

CAPITAL IMPROVEMENT PROJECTS

Recommended Budget – FY 2018 / 2019

May 16, 2018

Recommended operating department expenditures, revenues, operating transfers and FTEs:

Capital Improvement Plan	FY 2017/18 Bond and Non-Bond Project Budgets	FY 2018/19 Bond and Non-Bond Project Budgets	Difference	1997 Bonds	2004/2014 Bonds	Non-Bonds
Capital Projects Fund						
Transportation	\$70,170,380	\$98,112,222	\$27,941,842	\$24,533,818	-	\$73,578,404
Facilities Management	40,094,909	43,181,339	\$3,086,430	-	2,323,554	40,857,785
Kino Sports Complex	-	10,959,514	\$10,959,514	-	-	10,959,514
Flood Control District	13,212,097	19,388,117	\$6,176,020	-	753,542	18,634,575
Parks and Recreation	1,735,000	145,891	(\$1,589,109)	-	41,463	104,428
Information Technology	262,000	262,000	-	-	-	262,000
Community Development	3,974,888	690,246	(\$3,284,642)	17,232	602,213	70,801
Environmental Quality	538,102	656,542	\$118,440	656,542	-	-
Public Works Administration	-	1,675,000	\$1,675,000	-	-	1,675,000
Office of Sustainability and Conservation	1,300,476	85,000	(\$1,215,476)	-	55,000	30,000
Total Capital Projects Fund	\$131,287,852	\$175,155,871	\$43,868,019	\$25,207,592	\$3,775,772	\$146,172,507
Wastewater Reclamation	\$49,257,735	\$41,375,175	(\$7,882,560)	-	-	\$41,375,175
Fleet Services	1,821,500	2,365,055	\$543,555	-	-	2,365,055
Facilities – Garages	238,761	-	(\$238,761)	-	-	-
Total Capital Improvement Plan	\$182,605,848	\$218,896,101	\$36,290,253	\$25,207,592	\$3,775,772	\$189,912,737

Major programs and related services provided by the department:

- The 2018/19 budget includes a total of 131 capital projects, either ongoing or new to the program. Projects may include costs within several phases of development, including land acquisition, planning, design, construction, utility improvements and public art. Projects are managed by the funding department, or may also be delivered by the Project Management Office or Facilities Management.

Significant change(s) in the Recommended FY18/19 Budget vs. the FY17/18 Adopted Budget:

- The County's CIP Program is showing a 20% increase. This increase is driven by the increased funding allocations for pavement preservation activities within the Transportation department, as well as several larger Flood Control district projects scheduled for construction next year. Smaller departments who have substantially completed the General Obligation Bond program have minor expenditures planned for FY 18/19.

Major department budget issue(s), if any, the department is facing in FY18/19:

- Long term planning of both Capital Improvement and balanced Deferred Maintenance programs is ongoing for determining priorities and development of funding for Capital Improvements into the future.

DEVELOPMENT SERVICES DEPARTMENT

Recommended Budget – FY 2018 / 2019

May 16, 2018

Recommended Operating Department Expenditures, Revenues, Operating Transfers, and FTEs:

	FY 17/18 ADOPTED BUDGET	FY 18/19 RECOMMENDED BUDGET	CHANGE
Development Services Department (DSD)			
Expenditure:			
Personnel Services	4,962,221	4,468,898	-9.9%
Operating Expenditures	1,955,959	2,442,905	24.9%
Expenditure Total	\$6,918,180	\$6,911,803	-0.1%
Revenue:			
Licenses & Permits	6,923,532	7,062,003	2.0%
Charges for Services	796,443	1,007,372	26.5%
Investment Earnings	15,000	25,000	66.7%
Miscellaneous Revenue	23,100	7,100	-69.3%
Revenue Total	\$7,758,075	\$8,101,475	4.4%
Operating Transfers:			
Transfers Out - General Fund Loan Repayment	750,000	750,000	0.0%
Transfers Out - General Fund Prepaid Recorder	17,735	17,585	-0.8%
	\$767,735	\$767,585	-0.8%
Development Services Department FTEs	56	55.5	-0.5

Major programs and related services provided by the department:

- **Development Review:** Review subdivision plats and development plans for compliance with zoning and development regulations; assign addresses, approve new street names, and process street name changes.
- **Permitting:** Review all permit applications and issue permits; review all building plans and perform compliance inspections.
- **Planning:** Administer rezoning, Comprehensive plan amendment, and appeals processes

Significant change(s) in the Recommended FY18/19 Budget vs. the FY17/18 Adopted Budget:

- Total Personnel appropriation decreased \$493,323 or 10% from FY17/18 mainly due to four unfunded PCNs.
- Memorandum of Understanding with Regional Wastewater Reclamation Department for five FTE's to perform sewer permit and development review support.
- General Fund Loan repayment remains the same as FY17/18 at \$750,000.

