



Fiscal Year 2016

Annual Adopted Budget

July 1, 2015—June 30, 2016

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Adopted Budget Fiscal Year 2016 (July 1, 2015—June 30, 2016)

COCONINO COUNTY BOARD OF SUPERVISORS

Art Babbott
District I
Vice Chair

Elizabeth C. Archuleta
District II

Matthew G. Ryan
District III

Mandy Metzger
District IV
Chairperson

Lena Fowler
District V

COCONINO COUNTY MANAGEMENT

Cynthia Seelhammer
County Manager

Larry Dannenfeldt
Deputy County Manager

Mike Townsend
Deputy County Manager

Coconino County is committed to enhancing the
public good of those we serve.

Budget Team

Megan Cunningham, Budget Manager
Misty Drye, Senior Budget Analyst
John Comer, Budget Analyst

Bonny Lynn, Finance Director

www.coconino.az.gov

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Distinguished Budget Presentation Award



The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Coconino County, Arizona for its annual budget for the fiscal year beginning July 1, 2014. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to confirm to program requirements, and we are submitting it to GFOA to determine eligibility for another award.

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How This Document is Organized

This Fiscal Year 2016 Budget Document has been developed to provide information to the public, document the FY16 budget process and decisions, and present the budget for FY16. The document is divided into the following major sections: Prefix, Letter to the Citizens, Budget Summary, Strategic Budget Process and Long-Term Financial Planning, Department Budgets presented by Service Area, Special Taxing Districts, Capital Budget, Glossary and Acronym List, and Index.

Prefix

This section includes the County Mission Statement, Leadership Philosophy, and Values Statement, a map of County Supervisory Districts, a list of Coconino County Officials, a County organizational chart, the Table of Contents, and a Department Quick Reference list.

Letter to the Citizens

This section contains the Letter to the Citizens of Coconino County detailing conditions and decisions that determined the structure of the FY16 budget.

Budget Summary

The Budget Summary provides a community profile of Coconino County with pertinent economic and demographic information, a discussion of the budget management and fiscal policies that guide the budget process, an explanation of the basis of budgeting and accounting used, and a discussion of fund types. It moves into a discussion of revenues, expenditures, and General Fund past and projected trends, as well as budget allocations for FY16. The summary ends with a discussion of personnel, projects funded under Title III of the Secure Rural Schools and Community Self-Determination Act of 2000 and 2008, and County debt.

Strategic Budget Process and Long Term Financial Planning

This section was added to the FY10 Adopted Budget. This section details Coconino County's phase-in of a Strategic Budget Process, which attempts to align our budget allocations with the outcome of the strategic priorities that are most meaningful to citizens. We also discuss our long-term financial planning efforts and how we have successfully used long-term planning in our budget development.

Departmental Budgets Presented by Service Area

This section includes a department overview and financial statements for each County department. The department overview includes a department description, opportunities and challenges the department is facing, long-term goals and short-term objectives, and an explanation for the alignment of the department's programs with its primary strategic priority area. Following each overview is a detailed financial report that shows revenues and expenditures by category and program within the department, along with a detailed list of department staffing. An explanation is included for any major staffing changes from year to year. Each service area is preceded by a summary of the services provided within that area, as well as an explanation for fluctuations in the per capita costs for that service area.

Special Taxing Districts

This section describes the County's various special districts, including all improvement districts. It also provides a list of tax rates for all taxing districts within the County.

Capital Budget

This section contains the County's capital budget, including the long-term plan, a detailed explanation of each non-routine project, and the effect each project is expected to have on the operating budget.

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How This Document is Organized

Glossary and Acronym List

This section includes a glossary of financial and budgetary terms and a quick reference list of acronyms. In some cases, it also provides definitions for Statutes and programs specific to the State of Arizona and Coconino County.

Index

A detailed index is provided to assist in locating information on specific subjects.

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Budget Resolution

When recorded, please return to
BOARD OF SUPERVISORS
Clerk of the Board
219 East Cherry Avenue
Flagstaff, AZ 86001-4695

Official Records of Coconino County 3725010
Patty Hansen - Recorder 06/25/2015 02:05 PM Pgs: 1
COCONINO COUNTY BOARD OF SUPERVISOR GA \$7.00



RESOLUTION 2015-40

A RESOLUTION OF THE COCONINO COUNTY, ARIZONA BOARD OF SUPERVISORS ADOPTING THE BUDGET FOR FISCAL YEAR 2016

WHEREAS, in accordance with the provisions of Title 42, Chapter 17, Articles 1-5, Arizona Revised Statutes (A.R.S.), the Board of Supervisors did, on June 2, 2015 make an estimate of the different amounts required to meet the public expenditures/expenses for the ensuing year, also an estimate of revenues from sources other than direct taxation, and the amount to be raised by taxation upon real and personal property of Coconino County, and

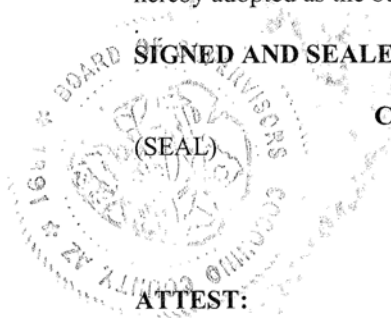
WHEREAS, in accordance with said chapter of said title, and following due public notice, the Board met on June 23, 2015, at which meeting any taxpayer was privileged to appear and be heard in favor of or against any of the proposed expenditures/expenses or tax levies, and

WHEREAS, it appears that publication has been duly made as required by law, of said estimates together with a notice that the Board would meet on June 23, 2015, at the office of the Board for the purpose of hearing taxpayers and making tax levies as set forth in said estimates, and

WHEREAS, it appears that the sums to be raised by taxation, as specified therein, do not in the aggregate exceed that amount as computed in A.R.S. §42-17051(A), therefore be it

RESOLVED, that the said estimates of revenues and expenditures/expenses shown on the accompanying schedules, as now increased, reduced, or changed, are hereby adopted as the budget of Coconino County for the fiscal year 2016.

SIGNED AND SEALED this 23th day of June, 2015



COCONINO COUNTY BOARD OF SUPERVISORS

(SEAL)

Art Babbott, Chair

APPROVED AS TO FORM:

ATTEST:

Wendy Escoffier, Clerk of the Board

William Ring, Deputy County Attorney

Resolution 2015-40

Approved June 23, 2015

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Board of Supervisors



Supervisor Art Babbott
District I (Vice Chair)

