PAYGO capital funding. Pima County is not, as we are in the first year of transition. Maricopa County will be required to hold three TNT hearings, one for their primary tax levy and one each for the Flood Control and Library Districts. The same is required of Pima County based on our Tentative Budget adoption.

Our Assessor has appeared at least twice before the Board of Supervisors to essentially criticize the Board and their budget development for not adopting a TNT fiscal neutral rate and levy. After his first appearance I responded the County had met these standards in six of the last nine years (see my February 22, 2019 memorandum). To put this criticism in perspective, the Maricopa County Supervisors over the last four fiscal years have been required to and have held TNT hearings for all of their tax levies and rates. Table 3 below indicates these fiscal years and whether Maricopa County held a TNT hearing as now required by Arizona Statutes.

Table 3: Maricopa County - Property Taxes
Truth in Taxation Hearing Required
FY 2016/17 through FY 2019/20

Property Tax	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Primary	Yes	Yes	Yes	Yes
Library District	Yes	Yes	Yes	Yes
Flood Control District	Yes	Yes	Yes	Yes

Clearly, Maricopa County had no difficulty in holding these hearings, primarily because they have a long-term strategic goal to expand funds available for their capital PAYGO fund. This means they do not have to issue voter-approved debt associated with necessary capital improvements to serve their residents. However, Maricopa County does issue Certificates of Participation for their PAYGO program. In 2015, they issued $185.6 million of 3 year term COPs and in 2018, another $106.3 million.

I have indicated in my Budget Transmittal memorandum, it will require the Board hold TNT hearings for several years until we reach the desired recurring fund threshold for capital PAYGO financing.

Maricopa County is adding $38 million in new taxes to their primary levy, $1.5 million to their Library secondary and $4.6 million to their Flood Control District.

Please remember under my recommended Tentative Budget, the tax rate for the primary actually decreased while we are building the PAYGO fund we did not hold the primary tax rate the same as Maricopa County has.

Table 4 below, is the same table that was included in the Tentative Budget memorandum and is our planned strategy for implementing PAYGO capital financing. This strategy was to take one-half of the reduction from the secondary debt service levy and rate and transfer equivalent amounts to the primary tax rate and levy, and, then use approximately one-half of the tax base appreciation to build the PAYGO service fund as can be seen in Table 4 below.

Table 4: Pay As You Go General Fund Primary Tax Levy.

	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24
Debt Service[1] Secondary Tax Collection Rate	0.690	0.690	0.520	0.470	0.320	0.220
Secondary Tax Levy Decrease[2]			0.170	0.050	0.150	0.100
1/2 of Decrease[3]			0.085	0.025	0.075	0.050
Cumulative Decrease			0.085	0.110	0.185	0.235
Primary Tax Levy of 1 cent		$851,771	$899,641	$936,616	$975,579	$1,013,237
Primary PAYGO Levy by Fiscal Year			$7,646,947	$10,302,777	$18,048,218	$23,811,063
Primary Tax Levy NAV Increase[4]			$19,953,148	$15,438,883	$16,232,546	$15,691,878
Primary Growth PAYGO 1/2 of NAV Increase			$9,976,574	$7,719,442	$8,116,273	$7,845,939
Total Available for Pay as you go[5]			**$17,623,521**	**$18,022,219**	**$26,164,491**	**$31,657,002**

Table 4 shows the estimated funds available annually as we ramp up the PAYGO program over the next few years. By Fiscal Year 2023/24, the County will have provided more than $93.4 million for major capital projects and, within a few years after that, should be funding more than $50 million of ongoing PAYGO funding annually.

In the case of Maricopa County, they have taken the entire tax base growth per fiscal year to grow their PAYGO fund. As noted above, I have chosen to take only one-half of this amount, primarily because I do believe our tax rate is too high even without a sales tax and should be reduced. Hence, I have chosen a more conservative approach in building the PAYGO fund as that taken by Maricopa County.