Major department budget issue(s), if any, the department is facing in FY18/19:

- Development Services departmental overhead is no longer collected from other departments starting in FY19 resulting in a reduction of labor credits and an increase in operating expenses in the amount of \$442,710. The increase will be offset by additional revenues received through Memorandums of Understanding, such as sewer plan review fees.

DEPARTMENT OF ENVIRONMENTAL QUALITY

Recommended Budget – FY 2018 / 2019

May 16, 2018

Recommended operating department expenditures, revenues, operating transfers and FTEs:

Department of Environmental Quality (DE) Grants and Non Grants Fund 2042 and 2043	FY 17/18 ADOPTED BUDGET	FY 18/19 RECOMMENDED BUDGET	CHANGE
Expenditure:			
Personnel Services	3,027,247	3,234,225	6.8%
Operating Expenditures	1,599,948	1,183,664	-26.0%
Capital Equipment	162,822	124,250	-23.7%
Expenditure Total	\$4,790,017	\$4,542,139	-5.2%

Revenue:			
Licenses & Permits	2,192,857	2,246,038	2.4%
Investment Earnings	19,210	23,500	22.3%
Miscellaneous Revenue	30,280	27,060	-10.6%
Intergovernmental Revenue	1,289,124	1,155,205	-10.4%
Revenue Total	\$3,531,471	\$3,451,803	-2.3%

Operating Transfers:			
Transfers Out			0%
Transfers In	\$707,060	\$710,289	0.5%

Environmental Quality Operations FTEs	39	41	2.0
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Department of Environmental Quality (DE) Tire Program Management Fund 2048	FY 17/18 ADOPTED BUDGET	FY 18/19 RECOMMENDED BUDGET	CHANGE
Expenditure:			
Tire Fund Personnel Services	11,851	11,853	0.0%
Tire Fund Operating Expenditures	1,296,149	1,296,147	0.0%
Expenditure Total	\$1,308,000	\$1,308,000	0.0%

Revenue:			
Intergovernmental	\$1,100,000	\$1,274,149	15.8%
Investment Earnings	8,000	14,000	75.0%
Revenue Total	\$1,108,000	\$1,288,149	16.3%

Environmental Quality Tire Fund FTEs	0	0	0
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Department of Environmental Quality (DE) Solid Waste Program Management Fund 1000	FY 17/18 ADOPTED BUDGET	FY 18/19 RECOMMENDED BUDGET	CHANGE
Expenditure:			
Solid Waste Management Personnel Services	312,550	308,423	-1.3%
Solid Waste Management Operating	1,048,730	1,112,916	6.1%
Expenditure Total	\$1,361,280	\$1,421,339	4.4%

Revenue:			
Miscellaneous Revenue	0	0	0%
Revenue Total	\$0	\$0	\$0

Environmental Quality Solid Waste FTEs	3	3	0
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DEPARTMENT OF ENVIRONMENTAL QUALITY

Recommended Budget – FY 2018 / 2019

May 16, 2018

Page 2

Major programs and related services provided by the department:

- **Environmental Quality Special Revenue Fund**: Revenue primarily from fees and grants and some general funds support five programs-Administration, Air, Code Compliance, Communications and Outreach, and Water and Waste.
- **Grants Special Revenue Fund**: Supports three units within two programs – Air, Communications and Outreach. Obtain grant funding for mandated and necessary services in the Environmental Quality Department. Administer grant programs and services in accordance with grant guidelines.
- **Tire Program Management Fund**: Tire Program Management Special Revenue Fund supports the Tire Recycling Program.
 - Oversee contract for the planning, management and operation of the Tire Recycling Program. This is a mandated program funded by quarterly distributions from the State Waste Tire Fund. These funds are for the sole purpose of managing a waste tire program.
- **Solid Waste Program Management Fund**: Solid Waste Program Management General Fund supports the Solid Waste Management Program.
 - The County owns four landfills, Ina Road, Tangerine, Sahuarita and Ajo. The County also owns transfer stations at Sahuarita, Ryan Field and Catalina as well as rural collection centers at Arivaca and Sasabe. These facilities are operated by the County's solid waste contractor, Tucson Recycling and Waste Services, under supervision by the County. The Solid Waste staff is responsible for continued compliance activity and reporting.