Supervisor Matt Ryan
District III

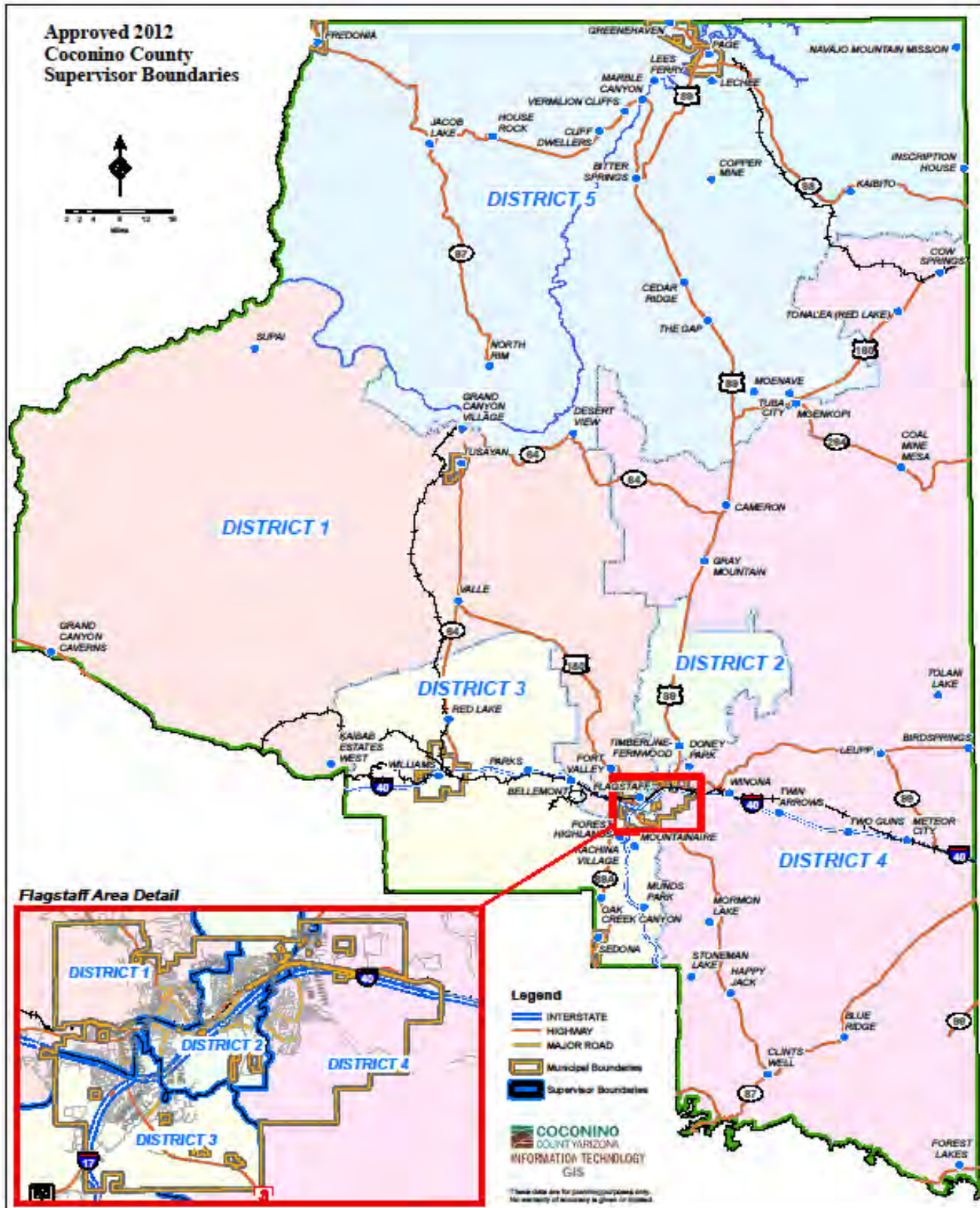
Supervisor Liz Archuleta
District II

Supervisor Mandy Metzger
District IV (Chair)

Supervisor Lena Fowler
District V

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County Supervisory Districts



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Mission Statement

Coconino County is a land of vast and endless beauty, home to many cultures. With energy and enthusiasm, we commit to:

- Conscientiously serve our community and provide our citizens with accessible local government;
- Provide the most effective and efficient delivery of services;
- Challenge, recognize and support our employees because they are the backbone of the County;
- Protect, preserve and care for our environment.

In our second century of public service, we envision a citizenry and staff that is proud of their government and its accomplishments. We look forward to the future and are confident that by working together in an atmosphere of cooperation and trust, we will meet each new challenge with creativity and integrity.

Leadership Philosophy

Each employee has a shared responsibility for the leadership, management and outstanding performance of our organization. To achieve excellence, we promote opportunities for self-development, encourage the use of each individual's talent, knowledge and creativity, and support recognition of achievement. As a result, higher performance is achieved by dedicated colleagues who are interdependent with a common sense of purpose and a shared vision of success.

Values

We are responsible and accountable to all and our actions are guided by these core values:

- Honesty - Everything we say and do is based in truth.
- Respect - We value differences and treat everyone with kindness and civility.
 - Integrity - We honor our commitments.
 - Responsibility - We take ownership of our actions and their results.
- Community - We share goals, cooperate to solve problems and promote a spirit of belonging within the organization.

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County Officials

BOARD OF SUPERVISORS

District I	Art Babbott, Vice Chair
District II	Elizabeth C. Archuleta
District III	Matthew G. Ryan
District IV	Mandy Metzger, Chair
District V	Lena Fowler
County Manager	Cynthia Seelhammer
Deputy County Manager	Larry Dannenfeldt
Deputy County Manager	Mike Townsend
Clerk of the Board	Wendy Escoffier

ELECTED OFFICIALS

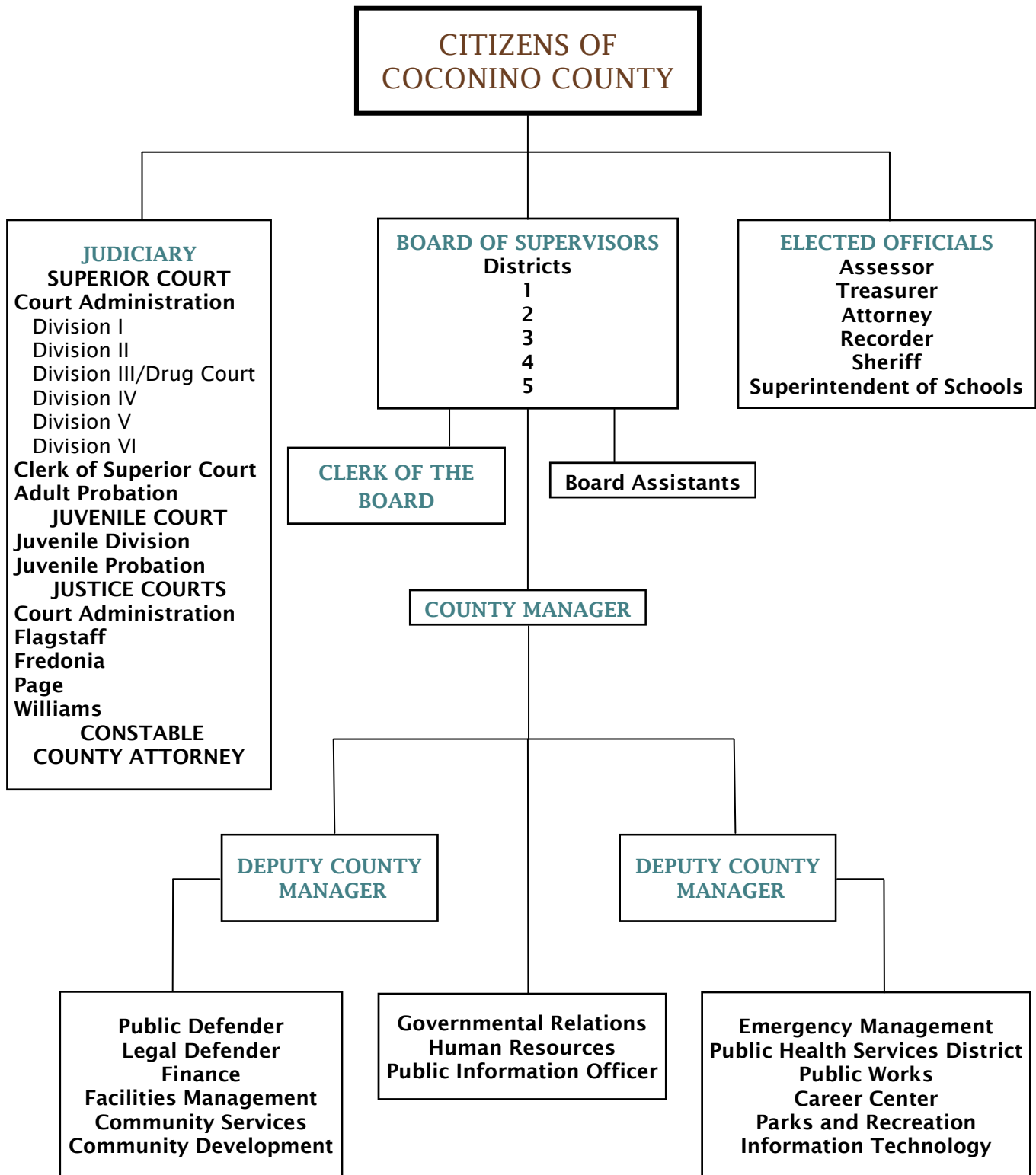
Clerk of the Superior Court	Valerie Wyant
Constable	Darrin Womble
County Assessor	Chris Mazon
County Attorney	David Rozema
County Recorder	Patty Hansen
County Sheriff	William Pribil
County Superintendent of Schools	Risha VanderWey
County Treasurer	Sarah Benatar
Justice of the Peace Flagstaff	Howard Grodman
Fredonia	Mark R. Baron
Page	Donald G. Roberts
Williams	Robert Krombeen
Superior Court Division I	Jacqueline Hatch
Division II	Dan Slayton
Division III/Drug Court	Mark Moran, Presiding Judge
Division IV	Elaine Fridlund-Horne
Division V	Cathleen Brown Nichols
Division VI	Ted Reed, Judge Pro Tempore

