



MEMORANDUM

Date: January 12, 2022

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

From: Jan Leshner *Jan Leshner*
 Acting County Administrator

Re: Pay-As-You-Go (PAYGO) Program

On January 18, 2022, the Board of Supervisors will discuss the Pay-As-You-Go (PAYGO) program scenarios provided in my Memorandum dated December 17, 2021. Since this Memorandum was issued, Finance & Risk Management has received the Planning Abstract for the upcoming tax year.

Should the Board choose to accelerate the PAYGO program by using a higher percentage, the updated projected tax levies are provided in Table 1 below. As stated in numerous correspondence, the intent is to limit the PAYGO program to approximately \$50M per year. Based on the updated tax levy amounts provided in Table 1, the PAYGO program reaches \$50M between fiscal year 2023/24 in the 90%/90% scenario and in fiscal year 2026/27 in the 60%/60% scenario.

Table 1				
Fiscal Year	90%/90% Scenario	80%/80% Scenario	70%/70% Scenario	60%/60% Scenario
2021/22	26,693,502	26,693,502	26,693,502	26,693,502
2022/23	41,325,263	38,354,630	35,383,996	32,413,363
2023/24	51,444,698	47,365,475	43,296,822	39,249,303
2024/25		55,400,863	50,368,417	45,346,958
2025/26				46,274,786
2026/27				50,838,149

The additional funds generated will go toward the unmet needs of the capital improvement program. To determine PAYGO funding priorities, County Administration will use the Integrated Infrastructure Plan to determine which capital improvement projects will be submitted to the Board for discussion during the annual budget. Once the Pavement Preservation and Road Repair program is complete and able to fund repairs solely out of the Transportation Department budget, all of PAYGO will be used to fund projects identified in the Integrated Infrastructure Plan.

JAN 22 10:50 AM '22

The estimated annual property tax increase of each scenario listed above for fiscal year 2022/23 has been updated in Table 2 using the average taxable net assessed value for a residential home of \$250,000.

Table 2				
Fiscal Year	90%/90% Scenario Increase	80%/80% Scenario Increase	70%/70% Scenario Increase	60%/60% Scenario Increase
2022/23	21.97	14.65	7.33	-

- c: Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer,
Health and Community Services
Michelle Campagne, Director, Finance & Risk Management
Nancy Cole, Director, Capital Program Office