Significant change(s) in the Recommended FY18/19 Budget vs. the FY17/18 Adopted Budget:

- **Environmental Quality Special Revenue Fund** operating expenditures decreased by \$82,000 to offset increases in Personnel. The budget deficit is funded through the existing PDEQ fund balance.
- **Tire Program Management Fund**: Recommended budget includes \$1,089,208 in quarterly contractor payments to Crumb Rubber Manufacturers (CRM) for operating the Tire Program. Increased Intergovernmental Revenue \$174,000 based on current State of Arizona disbursements.
- **Solid Waste Program Management Fund**: Recommended budget includes \$736,560 in contractor payments to Tucson Recycling and Waste Services (TRWS) for operating the Solid Waste landfills and transfer stations. Addition of \$55,000 to support Camino del Cerro Monitoring.

DEPARTMENT OF ENVIRONMENTAL QUALITY

Recommended Budget – FY 2018 / 2019

May 16, 2018

Page 3

Major department budget issue(s), if any, the department is facing in FY18/19:

- Evaluation of cost of service vs revenue and evaluation of potential need for fee increases.
- Department expects to meet its goals of public health and the environmental protection.

NATURAL RESOURCES, PARKS & RECREATION DEPARTMENT

Recommended Budget – FY 2018 / 2019

May 16, 2018

Recommended Operating Department Expenditures, Revenues, Operating Transfers, and FTEs:

NRPR Department	FY 17/18 ADOPTED BUDGET	FY 18/19 RECOMMENDED BUDGET	CHANGE
Expenditure:			
Personnel Services	12,548,138	12,480,568	-0.5%
Operating Expenditures	5,058,645	5,589,995	10.5%
Expenditure Total	\$17,606,783	\$18,070,563	2.6%
Revenue:			
Culture & Recreation Fees	95,450	97,450	2.1%
Facility Fees	702,350	706,575	0.6%
Licenses and Permits	600		-100.0%
Rent and Royalties	116,350	120,350	3.4%
Miscellaneous Revenue	74,800	87,800	17.4%
Revenue Total	\$989,550	\$1,012,175	2.3%
Operating Transfers:			
Transfers Out	\$621,650	\$1,557,669	150.5%
Transfers In	\$416,864	\$1,014,727	143.4%
NRPR Department FTEs	279	279	0
NRPR Grants Fund			
Expenditure:			
Personnel Services	\$19,000	\$48,000	152.6%
Operating Expenditures	363,000	138,255	-61.9%
Expenditure Total	\$382,000	\$186,255	-51.2%
Revenue:			
Intergovernmental Revenue	\$340,000	\$426,543	25%
Revenue Total	\$340,000	\$426,543	25%
NRPR Grants Fund FTEs	0	0	0

NATURAL RESOURCES, PARKS & RECREATION DEPARTMENT

Recommended Budget – FY 2018 / 2019

May 16, 2018

Page2

NRPR Special Revenue Fund	FY 17/18 ADOPTED BUDGET	FY 18/19 RECOMMENDED BUDGET	CHANGE
Expenditure:			
Personnel Services	\$234,163	\$249,993	6.8%
Operating Expenditures	1,637,950	1,763,403	7.7%
Debt Note Retirement	566,667	566,667	0.0%
Expenditure Total	\$2,438,780	\$2,580,063	5.8%
Revenue:			
Miscellaneous Revenue	\$94,000	\$85,745	9.0
Revenue Total	\$94,000	\$85,745	9.0
NRPR Special Revenue Fund FTEs	5	5	0

Major programs and related services provided by the department:

- **Natural Resources:** Environmental education programs, Natural Resource Parks, Open Space Lands Management.
- **Urban Parks:** Fields for tournament and youth league use; playgrounds, ramadas, special events, dog parks.
- **Trails:** World-class hiking, biking, equestrian, running, walking trails; monitoring, maintenance and management of *The Loop*.
- **Recreation:** Aquatics (pools, splash pad, swim lessons), shooting sports (rifle and pistol range, trap and skeet, archery; Community Center Programs (leisure classes, after school programs).
- **Special Projects and Support Services:** Native Plant Nursery, Trades Support Services, Information Management, Historic Hacienda de la Canoa ranch rehabilitation and tours.