APPOINTED DEPARTMENT HEADS

Adult Probation (Chief Probation Officer)	Cindy Winn
Career Center	Carol Curtis
Community Development	Jay Christelman
Community Services	Janet Regner
Court Administrator	Gary Krcmarik
Facilities Management	Susan Brown
Public Health Services District	Marie Peoples
Human Resources	Erika Philpot
Finance	Bonny Lynn
Information Technology	Kristopher Estes
Juvenile Court Services	Bryon Matsuda
Legal Defender	Gary Pearlmutter
Parks and Recreation	Judy Weiss
Public Defender	Sandra Diehl
Public Works	Andrew Bertelsen
Superior Court Juvenile Court Judge/Commissioner	Margaret McCullough

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Organizational Chart



Letter to the Citizens



LETTER TO THE CITIZENS

June 23, 2015

Dear Citizens of Coconino County,

The Coconino County Board of Supervisors and I are pleased to submit the Adopted Budget for Fiscal Year 2015-2016. The FY16 Adopted Budget represents the County's overall financial plan for the fiscal year beginning July 1, 2015 and serves as a guide for allocating available resources based on County priorities.

State of Arizona Economic Assumptions

In order to develop a realistic budget, it is important to understand the projected direction of the state and local economy.

The State of Arizona revenues are anticipated to be \$440 million less in FY16 than in FY15. In comparison, FY16 spending is projected to see growth of 1%. The projected FY16 shortfall is approximately \$(690,000). The following factors lead to the projected shortfall in FY16:

- ⇒ The State had a \$300 million to \$400 million underlying structural shortfall in the past several years as ongoing spending exceeded ongoing revenue. These budgets were balanced with one-time monies such as the temporary 1-cent sales tax and cost shifts to other governmental agencies.
- ⇒ Lower than expected revenue growth.
- ⇒ Phase-in of tax law changes enacted in 2011 and 2012.
- ⇒ K-12 inflation litigation.

With these baseline estimates of state revenues and spending obligations, there are both positive and negative risks.

Gains:

- Improving national economic recovery: The national economy has been improving since the second quarter of 2014. Stronger economic growth, better job prospects, and an increase in consumer confidence could translate into increased net migration to the state, which would also result in more demand for housing and an overall boost to the Arizona economy and related revenue growth.
- The "windfall" from the sharp reduction in gasoline prices: If gas prices remain at the current level for the next 12 months, it could free up an estimated \$2 billion for Arizona households. While consumers are likely to save part of this windfall, they will also spend a portion of their gains.

Losses:

- Uncertainty of international events: As Arizona's economy has become increasingly tied to the international economy, so has the potential for economic disruptions from global events.
- Litigation expenses: Beyond the K-12 inflation litigation, the state faces other resolved and potential litigation impacts that have not been incorporated in the baseline estimates.

State of Arizona Shifts to Coconino County

As a subdivision of the State, counties are mandated by the State to deliver certain services at the local level. Over time, funding levels and services mandated have changed, creating additional impacts counties must accommodate. A major concern during annual budget development is the continued uncertainty at the State level. We continue to see the following shifts and impacts in order for the State to continue their quest to balance their budget.

LETTER TO THE CITIZENS

Existing General Fund Impacts

- Sexually Violent Predators: Cost (34% of total amount) to house and treat sexually violent predators.
FY15 Projected Actual: \$174,073
This amount varies from year to year depending on active cases. In FY14 Coconino County paid \$38K for sexually violent predators.
- Restoration to Competency: Cost to house and treat prisoners at the State hospital.
FY15 Projected Actual: \$776K
This amount varies from year to year depending on active cases. In FY14 Coconino County paid \$347K for restoration to competency.
- Court Liability Insurance: Counties are now required to fund liability insurance for court staff.
FY15 Projected Actual: \$43K
- Justice of the Peace (JP) Salaries: Coconino County previously funded 58.85% of JP salaries. This has been increased to 80.75%.
FY15 Cost: \$334K
FY15 Actual Reimbursement from State: \$51K
- Inactivation of the State Department of Revenue property valuation system, forcing counties to invest in a capital system and staffing to create assessed valuations.
FY15 Cost: \$95K
Original purchase of the computer system in FY10 was \$2 million

Existing Other Fund Impacts

- A shift of HURF shared revenues to fund State DPS.
FY15 funding reduction: \$900K
A three year HURF restoration, at a reduced level, was passed in the State budget for FY15. Coconino County can expected \$380K in FY16.
- A loss in State grant revenue for Court, Probation, and Health programs.
FY15 Impact Unknown - estimated to be at least \$1.2 million. This is a recurring loss.

New General Fund Impacts in FY16

- Arizona Department of Revenues fee for sales tax collection. FY16 Cost: \$55,355
- Arizona Department of Juvenile Corrections. FY16 Cost: \$252,354

Other Revenue Challenges

State Grant Funding

The County receives State funding to administer programs. The departments that receive the majority of State funding and would be affected most by State cutbacks include the Public Health Services District, Community Services, Sheriff, Courts, Probation, and Parks and Recreation. Those departments receive over \$7.5 million per year in State grant funding to offset the cost of their programs, and we also receive State shared revenues of \$28.5 million for road maintenance, courts, and as General Fund shared revenues. Any additional budget reductions from the State would greatly impact our ability to provide those services.

LETTER TO THE CITIZENS

A long-term issue in the annual budget development process is dealing with flat or reduced State funding for our essential programs. The State has swept our funding in periods of economic downturn. Many of the programs we receive State funding to provide are mandated services. When State funding declines it becomes necessary to back-fill programs with limited General Tax dollars. The State has also impacted the County's ability to increase other revenue sources to cover the flat or reduced State funding for our mandates. County property taxes have a mandated cap on the annual increase of 2% and we do not have authority to increase our sales tax rate. Coconino County continues to have the third lowest property tax rate in the State. This has and will continue to result in a decreased level of service for County programs over time.