Pima Plan for Pay-As-You-Go Transition

This strategy, which I view as balanced, half from debt service reduction and half from base value appreciation, allows the overall tax rate as well as the primary tax rate to continue to decline, but not as much if we had not transitioned to a PAYGO capital program. The schedule in the above table is how we built this year's Recommended Budget. This phased implementation may be modified, postponed or accelerated by the Board. The complexity

1 Secondary property tax rate necessary to pay principal and interest payments for all County outstanding general obligation bond debt.
2 Year to year secondary debt service tax rate difference.
3 As the debt service tax rate decreases only one half of the decrease will be used to build the PAYGO general fund in the primary tax levy. The remaining half will be used to decrease the overall County tax rate.
4 As the tax base expands or grows one half of the growth per year will be dedicated to the PAYGO fund until the annual recurring revenues in the fund equal $50,000,000 per year.
5 Annual amounts per fiscal year available in the PAYGO fund.

in this strategy is that it is difficult to meet TNT neutrality when transitioning to a PAYGO capital program.

The best example of this complexity as well as policy inconsistency is the secondary tax rate for debt service. There is no TNT notice or requirement regarding debt service because the levy is what is necessary to retire the County's voter-approved debt and, since this is voter-approved, it is assumed the voters understand the levies and rates must be able to pay for the debt financing authorized by them; hence, no TNT requirement. Therefore, if I take a fictional example of the secondary property tax rate decreasing by 10 cents in the FY 2019/20 budget for debt service and transfer that to the primary, the County would still be required to hold a TNT hearing even though our total tax rate would be the same. This disclosure requirement is simply because we are moving 10 cents from the debt service secondary property tax rate to the primary tax rate. More importantly, the overall combined property tax of the County would not change.

Options for the Board to consider to achieve a primary property tax TNT levy and rate neutrality is simply to decrease the primary property tax rate by $0.0739 cents and $6,451,443 levy. Hence, reducing planned Tentative Budget approved budget expenditures by an equal amount as directed by the Board. The trick is where to reduce expenditures by $6.5 million.

Transportation Funding Option

Below is data included in my Tentative Budget Transmittal memorandum relating to Transportation pavement preservation and repair funding for local roads. Table 5 is also on Page 9 of the April 25, 2019 Recommended FY 2019/20 memorandum.

Table 5: Five-Year Road Repair Funding Options.

Fiscal Year	Transportation Budget[1]	General Fund[2]	Taxable Net Assessed Value[3]	Road Tax 25 Cent/$100 of Assessed Value[4]	Total
2019/20	$21,000,000[5]	$5,000,000	$8,729,964,923	$21,294,284	$47,294,284
2020/21	16,000,000	10,000,000	9,220,262,449	22,823,097	48,823,097
2021/22	16,000,000	15,000,000	9,599,633,472	23,763,654	54,763,654
2022/23	21,000,000	20,000,000	9,998,506,728	24,749,060	65,749,060
2023/24	23,000,000	25,000,000	$10,384,094,456	25,708,070	73,708,070
Total	**$97,000,000**	**$75,000,000**		**$118,338,165**	**$290,338,165**

Please note Column 3 of this table shows an increasing $5 million per year allocation from the General Fund. This is simply a reflective of the annual revenue growth in the PAYGO fund, which is the major share of PAYGO revenue growth over this analysis period. To achieve the TNT primary property tax rate and levy neutrality will eliminate this transfer of these General funds for transportation. Quite simply, one option and likely the best to achieve fiscal neutrality would be to not transfer $5 million of General Fund monies to transportation for pavement preservation and road repair. This option may also be the least desirable, but is still the first option.

Short and Mid-term Certificates of Participation (COPs) Capital Financing Reduction Options
In follow up information provided to the Board regarding the FY 2019/20 Budget, my May 20, 2019 memorandum listed the outstanding COPs as of June 30, 2019. For your information, see Table 6 below.

Table 6: Certificates of Participation as of June 30, 2019

Issuance	Use of Proceeds	Total Outstanding	Number of Years Remaining
Series 2013A	Fleet Services Building, Sewer Improvements and Various Facilities Improvements	$10,460,000	4
Series 2014	Public Service Center	39,355,000	10
Series 2016A Refunding	Refunded a portion of the 2007A Issuance	8,765,000	3
Series 2016B	World View Building	12,840,000	12
Series 2018A	Historic Courthouse and Other Improvements	15,265,000	2
Series 2018B	Road Tax Transportation Projects & Sewer Improvements	9,700,000	2
Series 2019	Stadium District	20,940,000	15
TOTAL		**$117,325,000**	

In addition, these COPs can be grouped into short term or mid-term. Those with debt periods of two to four years would be categorized as short term and those with debt periods of 10 to 15 years would be categorized as mid-term. The County has no long-term COPs as typically defined by municipal financing agencies, which is for terms of 25 years or more.