Significant change(s) in the Recommended FY18/19 Budget vs. the FY17/18 Adopted Budget:

- No significant changes in the general fund budget. Increase of \$453,780 represents 2.6%.
- No significant changes in the NRPR Special Revenue fund budget. Increase of \$141,283 represents 5.8%.
- No significant changes in the NRPR Grant budget. Grants expenditure budget appears low however, \$250,000 worth of expenses were shifted to CIP Budget.

NATURAL RESOURCES, PARKS & RECREATION DEPARTMENT

Recommended Budget – FY 2018 / 2019

May 16, 2018

Page3

- Increased funding in the amount of \$750,000 for the establishment of a Parks Renewal Fund to address aging infrastructure needs.

Major department budget issue(s), if any, the department is facing in FY18/19:

- Recent HR Salary/Grade changes approved by County Administration for Lifeguards and the Trades Maintenance series will cost the department \$174,000. If department is asked to absorb this increase then program reductions or eliminations may occur.

OFFICE OF SUSTAINABILITY AND CONSERVATION

Recommended Budget – FY 2018 / 2019

May 16, 2018

Recommended Operating Department Expenditures, Revenues, Operating Transfers, and FTEs:

Office of Sustainability & Conservation

Expenses:	FY 17/18 Adopted	FY 18/19 Recommended	Change
Personnel	1,327,571	1,434,702	8.1 %
Operating	302,316	412,257	36.4 %
	\$1,629,887	\$1,846,959	13.3 %

Revenue:			
Permits	0	38,900	100 %
Royalties	250	250	0.0 %
	\$250	\$39,150	155.6 %
Sustainability & Conservation FTEs: 17.9		17.9	0.0

Major programs and related services provided by the department:

- **Conservation Science and Multi-Species Conservation Plan and Permits:** Implement Ecological Monitoring Program on County conservation lands, and MSCP Section 10 Permit issued to Pima County that covers County and private sector development projects and streamlines compliance with endangered species laws and regulations.
- **Cultural Resources/Historic Preservation:** Ensure project compliance with federal, state, local historic preservation laws and Board Policies through planning, avoidance, minimization and mitigation of impacts. Inventory and protect archaeological and historical sites on County conservation lands and open space lands.
- **Sustainability Program:** Assist more than 100 volunteers and numerous County departments in implementation of the Board-approved Sustainable Action Plan for County Operations, and report annually on County progress in meeting its sustainability targets.
- **Water Resources:** Implementation of Board Policy F54.9 Water Rights Acquisition, Protection and Management. Ensure County water rights are retained and interests are considered in local, state, and federal undertakings and decisions regarding water; work toward County water conservation objectives; and provide annual report.

Significant change(s) in the Recommended FY18/19 Budget vs. the FY17/18 Adopted Budget:

- Personnel Expenses increased 8.1 % due to pay increases for 17.9 FTEs
- Operating Expenses increased 36.4 % due to Mission Garden operations contract, retirement payout, increased ITD charges, and MSCP ecological monitoring as part of adopted budget.
- Permit Revenue is a 100 % change due to MSCP coverage

OFFICE OF SUSTAINABILITY AND CONSERVATION

Recommended Budget – FY 2018 / 2019

May 16, 2018

Page 2

- Royalties Revenue remains at 0.0% for Pima County book
- Ecological Inventory & Monitoring Program; development of management plans for County conservation lands; and Mission Garden operations. Cost is \$109,000.
- Cultural Resource Inventory & Monitoring Program; site protection/improvements; heritage education; and development of Management Plans for County conservation lands. Cost is \$100,000.

Major department budget issue(s), if any, the department is facing in FY18/19:

- No major departmental budget issues
- Increased operational costs include Mission Garden operations, MSCP ecological monitoring, and cultural resources inventory/monitoring as part of adopted budget
- Potential increase in revenue from MSCP Section 10 coverage for large development projects

REGIONAL FLOOD CONTROL DISTRICT

Recommended Budget – FY 2018 / 2019

May 16, 2018

Recommended Operating Department Expenditures, Revenues, Operating Transfers, and FTEs