Federal Funding

Coconino County receives over \$4 million in Federal revenues in the form of program grants each year. The majority of this funding is for Health, Community Services, and Career Center programs. If there are budget reductions at the Federal level which are passed down through grant and program payment reduction, Coconino County Health and Social Service programs would be greatly impacted.

Another source of Federal revenue comes from the reauthorization of the Secure Rural Schools and Community Self-Determination Act of 2000 (SRS); also known as Forest Fee revenue. This act provides funding to counties for schools and roads, and Title III of this act provides funding for county services on Federal land. Coconino County has over 4.7 million acres of Federal land, and has typically received between \$3 and \$4 million in funding from this act. Coconino County has used Title III funds for search and rescue, Sheriff patrol, forest fuels reduction, and emergency services on Federal land. The act expired in FY2011 and has been reauthorized on an annual basis. In FY15, the funding was reauthorized for two years. Beyond FY16, the future of this funding is unknown. This could result in Coconino County losing approximately \$2 million in funding for vital services on Federal land and County schools will lose over \$1.5 million of annual funding.

The Payment in Lieu of Taxes (PILT) program is another Federal revenue source for the County. This is a payment to the County in lieu of property taxes on Federal land. These funds are critical for maintaining essential public services. The President's fiscal year 2016 budget proposes to extend mandatory full funding for the program for another year while a sustainable long-term funding solution is developed for the PILT program.

Budget Development

Key Considerations

The County's financial condition, while improving, remains fragile as there are many competing priorities with limited resources. Going into the FY16 process, the budget direction was to prioritize investment in our organizational assets: compensation, technology, and facilities. Departments started the FY16 budget process with their base operating budgets. They were given the opportunity to reallocate their base funding within their operations and travel as well as make funding changes between department programs. Departments were also given the opportunity to request additional one-time or recurring funding in their budget by submitting a Service Improvement Request.

Compensation

As the economy continues to improve we are cognizant of the potential risks of increased employee turnover; which we experienced during years prior to the recession. We began to address compensation in FY14 with a market adjustment and a performance-based merit increase. In FY15, we addressed our organization-wide issues of compression. Compression occurs when there is only a small difference in pay between employees regardless of their skills or experience. This tends to occur as the result of the market-rate for a given job outpacing the increases historically given by the organization to longer tenured employees. FY16 again includes the 2.5% performance-based merit increase for each employee on their anniversary date.

LETTER TO THE CITIZENS

Technology

Technology is essential for everyday work. Our County-wide network is critical to daily operations. In order to assure County service delivery and workforce effectiveness, technology assets must be in the appropriate environment. In FY16 the Executive Technology Committee (ETC) will be established. The ETC will provide executive level governance on the County's information technology investments and initiatives. The ETC will be a strategic advocacy committee established to assure that technology planning and investment decisions are made collaboratively across County departments. This committee will ensure that guidelines are set to improve the consistency and quality of technology decisions and investments while accounting for business needs and available resources.

Facilities

Leaving our facilities as status quo will result in higher costs in the future. Our assets continue to deteriorate with the potential for expensive failures. Funding was set aside in FY14 and was added to in FY15 for capital improvements. More funding will be added as possible. Facilities Management can use this funding to resolve space issues that would otherwise be solved via the implementation of the Facilities Master Plan (FMP) which will continue to advance the foundation for this future facility plan.

FY16 Adopted Budget Overview

The total Fiscal Year 2016 Adopted Budget for all funds is \$175,034,502.

General Fund	\$ 73,629,911
Special Revenue Funds and Grant	99,544,870
Debt Service	103,150
Capital Projects	1,756,571
FY16 Adopted Budget	\$ 175,034,502

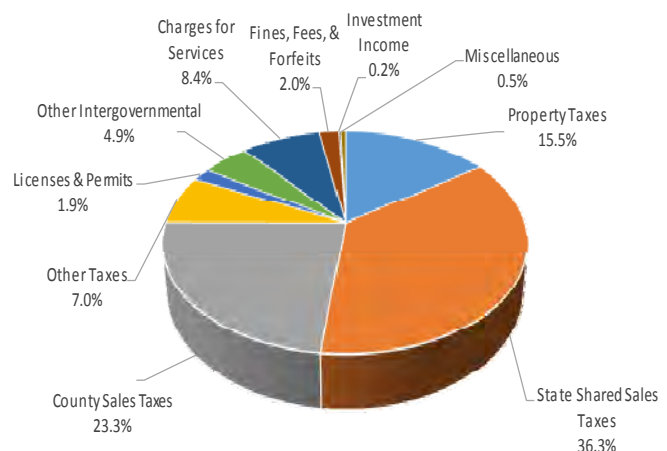
General Fund Overview

In accordance with the County's Budget Policy, the Adopted Budget represents a balanced budget with \$73,629,911 in projected revenues and fund balance and \$73,629,911 in adopted expenditures. Despite presenting a FY16 balanced budget, a significant structural deficit remains. Applying prudent financial planning into future years this structural deficit is eliminated in FY21.

Revenues

The FY16 Adopted Budget includes \$17,578,679 in General Fund revenue. The County's largest revenue source is State Shared Sales Tax, County Sales Tax, followed by Property Taxes.

State Shared Sales Taxes are anticipated to grow 4.9% over the FY15 projected collection. The State Shared Sales Tax allocation formula is subject to State legislative authority and approval. Currently the calculation uses an assessed valuation component. Due to the housing values in Coconino County remaining at a higher percentage of the state during the recession we have seen an increase in this tax. Values throughout the State are beginning to see an increase which will result in a decrease of the tax for Coconino County.



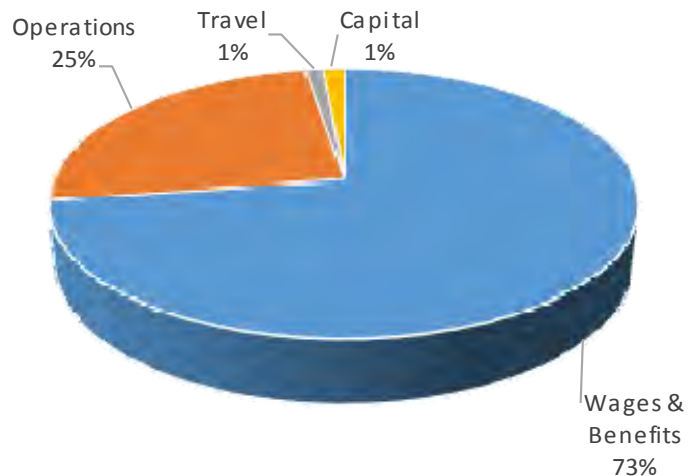
LETTER TO THE CITIZENS

Local County Sales Taxes are anticipated to grow 4.5% over the FY15 budget. The growth rate in sales tax is anticipated to vary between 2.9% and 3.5% per year for the next ten fiscal years. We have also accounted for a possible recession in our ten-year plan by having two years with 0% growth in the outlying years. It would be valuable to note that the County Sales Tax is currently at the legal maximum of %.005 (5/10 of a cent), as the Statutory limit allows the County Sales Tax to be 10% of the State general tax rate.

Expenditures

The FY16 Adopted Budget includes \$53 million (net of contingency) in General Fund expenditures. This is an overall increase of less than 1% in expenditures from FY15. All of the funding increases for FY16 are summarized by department on pages 95-96.