A concept expressed by the Board during the June 4 discussion, was that if we are able to reduce the issuance of COPs or repay some of the mid-term COPs earlier, the interest savings could be significant. The schedules associated with each of these issuances with principal and interest are shown in Table 7 below:

Table 7: Certificates of Participation Principal & Interest Payments Remaining as of June 30, 2019

Issuance	Use of Proceeds	Principal	Interest	Total
Series 2013A	Fleet Services Building, Sewer Improvements and Various Facilities Improvements	$ 10,460,000	$ 1,045,000	$ 11,505,000
Series 2014	Public Service Center	39,355,000	10,646,875	50,001,875
Series 2016A	Refunded a portion of the 2007A Issuance	8,765,000	671,625	9,436,625
Series 2016B	World View Building	12,840,000	2,901,413	15,741,413
Series 2018A	Historic Courthouse and Other Improvements	15,265,000	733,200	15,998,200
Series 2018B	Road Tax Transportation Projects & Sewer Improvements	9,700,000	258,730	9,958,730
Series 2019	Stadium District	20,940,000	9,030,300	29,970,300
	Total	**$ 117,325,000**	**$ 25,287,143**	**$ 142,612,143**

The total payments to retire the present $117.3 million of both short-term and mid-term COPs is equal to $142.6 million. The difference of $25.3 million is simply the interest paid on the COPs over the next 15 years. The greatest interest impacts come from those issuances that have remaining debt terms of 10 to 15 years. If those could be shortened, then the interest saved could show up in future lower payments and hence, less need for property tax or other revenues to retire these debt instruments. To do so would require having cash available to defease the debt for each of these issues. Such cash would have to be generated through tax revenues. Hence, there is little to save in the delayed or refunding of COPs.

Overall County Fund Balance

The Board also discussed the actual needed level of fund balance to retain of the County's credit worthiness, which today stands at the highest ratings possible. One of the reasons for these positive ratings is the County fund balance both budgeted and ending. For a number of years our ending fund balance has exceeded our budged fund balance. I expect this to continue. The Tentative Adopted fund balance was $41,667,768. In a Board memorandum dated May 23, 2019, I indicated that based on Tentative Budget Adoption there were at least two modifications made by the Board during adoption that reduced the balance. These charges relate to minimum wage increases and an additional one percent salary increase making a total of four percent for employees earning $45,000 or less effective in September 2019. These actions along with additional last minute state cost transfer for the Arizona long-term indigent health care system for an additional $1,170,556 need to be applied toward the fund balance to adjust it downward at final budget adoption. Additionally, as discussed below, another $1,025,000 reduction is needed to address the shortfalls in Drug Treatment Alternatives to Prison (DTAP) and the Superintendent of Schools budgets. This simply means that the fund balance as of this memorandum stands at $38,295,746 or a reduction of $3,372,022.

Further reduction of fund balance with the primary constraint being the minimum fund balance necessary to not adversely affect the County's credit ratings is difficult. In rating agency conversations, the minimum fund balance necessary to not adversely impact our credit rating is six percent of $581,070,524, which is $34,864,231. In addition, the Government Finance Officers Association (GFOA) recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or 16.7%.

Finally, there are at least two other issues where a certain amount of fund balance will be needed for potential known liabilities. The first is associated with the lack of state or federal grant funding for the Drug Treatment Alternatives to Prison (DTAP) Program. The second relates to a possible grant audit problem in the Superintendent of Schools Office for the accommodation district. These potential liabilities range from $325,000 to $700,000 each. Therefore, any further reduction of fund balance should consider these potential reserves for future liability.

Fund Object Variances

At the June 4, 2019 Board meeting, there was discussion of variances in certain budget object codes. Attached is an analysis of some of the more significant variances identified. The largest variance listed for the General Fund relates to the new contract to provide medical services to detainees at the Adult detention facilities. The largest variance in the Special Revenue Funds is for the shift of $6.3 million of projects for Facilities Management from the Capital Projects Fund into the Facilities Renewal Fund as these projects are all basic repair and maintenance of existing buildings. Construction of new buildings remains in the Capital Projects Fund. The largest variance in the Internal Service Funds relates to the shift in object codes from leasing computer equipment to purchasing the equipment.