	FY 17/18 ADOPTED BUDGET	FY 18/19 RECOMMENDED	CHANGE
Regional Flood Control District			
Expenditure:			
Personnel Services	8,478,835	8,289,030	-2.2%
Operating Expenditures	7,879,943	7,992,533	1.4%
Capital > \$5,000	190,000	190,000	0.0%
Expenditure Total	\$ 16,548,778	\$ 16,471,563	-0.5%
Revenue:			
Real Property Tax Current	22,344,448	24,587,751	10.0%
Real Property Taxes PY Collections	700	1,000	42.9%
Real Property Tax Prior Year FY14	(1,800)	-	-100.0%
Real Property Tax Prior Year FY15	(9,000)	(1,900)	-78.9%
Real Property Tax Prior Year FY16	582,000	(9,300)	-101.6%
Real Property Tax Prior Year FY17	-	439,000	100.0%
Federal Payments in Lieu of Tax	1,980	1,980	0.0%
State Revenue Payments in Lieu of Tax	70	100	42.9%
City Revenue Payment in Lieu of Tax	2,920	2,920	0.0%
Other Local Governments Other	45,000	45,000	0.0%
General Government Fees	70,000	70,100	0.1%
License & Permits	1,100	1,100	0.0%
Collect Revenue	-	1,500	100.0%
Other Fines	-	2,500	100.0%
Rent & Royalties	70,000	71,553	2.2%
Donations	-	10,000	100.0%
Other Miscellaneous Revenue Operating	4,150	7,082	70.7%
Interest Revenue Pooled Investments Operating	45,000	45,000	0.0%
NSF Check Charge Revenue Source	25	25	0.0%
Late Fees and Interest Charges on Overdue	300	300	0.0%
Revenue Total	\$ 23,156,893	\$ 25,275,711	9.1%
Operating Transfers:			
Transfers Out	\$ 8,404,443	\$ 8,788,726	4.6%
Transfers In	-	17,529	100.0%
Regional Flood Control District Ops. FTE's	59.2	60.5	1.3
Regional Flood Control District - Canoa Ranch In-Lieu Fee			
In-Lieu Fee			
Expenditure:			
Personnel Services	132,500	132,500	0.0%
Operating Expenditures	708,000	310,185	-56.2%
Capital > \$5,000	-	-	0.0%
Expenditure Total	\$ 840,500	\$ 442,685	-47.3%
Operating Transfers:			
Transfers Out	\$ 400,000	\$ 600,000	50.0%
Transfers In	\$ -	\$ -	0.0%
Revenue:			
General Government Fees	\$ 1,000,000	\$ 1,000,000	0.0%
Regional Flood Control District Grants Special Revenue Fund			
Personnel Services	7,500	-	-100.0%
Operating Expenditures	100,000	-	-100.0%
Capital > \$5,000	-	-	0.0%
Expenditure Total	\$ 107,500	\$ -	-100.0%
Revenue:			
State Revenue Grants	\$ -	\$ 1,209,581	100.0%

Major programs and related services provided by the department:

- **Hazard Mitigation:** Provide flood hazard, mapping and information resources to protect Pima County residents from flooding and associated hazards. Conduct long-range planning services to promote wise and environmentally sound developments in an adjacent to flood hazard areas. Provide data and advice to communities and the general public relevant to amend or modify FEMA mapped floodplains. Operate the Automated Local Evaluation in Real Time (ALERT) flood threat recognition system to help protect the lives and property of our citizens.
- **Infrastructure:** Inspect and maintain District assets and flood control infrastructure in order to ensure reliability and effectiveness during times of flooding and to protect, enhance and restore natural resources and ecosystem function. Manage District assets and information in a geo-spatial environment in order to provide for easy retrieval of relevant flood hazards, mitigation and previous dialogue and decision.
- **Regulatory:** Protect the health, safety and welfare of Pima County residents by providing comprehensive compliance and customer service programs through a balanced, fiscally responsible, multi-objective approach to managing local and regional watercourses, floodplains, and riparian resources.
- **Riparian Protection:** Enhance floodplain characteristics and ecosystem functions by preserving, protecting and restoring the natural resources within Pima County including those activities mandated by federal, state and local regulations. Monitor and where possible augment surface-and ground-water to preserve and protect this valued resource.
- **Canoa Ranch In-Lieu Fee:** Enhance floodplain characteristics and ecosystem functions by preserving, protecting and restoring the natural resources within the Canoa Ranch In-Lieu Fee (ILF) project site. This is accomplished as described in the project development plan that will be approved by the United State Army Corps of Engineers (USACOE) and the Pima County Board of Directors to restore riparian habitat and help improve water resources along the Santa Cruz River.

Significant change(s) in the Recommended FY18/19 Budget vs. the FY17/18 Adopted Budget:

- **Expenses:** \$189,805 Personnel Services reduction due to unfilled vacancies and PCN reclassifications. \$112,590 reduction due to increased operation for Engineering Services and Consultants.
- **Revenues:** \$2,118,818 increase in property tax revenue based on increased net assessed value and a tax levy rate of \$0.3335 per \$100 assessed value.