Personnel costs account for 73% of total General Fund expenditures. Wages are projected to increase by 2% due to the 2.5% performance-based merit for each employee on their anniversary date. Benefits are projected to increase by 8%. This increase is largely due to an increase in the Public Safety Personnel Retirement System (PSPRS) pension contribution. Coconino County is experiencing a 30% increase in the PSRS for FY16 and projecting an additional 11.5% in FY17 in order to meet our unfunded liability.



Other Major Funds

All of our major funds are under financial pressure. In each fund at least one significant revenue stream is negatively impacted. This is due to the recession and/or State and Federal decisions. We continue to witness expenditures over time rising faster than revenues.

Jail District

Bed rental revenues are a steady stream of revenue for the Jail District. This revenue continues to vary as the local population use of beds has increased, leaving less beds to rent. The challenge being faced is the ability to hold down the local population to see a higher return in bed rentals.

Highway User Revenue Fund

The gas tax is the main stream revenue for HURF. This tax is distributed based on a portion of fuel distribution and consumption and on a portion of un-incorporated population. The gasoline tax has been flat at \$0.18/gallon on gasoline purchases and has not been adjusted in 22 years. This tax is 15% lower than FY07 levels. Due to a decline in these revenues and an increase in need for operations and maintenance of roads the Board of Supervisors took a measure to the voters for approval of a sales tax to fund operations and maintenance of roads. HURF revenues are now available for road projects that have been delayed for numerous years.

LETTER TO THE CITIZENS

Public Health Services District

The main revenue stream for the Public Health Services District (PHSD) is property taxes. Due to a decrease in property taxes during the recession while expenditures continued to increase, the District was facing FY16 with a \$600K shortfall and a \$10 million structural deficit over the next 10 years. Following numerous discussions the Board of Directors and District staff agreed to implement various cost savings and revenue accruing measures to provide a fiscal solution to the projected deficits. This process will continue to ensure the financial sustainability of the Public Health Services District.

Flood Control

The Flood Control revenue stream is also based on property taxes and we are seeing the same issue discussed for the PHSD. With the decline in secondary assessed values, the district has seen lower collection in property taxes that fund flood control projects. As assessed values gradually increase the funds will be appropriated towards prioritized Flood Control projects.

RMST

The Road Maintenance Sales Tax (RMST) was approved by the voter's on November 4, 2014. The ballot measure was approved by nearly 65% of the vote. The estimated revenues from the tax are to be approximately \$6 million to \$7 million per year. The sales tax is tied to actual sales of goods and services, so the amount actually generated will depend on economic conditions during the next 20 years. The funds will be used to maintain all County-maintained roads, including County-owned roads, U.S. Forest Service roads, and Bureau of Indian Affairs roads maintained by the County through longstanding agreements.

Collaboration

Coconino County is involved in several multi-agency collaborative efforts, including the Northern Arizona Public Employee Benefit Trust (NAPEBT), which includes the City of Flagstaff, Coconino Community College, the Northern Arizona Intergovernmental Public Transportation Authority, and Flagstaff Unified School District. NAPEBT has been instrumental in the cost containment of employee benefits. We have averaged significantly lower increases in our health insurance premiums over the past several years when other agencies have seen cost increases of 10% or more.

We also have law enforcement services co-located with the City of Flagstaff, which creates efficiencies with a centralized dispatch center and in the jail system. Our collaboration with all area criminal justice organizations through the Criminal Justice Coordinating Council has identified and implemented efficiencies in the criminal justice system, creating a better system for all users.

Although we have faced some financial challenges in recent years, and difficult decisions will continue to be needed to maintain a balanced budget, the Board of Supervisors is optimistic that FY16 will continue to show economic recovery, and that through resource investments we have positioned Coconino County to deal with what lies ahead. We are proud of our ability to minimize the impact the recession has had on our service delivery to citizens, and look forward to continuing to provide outstanding service this year.

Sincerely,



Mandy Metzger, Chairperson
Coconino County Board of Supervisors

Budget Summary



Aspen Avenue Downtown Shops—Flagstaff, AZ



Barbershop Canyon—Happy Jack, AZ



Horseshoe Bend—Page, AZ



COMMUNITY PROFILE

History and Government

History of Coconino County

- Prior to 1891, Coconino County was considered the northern 70% of Yavapai County. However, citizens of Northern Arizona felt the distribution of tax money was going primarily to Prescott to improve roads and railroads in that area as the Yavapai County seat. In 1887 citizens petitioned for secession from Yavapai County.
- It wasn't until February 19, 1891 that Coconino County was established by the 16th Territorial Assembly with an initial population count of 4,000. An election was held that established Flagstaff as the permanent County seat.
- A group of taxpayers, seeing the need for the new County to have a place to conduct its business, pressed the U.S. Congress to pass a bill authorizing the Board of Supervisors to issue bonds for the construction of a County building. The Honorable D. M. Riordan was sent to Washington, D.C. to lobby for its passage. In July of 1894, President Grover Cleveland signed the bill, paving the way for the construction of the Historic County Courthouse, which is still used today.



Coconino County Courthouse - Circa 1902



Coconino County Courthouse - Today

- Coconino County had three Supervisors from establishment until January 1981 when the County was split into five Districts.
- The assessed valuation reported by the Board of Supervisors in 1891 was \$1,975,975. It has grown to \$1,537,418,218 in FY2016.

Form of Government

County government in the United States developed out of the British system of local government (first known as shires - then counties) whose origins can be traced to the 5th century. The traditional primary functions of County government in the United States include law enforcement, the recording of deeds and other documents, and the provision and maintenance of public works such as roads and parks.

Coconino County's government consists of an elected Board of Supervisors who in turn appoint a County Manager. There are five districts, each represented by a Supervisor, and the County Manager serves as the Chief Administrative Officer for the organization. Departments are either headed by an appointed official or an elected official. Elected offices are statutorily determined and include the Sheriff, County Attorney, Recorder, Treasurer, Assessor, Superintendent of Schools, Constable, Clerk of the Superior Court, and the Judiciary. Other departments, such as Community Services and the Public Health Services District, provide services to the community that are either Federally or State mandated or serve the local population's need and are headed by appointed officials.

COMMUNITY PROFILE

County Services

The County, through its various departments, provides a wide array of services to citizens of all ages. Departments with similar missions and functions are grouped into five service areas. The following paragraphs summarize the services provided by the County as well as services that the County does not provide but may be available from other governmental entities such as fire districts or school districts.

- **General Government** includes the offices of the Board of Supervisors, County Manager, Assessor, Recorder, Superintendent of Schools, Treasurer, Government Relations, Emergency Management, and Non-Departmental.
 - ⇒ The Board of Supervisors establishes administrative policy and direction for the County.
 - ⇒ The County Manager, as the Chief Administrative Officer, implements and administers organizational policies and procedures, and provides support for County initiatives and programs.
 - ⇒ The Assessor values property for the purposes of taxation and is responsible for a property tax appraisal and administration system, which was previously handled by the Arizona State Department of Revenue.
 - ⇒ The Recorder processes and creates a public record of all documents received, such as deeds to land ownership, and manages all aspects of elections, including voter registration and outreach.
 - ⇒ The Superintendent of Schools advises County School Districts on all budget and finance matters, School Board elections, filling School Board vacancies, and reporting and monitoring teacher certification.
 - ⇒ The Treasurer collects property taxes for the State, County, incorporated cities and towns, school districts, and special districts.
 - ⇒ Government Relations coordinates all lobbying and government affairs, public outreach, and grant writing for Coconino County.
 - ⇒ Emergency Management provides capability for local governments, businesses, organizations, and individuals to respond to, prepare for, recover from, and mitigate the effects of any natural or human-caused emergency or disaster.
 - ⇒ Non-Departmental covers County-wide revenues and expenditures, along with those not directly linked to the functions of one department.
- **Justice System** includes Adult Probation, Clerk of the Superior Court, Constable, County Attorney, Justice Courts in Flagstaff, Fredonia, Page and Williams, Juvenile Court Services, Legal Defender, Public Defender, Sheriff, and Superior Court. The shared purpose of this area is to provide a safe and secure community while administering justice fairly and efficiently. Responsible departments perform pre-trial release and pre-sentence investigations, supervise a wide range of court clients (both adult and juvenile), provide court services to serve the judicial needs of the County, prosecute felonies and juvenile offenses including all misdemeanor cases occurring in the unincorporated areas of the County, prosecute and defend all civil litigation involving the County and its officers, provide law enforcement and patrol services to citizens, operate the County jail, provide access to stakeholders' records of the Superior Court, and provide legal representation to indigent persons. Other services to citizens include the issuance and recording of marriage licenses, processing passport applications, resolving matters in small claims court, assisting in mental health commitment proceedings, managing citizen volunteers in community policing efforts, and providing law enforcement and search and rescue operations on Lake Powell and the Colorado River.