Vacancy Savings

Past budgeting practices, nearly 20 years ago, included a line item in most budgets entitled Vacancy Savings. This was simply attrition savings from primarily position turnover given the timeframes necessary to hire replacement staff/employees. The difficulty with vacancy savings is that as it evolved in our budget process, it was inconsistent and varied from department to department. Some departments simply used the number to balance the overall budget amount they believed was necessary. Hence, vacancy savings evolved into having nothing to do with employee turnover. For example, one department could have a vacancy savings of five percent while another one percent and others zero savings. This was a terrible budgeting practice and allowed for no uniform comparability of overall department management performance. Hence, I have eliminated vacancy savings as a budget balancing tool as it was applied inconsistently and erratically. Today, only two departments budget vacancy savings that being the Superior Court and Juvenile Court. The primary reason these departments budget vacancy savings is the departments need to coordinate and manage vacancies from many funding sources including the General Fund, funds from the Arizona Administrative Office of the Courts and various grants.

Vacancy savings, which is also known as attrition, can be used if it is applied uniformly to every department in a fixed and low percentage rate. If it is for the purpose of accumulating one time savings, it must be clearly understood that if it supplements ongoing expenses, then it creates a budget hole that will have to be filled in the following fiscal year. Therefore, while it may be appropriate to use it in an emergency and for one time only, it is not a sound overall budget and/or management tool. Vacancy savings must also be centrally controlled and managed otherwise one department may benefit while another may not. It is also difficult to meet when a department has very few employees where turnover is unlikely to occur.

A Budget concern larger than vacancy savings and/or attrition relates to the hoarding of position control numbers (PCN). Our system is such that a position in the County cannot be filled without a PCN. In the past, several department and agencies have retained PCN budget year after budget year, even though the position assigned to the PCN has never been filled. This is another way Departments are able to pad their budget. Our Budget staff has made a concerted effort to reduce the number of unfilled PCNs in order to more realistically reflect an actual operating budget. The departments and/or agencies with the largest number of

PCNs that meet this criteria is Sheriff (150.75), Juvenile Court (101.53), County Attorney (79.75), Superior Court (70.78), Health (62.78), and Assessor (34.5).

I have been requiring Departments to surrender PCNs in order to receive certain unscheduled compensation adjustments for employees within their organization. This has been true this year for the Sheriff's budget where the range adjustment associated with the Deputy Sheriff classification, providing appropriate compensation adjustment to staff to avoid salary compression and inequity among employees with the same classification with vastly different years of service.

CHH/anc

Attachment

c: Jan Lesher, Chief Deputy County Administrator
Tom Burke, Deputy County Administrator for Administration
Michelle Campagne, Director, Finance and Risk Management
Robert W. Johnson, Deputy Director, Finance and Risk Management
Patrick McGee, Budget Manager, Finance and Risk Management