Major department budget issue(s), if any, the department is facing in FY18/19:

- None identified. No anticipated difficulties collecting Property Tax Revenue.
- No anticipated change in level of service delivery for current activities. Increased level of services for river park maintenance.

REGIONAL WASTEWATER RECLAMATION DEPARTMENT

Recommended Budget – FY 2018 / 2019

May 16, 2018

Recommended Operating Department Expenditures, Revenues, Operating Transfers, and FTEs

	FY 17/18 ADOPTED BUDGET	FY 18/19 RECOMMENDED BUDGET	CHANGE
Regional Wastewater Reclamation Department			
Expenditure:			
Personnel Services	33,224,171	31,497,656	-5.2%
Operating Expenditures	47,954,044	49,042,311	2.3%
Capital > \$5,000	2,220,359	2,941,030	32.5%
Contra Expense	(2,220,359)	(2,941,030)	32.5%
Debt Service	15,452,880	14,907,715	-3.5%
Depreciation	54,909,208	56,587,909	3.1%
Expenditure Total	\$151,540,303	\$152,035,591	0.3%
Revenue:			
Licenses & Permits	20,000	20,000	0.0%
Charges for Services	171,170,297	170,987,120	-0.1%
Fines & Forfeits	8,000	5,000	-37.5%
Investment Earnings	1,010,000	1,095,000	8.4%
Miscellaneous Revenue	223,135	222,260	-0.4%
Gain or Loss on Disposal of Assets	-	-	-
Revenue Total	\$172,431,432	\$172,329,380	-0.1%
Operating Transfers:			
Transfers Out	\$23,982,776	\$18,908,693	-21.2%
Transfers In	-	-	-
Regional Wastewater Reclamation Department FTEs	457	451	-6
Regional Wastewater Grants Special Revenue Fund			
Expenditure:			
Personnel Services	-	-	-
Operating Expenditures	\$40,000.00	-	-100.0%
Capital > \$5,000	-	-	-
Expenditure Total	\$40,000.00	-	-100.0%
Revenue:			
Miscellaneous Revenue	\$40,000.00	-	-100%
Revenue Total	\$40,000.00	-	-100%
Regional Wastewater Grants FTEs	-	-	-

Major programs and related services provided by the department:

- **Treatment Operations:** Operate and maintain the eight water reclamation facilities in the County that receive, treat and dispose of approximately 60 million gallons per day of sanitary sewage. The treatment plants comply with stringent regulatory requirements on effluent nutrient reduction. The Tres Rios Water Reclamation Facility is the centralized biosolids treatment location for all of the Pima County treatment facilities.

- **Conveyance System**: Maintain Best Management Practices in the operation and maintenance of the Conveyance system to ensure that the highest operating standards in the quality of service, environmental protection, and occupational health and safety are continually met. Provide required services to repair, rehabilitate, and construct sanitary sewage collection, conveyance, treatment, disposal or reuse, and odor control facilities in compliance with federal, state, and local regulatory requirements. Provide project planning, management, oversight, coordination, and required construction services for the Department's Capital Improvement Program.
- **Technical Services & Engineering**: Provide engineering inspections of new sewerage systems, develop sewer system agreements for new wastewater customers, and manage sewerage design standards. Provide conveyance capacity information from metering and hydraulic modeling and evaluate the availability of sewer capacity to serve new development. Develop GIS tools and maintain connection records and maps of the public sewer system. Develop and maintain a regional long-range facility plan and provide augmentation projects for the Department's Capital Improvement Program. Operate a state-licensed laboratory to test water samples for regulatory compliance. Collect samples and prepare requisite reports and submittals in accordance with federal and state permit requirements. Administer regulatory compliance and permitting programs including inspection of industrial sites requiring wastewater control. Manage the industrial pretreatment program through permitting, inspection, sampling and enforcement. Implement new process improvements for operational efficiencies, technical service strategies for odor control, biogas, energy, and biosolids programs. Provide support for the research and development of new treatment methods within the industry.