COMMUNITY PROFILE

County Services

- **Health and Social Services** includes the Career Center, Community Services, and the Public Health Services District. The Career Center trains youth and adults to enter or re-enter the workforce, as well as providing summer employment and education for teens. Community Services works to meet the needs of the elderly population and the less fortunate citizens of Coconino County. These services include a nutrition program for seniors, respite care, home care, congregate meals, public fiduciary services, emergency assistance for locating housing and paying utilities, and case management to address the needs of the elderly. The Public Health Services District's focus is to prevent epidemics and the spread of disease, protect against environmental hazards, promote and encourage healthy behaviors, and assure the quality and accessibility of health services. The Medical Examiner's Office is also under the Public Health Services District and investigates deaths and performs autopsies. Additionally, the Public Health Services District provides clinical health and emergency services to County jail inmates and juveniles in detention.
- **Community Development** includes the departments of Community Development, Kachina Village Improvement District, Parks and Recreation, and Public Works. The Community Development Department administers and enforces County zoning and building codes, provides inspections, and issues building permits. The Kachina Village Improvement District (KVID) is a division of the Public Works Department that provides potable drinking water and operates a wastewater treatment facility for the residents of Kachina Village. Parks and Recreation creates and maintains unique recreational opportunities including the County fair. The Public Works Highway Division is responsible for maintaining 958 miles of County roadways. Of this total, 222 miles of roads are on Reservation lands and 258 miles on Forest Service land. This division also provides engineering services for roads and bridges, signing and striping of roads, and the management of the County's vehicle fleet through the Mechanical Services program.
- **Internal Services** includes Facilities Management, Finance, Human Resources, and Information Technology. These departments primarily provide services for all County departments. Some of the services provided include: providing a safe and clean working environment for all employees and citizens, providing sound financial stewardship of County resources, job recruitment, classification, compensation, training, safety, employee benefits, and networking and programming of the County's information systems.

Services Provided by Other Agencies

Many services are provided to County residents and visitors through agencies and governmental entities other than the County. The County does not have or manage fire stations, school districts, potable drinking water and wastewater disposal systems (with the exception of KVID), hospitals, airports, animal shelters, or libraries. The County is also not authorized by Statute to construct roadways but is authorized to perform maintenance and improvements to existing roadways. All of the services listed here are provided to residents by individual cities and towns or through special districts of these agencies. Non-profit organizations also provide various services throughout Coconino County.

The Navajo Nation and the Hopi Nation lie partly or entirely within the County's boundaries. Some services are provided by the Federal Government on Tribal Lands. Under intergovernmental agreements (IGAs), the County provides road maintenance programs on tribal lands.

The Northern Arizona Intergovernmental Public Transportation Authority (NAIPTA) includes transportation agencies from around Northern Arizona in Coconino County. This organization administers the fixed route Mountain Line Transit System throughout the City of Flagstaff, the ADA-compliant special needs para-transit VanGo system, and the Roadrunner Transit System in Sedona. NAIPTA also recently implemented the Taxi Voucher program as well as the Van Pool program.

COMMUNITY PROFILE

Geography and Land Use

Coconino County, at 18,661 square miles, is the largest county in Arizona and the second largest in the United States. Of the 18,661 square miles in Coconino County, 18,619 square miles are land and 42 square miles are water. (U.S. Census Bureau, 2010)

- Coconino County's land area is larger than nine of the smallest states: Connecticut, Vermont, Delaware, Maryland, Hawaii, Massachusetts, New Hampshire, New Jersey, and Rhode Island.
- Despite its size, Coconino County is one of the most sparsely populated counties in Arizona with a population of 7.2 persons per square mile. (U.S. Census, 2010)
- In comparison, the U.S. population density is 87.4 persons per square mile. (U.S. Census, 2010)

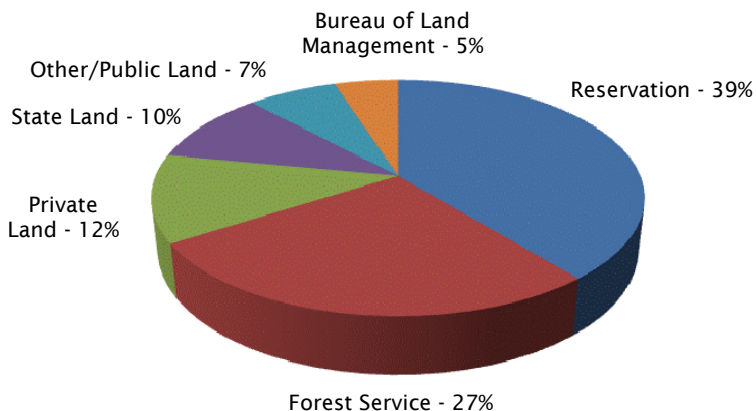


- Due to its vast size, it is difficult for Coconino County to provide all of its available services in each community.
- The County is continually striving to provide critically needed programs in outlying and rural communities.
- The County is also making technological advancements, which allow more services and information to be provided online. For example, investors can now use the interactive GIS map to identify properties with available tax liens.

Coconino County's topography is marked by large mountain ranges, deep canyons, red rocks, and the largest contiguous Ponderosa Pine forest on earth. It is home to Arizona's highest point, Mount Humphreys in the San Francisco Peaks, elevation 12,633 feet. The difference in elevation from the County's lowest point at the Colorado River to its highest point at the summit of Mount Humphreys is 11,574 feet.

Coconino County is home to Grand Canyon National Park, which was granted National Park status on February 26, 1919 in a bill signed by President Woodrow Wilson. That year, the park hosted 44,173 visitors. Today, nearly five million people visit the Grand Canyon annually. Glen Canyon Dam, located on the northern border of the County, was completed in 1963. Its construction led to the creation of Lake Powell and the Glen Canyon National Recreation Area.

Coconino County Land Composition



- ◇ Coconino County is home to five Federal recreation areas: Glenn Canyon National Recreation Area, Grand Canyon National Park, Wupatki National Monument, Sunset Crater National Monument, and Walnut Canyon National Monument.
- ◇ Coconino County is home to two State recreation areas: Slide Rock State Park and Riordan State Historic Park.
- ◇ Coconino County is home to 30 Municipal parks, 6 County parks, and 2 natural areas.