Object codes by Fund group and department
District 1 Analysis

Fund/Object	Explanation	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Adopted	FY 2018/19 Straight-line	FY 2019/20 Recommended	Variance FY 2019/20 Recommended to FY 2018/19 Straight-line	Variance FY 2019/20 Recommended to FY 2018/19 Adopted
General Fund								
5136 - Medical Services for Inmates	Overall the FY 19/20 Recommended Budget decreased by $1,276,782 from the FY 18/19 Adopted Budget. Reasons for the straight-line variance of $5,544,290 to the Recommended budget are due to the Centurion contract (health services for both Adult/Juvenile) was budgeted higher than anticipated. Through an RFP, the department recently entered into a new contract which is currently averaging $1.3 million per month, or a minimum of $15.6 million annually.	$10,484,117	$12,458,169	$17,776,782	$10,955,710	$16,500,000	$5,544,290	($1,276,782)
5301- Electricity	The Recommended budget includes a $250k increase due to Pima Animal Care Center (PACC) now being part of the general fund, it was formerly a special revenue fund department. Other increases in the Recommended budget are due to higher anticipated TEP rates for FY 2019/20.	$6,667,789	$6,486,341	$7,406,674	$6,307,927	$7,420,450	$1,112,523	$13,776
5321- Other Insurance Premiums	Object 5321 is used to budget for the combined insurance premiums paid for by the Risk Management Self-Insurance Fund and allocated to the various departments. The charges, however, are posting to three different object codes: object 5318, General Liability Insurance Premiums, object 5319, Property Damage Insurence Premiums, and object 5320, Malpractice Insurance Premiums.	$247,665	$72,217	$2,090,618	$70,195	$2,884,939	$2,814,744	$794,321
Special Revenue Funds								
5009 - Law Enforcement Supplies	For the fiscal year 2019/20 Recommended budget, most of the $1.3 million is budgeted in the Sheriff's department. The amount budgeted is due to the availability of special revenue resources (State RICO, Federal Forfeiture) and potential projects or enhancements by the departments. The Sheriff Department indicates that it is unlikely the department will expend the entire budget for this object.	$64,406	$128,058	$799,700	$62,471	$1,288,000	$1,225,529	$488,300
5126 - Medical Professional Services	For the fiscal year 2019/20 Recommended budget, most of the $3 million is budgeted in Juvenile Court based on funding provided by the Administrative Office of the Courts (AOC). This is used for out of home placement and treatment for juvenile probationers.	$2,089,972	$1,364,977	$3,183,091	$97,954	$2,894,856	$2,796,902	($288,235)
5150- R&M Building Services	For the fiscal year 2019/20 Recommended budget, the majority of the amount budgeted, $6.3 million, is in Facilities Management for CIP projects that have been moved to Facilities Renewal from CIP for FY 2019/20. Stadium District budgeted $305k for the clubhouse remodel and concrete repairs at the existing stadium, and for the new Stadium South Expansion, the Event Center, and Sam/Lena/Willie Blake Parks that moved from the General Fund. The remainder of the amount budgeted is for ongoing projects in various departments, where the overall budget either remained flat or decreased.	$1,922,979	$2,250,137	$2,960,728	$1,209,295	$7,818,738	$6,609,443	$4,858,010

Object codes by Fund group and department
District 1 Analysis

Fund/Object	Explanation	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Adopted	FY 2018/19 Straight-line	FY 2019/20 Recommended	Variance FY 2019/20 Recommended to FY 2018/19 Straight-line	Variance FY 2019/20 Recommended to FY 2018/19 Adopted
5152- Other Professional Services	For object code 5152, the Recommended budget is in various departments. Flood Control budgeted $2,070,250 during the Recommended stage, however, $728,995 moved to object 5206 in the Proposed Adopted stage to pay for the Treasurer's tax services. $1.2 million is for Land Management, Water Resources, and River and Basin Management consultants. The Library budgeted $645K due to an increase in the programming contracts and additional donations. Pima County Attorney budgeted $549k, for contracts with community services organizations. NRPR budgeted $1.6 million for unexpected improvements or repairs such as repaving of roads leading to Colossal Cave. Transportation budgeted $478k, an increase due to Greenlight Traffic engineering, contracting with the U of A for signal optimization , and quality control/material evaluations services. The remainder of the amount budgeted in various departments remained flat or decreased.	$2,173,662	$2,783,266	$4,736,420	$2,556,311	$6,486,693	$3,930,382	$1,750,273
Internal Service Fund								
5149 - R&M-Machinery & Equipment Services	For object 5149, the fiscal year 2019/20 Recommended Budget is in various departments. The majority of the amount budgeted is in the Fleet Services and Information Technology Server and Storage internal service funds. The increase in the FY 2019/20 budgeted amounts are $400,198 in Fleet Services for the new GPS program and $867,201 in IT Server and Storage for services on new servers.	$1,252,533	$988,242	$2,308,899	$1,686,253	$2,728,038	$1,041,785	$419,139
5322 - Current Paid Losses	For object 5322, the object is budgeted all in the Risk Management internal service fund. Overall the budget was decreased from the FY 2018/19 Adopted Budget by $419,139. It is necessary to budget for potential losses at the highest actual loss incurred in current years and add the potential for additional losses for any newly acquired assets. The County relies upon an independent actuary to help with this calculation.	$6,049,841	$4,594,150	$6,675,076	$4,670,859	$6,484,992	$1,814,133	($190,084)
5504- Office Machines & Computers - Non-Capital Total	For object 5504, the object is budgeted all in Information Technology. Overall the budget was decreased from the FY 2018/19 Adopted budget by $1.5 million. The increase in the budgeted amount reflects the purchases of replacement computer hardware as part of the County's life cycle management program.	$211,175	$434,301	$6,794,600	$3,191,394	$5,269,303	$2,077,909	($1,525,297)