Significant change(s) in the Recommended FY18/19 Budget vs. the FY17/18 Adopted Budget:

- **Department's total O&M** target budget to provide mandated services to the County is \$83,480,997. Less than a .01% increase over the FY 2017-18 approved O&M budget.
- **Revenue** for FY 18/19 shows a slight decrease of -0.1%. While the economy is seeing improvement and the Department expects the number of customer accounts to increase over last fiscal year, the trend in water usage is still showing a decrease. To be conservative with budget expectations, the Department is decreasing revenues from sewer services by \$183,177.
- **Personnel Services** recommended budget amount decreased by \$1,726,515.

The Salaries and Wages line item (#5400) does include an amount (\$622,334) for the proposed 2.5% wage increase under consideration; the proposed wage increase will be funded under the budget if approved.

➤ **Supplies and Services** recommended budget amount increased by \$462,602.

- Non-Medical Professional Services increased by \$688,664 mainly due to Tucson Water, Oro Valley Water and Metro Water billing services increase in costs.
- R&M Buildings increased \$454,675, the increase is to help bring the budget amount in-line with the actual historical expenditures at Tres Rios, and to cover anticipated expenditures for Research and Development of new treatment processing methods.
- R&M Supplies increased \$121,183 due to the cost to relamp ultra violet bank which is a key component for disinfection at the Avra Valley WRF; and pumps, blowers, bar screens, and fall protection needed at the Green Valley WRF.
- ITD costs increased by \$614,474 overall.
 - ISF Server \$399,020
 - ISF Computer \$112,266
 - Port Charges \$103,188

Some of these increased costs will be off-set by Vacancy Savings decrease amount.

- The requested increases were off-set in Supplies and Services by some decreases in other line items:
 - PW Overhead (\$653,863) – reduced due to a larger portion being allocated to the General Fund Departments.
 - Electricity (\$427,881).
 - Chemicals (\$235,647).
 - Solar (\$88,000) – this is based on previous years actuals. FY 16/17 was the first year solar line item came into the budget, we are now able to firm up the budgeted cost of solar expenses.

➤ **O&M Capital Equipment** recommended budget amount increased by \$720,671 primarily for:

- Replacement of a Closed Circuit Television Van (\$310,000) which is over 11 years old, beyond the vehicle and equipment warranty periods, and approaching the end of its life cycle causing increasing O&M costs and vehicle down-time. CCTV inspection vehicles conduct sewer capacity analysis, damage explorations, and many functions which are mandated by Arizona Department of Environmental Quality Capacity Management, Operations and Maintenance (C.M.O.M.) requirements.
- Replacement of two Rodder Units (\$260,000) which have both hit the Fleet Services target profile replacement of 15 points. These units are out of warranty causing progressively increased O&M costs. Without reliable and effective equipment scheduled maintenance activities decrease, additionally, overtime costs will increase as existing equipment will need to be utilized twice as hard.
- Other essential equipment such as a motor grader, 3 yard wheel loader, water truck, and backhoe, are all an essential tool in the operation and upkeep of the recharge basins, percolation beds, dams, SWPP, BMP's , plant access, dirt roads, erosion, weed control and all grounds RWRD is responsible for maintaining.

Major department budget issue(s), if any, the department is facing in FY18/19:

- The Department is assessing the wastewater treatment facility on Mt Lemmon. The plant is being shut down for a week so that necessary minor repairs can be made and it can be inspected by the Department's Engineers. A determination needs to be made on the plant's overall viability. The Department could be facing costly rehabilitation or replacement costs in order to keep the plant operating. As an alternative, if the costs to keep the facility operating for the limited number of customer's on the mountain is prohibitive, the Department may be looking at the costs/risks associated with vaulting and hauling the collected wastewater off the mountain and to a regional wastewater treatment facility.
- The Department is exploring technology enhancements in the treatment process that would potentially reduce costs at the Tres Rios WRF and increase the Department's goal in maximizing renewable resources.
 - **Biogas** is a by-product of solids digestion in the wastewater treatment process, of which 80% is flared, releasing high amounts of carbon dioxide to the atmosphere. The Department is looking to utilize this by-product; building infrastructure (a skid) to treat the biogas so that it can be deposited into the SouthWest Gas pipeline. This will give the Department RINS credits that will help cover the cost of the program and will eventually give the Department an additional source of revenue. The project also creates a way to beneficially use this renewable resource rather than releasing carbon dioxide to the atmosphere.
 - The **Struvite Abatement** Project is required to stop the formation of struvite, a mineral composite that builds up in and clogs pipes and interferes with the operation of or damages equipment. Technology is utilized which selectively removes magnesium and phosphorus from the wastewater treatment process to produce an inert waste product. This project will cut the expense of adding the chemical ferric chloride into the treatment process and save person-hours used in struvite cleanup.
 - **Anammox** bacteria have the potential to revolutionize the wastewater industry. These organisms, which were only recently discovered, convert toxic ammonia to nitrate under very low oxygen environments, thus creating huge energy savings for the utility. RWRD is exploring the use of Anammox to treat the high strength ammonia side-stream waste flow that results from solids concentration, and treat the ammonia-rich domestic wastewater inflow from our conveyance systems. The technology carries the potential to decrease electricity costs and chemical costs in the future.