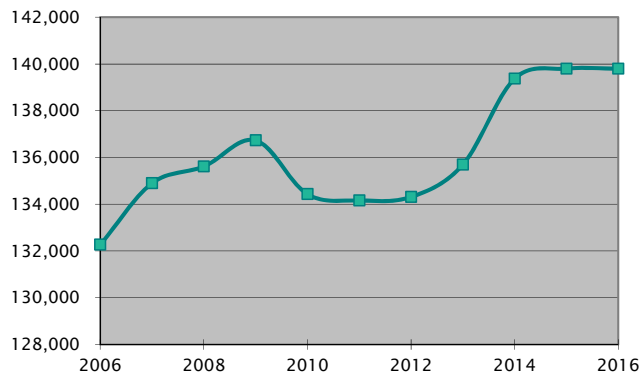
Source: ALRIS/Coconino County GIS

COMMUNITY PROFILE

Population Profile

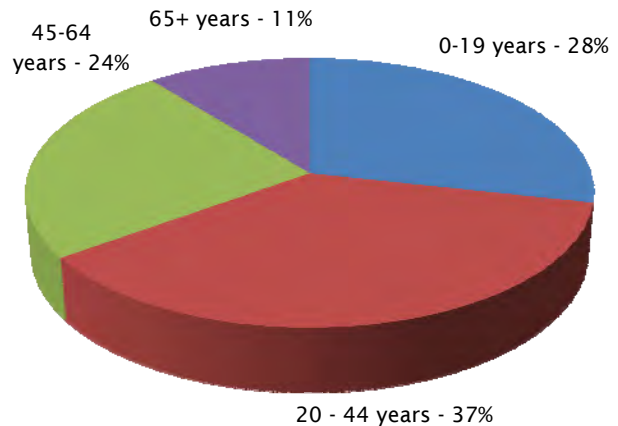
According to the Arizona Department of Administration, Office of Employment and Population Statistics, the estimated population of Coconino County in 2014 was 139,372 people. This is a 3.7% increase from the 2010 Census population of 134,421 and is a 19.8% increase from the 2000 Census population of 116,320. The Office of Employment and Population Statistics projects a 0.9% increase in population from 2014 to 2015.

Projected Population (2006-2016)



Source: Arizona Department of Administration, EPS

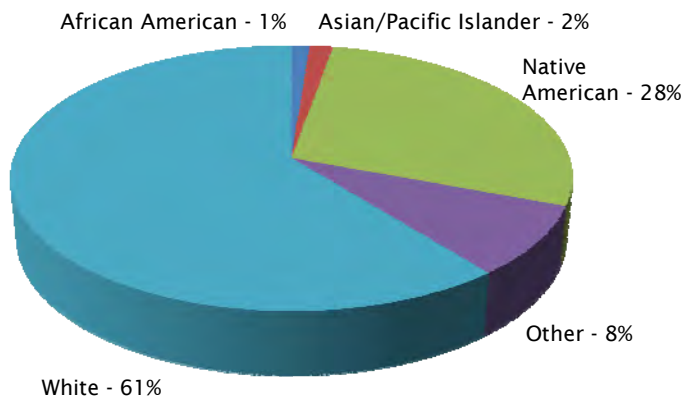
Population Distribution by Age (2015)



Source: Arizona Department of Administration, EPS

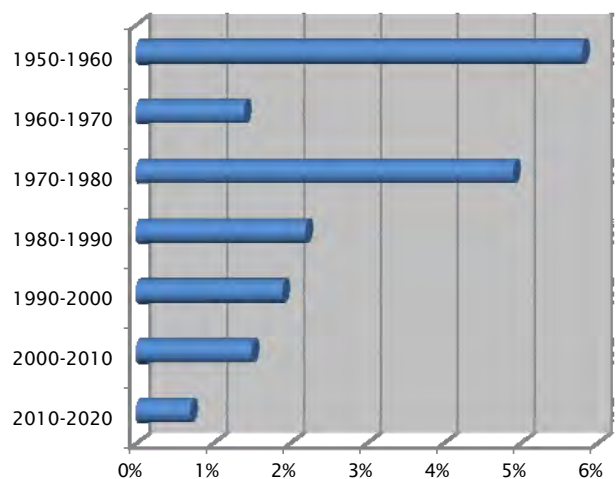
The most recent Census data shows a large increase in the 15 - 24 year old age group from 2000 to 2010. This trend is reflective of the expansion and growth of Northern Arizona University, which is located in central Flagstaff. The data also shows an increasing trend in the retiree age group aged 50 years and older, while the age group from 25 - 49 years old has remained relatively flat over the last ten years. Projections going forward show the 15 - 24 year old age group leveling out, while the retiree population for the area is projected to continue growing, resulting in an increased demand for services provided by many County departments in the future.

Population Composition (2015)



Source: Arizona Department of Administration, EPS

Annual Population Growth Rates (1950-2020)



Of the reported population composition above, 14% of people also identify themselves as Hispanic, which can be of any race.

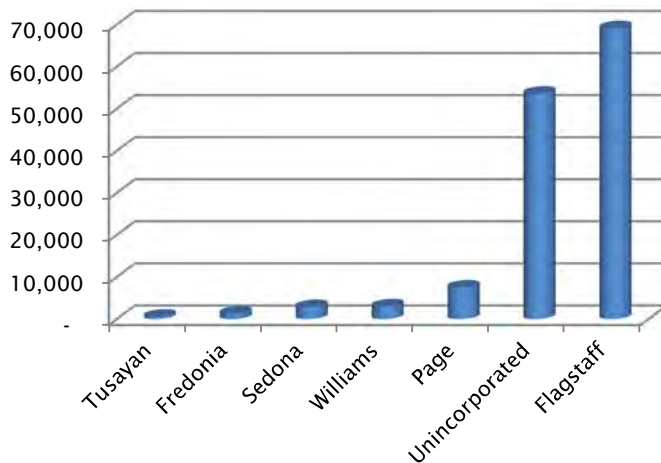
COMMUNITY PROFILE

Population Profile

Growth rates for the State of Arizona have been approximately three times the national average for the past 20 years, with Maricopa County leading the state in population growth. The average annual growth rate for Coconino County was 1.5% per year between 2000 and 2010, which was below the State average of 2.2%. Coconino County's growth rate is projected to decrease to 0.7% per year for the remainder of the decade, which is less than half of the State's projected growth rate. According to the 2010 Census, Arizona is the second-fastest growing state behind Nevada.

Incorporated Populations

An incorporated area is a city or town that has an established local government. The following chart shows the local populations for the incorporated areas of Coconino County compared to the total population in the unincorporated areas of Coconino County.



- ◇ The City of Flagstaff, the County Seat, is Northern Arizona's largest city, which serves as the trade and tourist center for the County.
- ◇ Since Sedona crosses County lines, the population shown is reflective of the portion of Sedona that lies within Coconino County.

Source: Arizona Department of Administration, EPS

Unincorporated Populations

An unincorporated community is the general term for a geographical area having a common social identity without the benefit of a municipal organization or official political designation (i.e. incorporation as a city or town). There are two main types of unincorporated communities: A neighborhood or other community existing within one or across multiple incorporated areas or a neighborhood or other community existing outside of an incorporated municipal government.

The table below identifies some of the unincorporated areas of Coconino County.

Belmont	Forest Highlands	Jacob Lake	Mormon Lake	Timberline/Fernwood
Bitter Springs	Forest Lakes	Kachina Village	Mountainaire	Tuba City
Blue Ridge	Fort Valley	Kaibab Estates West	Munds Park/Pinewood	Valle
Cliff Dwellers	Grand Canyon Village	Leche-e	Parks	Vermilion Cliffs
Clints Well	Greenhaven	Lees Ferry	Red Lake	Winona
Doney Park	Happy Jack	Marble Canyon	Stoneman Lake	

Select Unincorporated-Census Designated Places (CDP) Populations

CDPs are delineated solely to provide data for settled concentrations of populations that are identifiable by name but are not legally incorporated under the laws of the state in which they are located. The 2010 Census identifies 15 CDPs with a population of 500 or more in Coconino County.