TRANSPORTATION DEPARTMENT
Recommended Budget – FY 2018 / 2019
May 16, 2018

	FY 17/18 ADOPTED BUDGET	FY 18/19 RECOMMENDE BUDGET	CHANGE
Transportation Department			
Expenditure:			
Personnel Services	18,718,150	17,790,230	-5.0%
Operating Expenditures	24,292,922	25,492,424	4.9%
Capital > \$5,000	482,500	165,800	-65.6%
Expenditure Total	\$43,493,572	\$43,448,454	-0.1%
Revenue:			
Intergovernmental	60,451,000	62,170,999	2.8%
Licenses & Permits	1,151,200	1,307,000	13.5%
Charges for Services	204,650	197,650	-3.4%
Miscellaneous Revenue	207,750	202,750	-2.4%
Revenue Total	\$62,014,600	\$63,878,399	3.0%
Operating Transfers:			
Transfers Out	\$20,002,659	\$26,441,280	32.2%
Transfers In	\$121,799	\$1,695,662	-
Transportation Department FTEs	286	269.95	-16.05
Transportation Grants Special Revenue Fund			
Expenditure:			
Personnel Services	101,500	35,000	-65.5%
Operating Expenditures	220,963	205,000	-7.2%
Capital > \$5,000			
Expenditure Total	\$322,463	\$240,000	-72.7%
Revenue:			
State Revenue		\$0.0	-100.0%
State Revenue Grants	170,000.	\$0.0	-100.0%
Federal Grant Revenue Pass through State	1,965,643.00	9,107,662	363.3%
Federal Grant Revenue Pass through Municipality	\$0.00	50,000	0.0%
Revenue Total	\$2,137,638	\$9,157,662	163.3%
Operating Transfers:			
Transfers Out	\$4,537,639	\$8,926,497	96.7%
Transfers In	\$12,800	\$8,835	-31.0%
Transportation Grants FTEs	-	-	-

Major programs and related services provided by the department:

- **Maintenance Operations and ROW Management:** Asset management, grading, preservation, repair, sweeping, vegetation management, drainage, storm cleanup, snow and ice control, emergency response, intersection control devices, signage, marking, lighting, environmental compliance and permitting of third party work/infrastructure and special events in the right-of-way.

- **Analytics:** Provides return-on-investment based network performance enhancements through modeling, studies, community engagement, GIS mapping and technology updates. Generates algorithms for evaluating network decisions against combined mobility, risk/safety and life-cycle-costing of infrastructure.
- **Design and Project Delivery:** Regional planning, implementation of enhancements generated by analytics model through a capital improvement plan based on available funding, seeking out federal, State, regional and local funding sources. Updates and maintain performance standards.
- **Tech Support Services:** Structural evaluation, materials testing and survey.
- **Community and Department Support Services:** Community relations, service request processing, transit support, network management coordination with other jurisdictions through Inter-Governmental Agreements, policy coordination and administrative support.

Significant change(s) in the Recommended FY18/19 Budget vs. the FY17/18 Adopted Budget:

- Complete restructuring of budget units to provide greater efficiencies and transparency.
- Reduction in non-maintenance operations expenditures including eliminating an additional sixteen non-maintenance FTEs.
- \$1,262,259 Technology enhancement for Transportation Network Management System to provide more efficient and effective planning, operating, maintenance and service delivery of infrastructure and network.
- \$1,813,000 increase in HURF revenues

Major costs of providing programs and related services:

- Transportation network maintenance & preservation is 35% of operating budget.
- Transportation network operation & improvements is 29% of operating budget.
- 1997 Bond mobility enhancements is 27% of operating budget.
- RTA regional transit support is 9% of operating budget.
- Transportation network improvements is 77% of capital budget.
- Pavement preservation is 23% of capital budget.

Major department budget issue(s), if any, the department is facing in FY18/19:

- \$354 million 10-year deficit in delivering a \$624 million 10-year plan to repair and preserve all unincorporated County paved roadways.