COMMUNITY PROFILE

Tribal Lands

Coconino County has several Native American Reservation lands and communities within its borders, including the Havasupai, Hopi, Hualapai, Kaibab Paiute, and Navajo tribes.

Reservation Geographic and Economic Profiles

The **Havasupai** have lived in the Grand Canyon and central Arizona for over 1,000 years. The reservation consists of plateaus and canyon lands and abuts the western edge of the Grand Canyon's south rim. The village of Supai is in the 3,000-foot deep Havasu Canyon. The Havasupai economy is driven by tourism, based on the more than 12,000 visitors annually who hike or ride into the Canyon and use the Tribe's services.

Population within Coconino County (2010 Census): 465
Enrolled Tribal Members: 667
Land Area: 293.8 Square Miles

The **Hopi Reservation** lies partially in Coconino County and in neighboring Navajo County and consists of three major mesas with a maximum elevation of 7,200 feet and low deserts and gullies. The village of Old Oraibi is believed to be the oldest continuously inhabited village in the United States (established possibly as early as 1150 A.D.). The Hopi economy is principally driven by Federally funded programs (46% of all employment) and private sector service businesses (54%). Other economic activities include cattle production, tourism, coal mining, royalties, and construction.

Population within Coconino County (2010 Census): 1,145
Tribal Members: 12,008 Hopi; 10,590 enrolled
Land Area: 2,438.6 Square Miles

The **Hualapai Reservation** lies along the Colorado River and the Grand Canyon in both Coconino and Mohave Counties. The terrain is characterized by hills, rugged mesas, forests, cliffs and gorges. The Tribal economy relies on cattle ranching, timber activity, tourism, river rafting, art, and hunting expeditions. The Tribe has also undertaken several improvement projects such as construction, paving, lighting, and water treatment installations and other infrastructure.

Population within Coconino County (2010 Census): 6
Enrolled Tribal Members: 2,156
Land Area: 1,550.2 Square Miles

The **Kaibab Paiute Reservation** crosses both Coconino and Mohave Counties along Kanab Creek adjacent to the Arizona-Utah border. Its terrain is characterized by grasslands and mesas. The Tribe is part of the Southern Paiute Nation and speaks an Uto-Aztecan language along with English. The Tribal economy is based on livestock and tourism as Arizona Highway 389, the central artery between Las Vegas and Lake Powell, crosses the reservation.

Population within Coconino County (2010 Census): 0
Enrolled Tribal Members: 233
Land Area: 188.7 Square Miles

The **Navajo Nation**, the largest reservation in the United States, lies partly in Coconino, Navajo, and Apache Counties, as well as Utah and New Mexico. Its terrain consists of desert, grasslands, mesas, forests, mountains, and waterways (including Lake Powell). Landmarks include Canyon de Chelly National Park, Monument Valley, the Little Colorado River, Four Corners, Petrified Forest National Monument, and Rainbow Arch National Monument. The Tribe's economy is driven by several diverse sectors, including livestock ranching, arts, oil production, services and tourism.

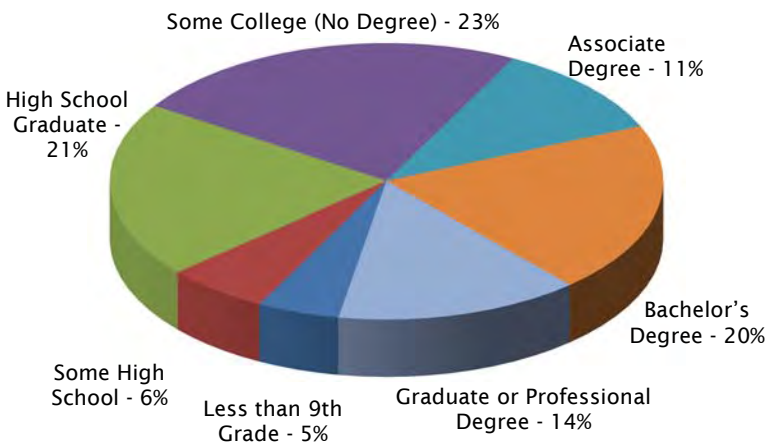
Population within Coconino County (2010 Census): 23,411
Enrolled Tribal Members: 255,543
Land Area: 18,119.2 Square Miles

COMMUNITY PROFILE

Employment and Economy

- The economy of Coconino County is based primarily on public administration, the service industry, wholesale and retail trade, and tourism. The City of Flagstaff is the center of educational, governmental, and scientific employment and is becoming a center for research and development as well as for the manufacture and distribution of high-technology products.
- Tourism accounts for 84% of total cluster employment. A cluster is defined as the geographic concentration of interdependent companies, suppliers, products, labor pool, and institutions that together constitute a significant competitive advantage for a region. Cluster employment is concentrated in eating and drinking places, lodging, and the Federal government (the National Park Service and the U.S. Forest Service).
- Major employers include: Northern Arizona University, Coconino Community College, the Unified School Districts, the U.S. Forest Service, the U.S. National Park Service and the Navajo Nation in the government sector; Flagstaff Medical Center, W.L. Gore and Associates, ARA Leisure Services, Nestle-Purina, and SCA Tissue in the private sector.

Educational Attainment 25 years +



2015 Employment by Industry (as of April 2015)	
State and Local Government	17,600
Leisure and Hospitality	13,800
Trade, Transportation, and Utilities	10,600
Educational and Health Services	9,200
Manufacturing	4,300
Professional and Business Services	3,000
Federal Government	2,600
Mining and Construction	2,100
Other Services	1,500
Financial Activities	1,200
Information	400

Source: Arizona Department of Administration, EPS

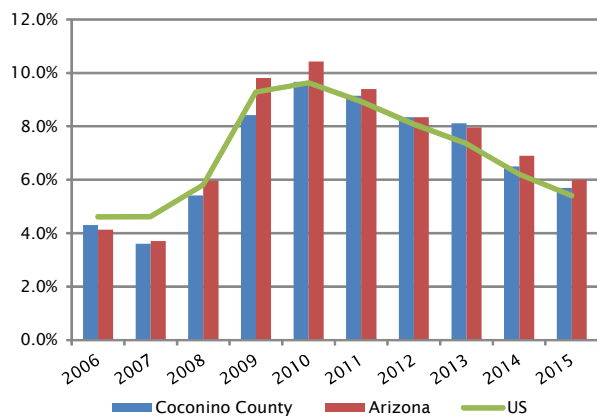
According to the Arizona Department of Administration, Office of Employment and Population Statistics, the State of Arizona saw a 2.4% increase in nonfarm jobs over the last year. During this period Coconino County saw a gain of 3,000 in the civilian labor force, while the unemployment rate dropped to nearly a point to 5.7%.

Top Ten Property Taxpayers (2014)

Arizona Public Service Company
Transwestern Pipeline Company
Unisource Energy Corporation
BNSF Railway Company
W.L. Gore & Associates Incorporated
Kinder Morgan
City of Los Angeles Department of Water & Power
Nevada Power Company
Qwest Corporation
Perrin Ranch Wind, LLC

Source: Coconino County Assessor

Average Unemployment Rate (2005-2014)



Source: Arizona Department of Administration, EPS

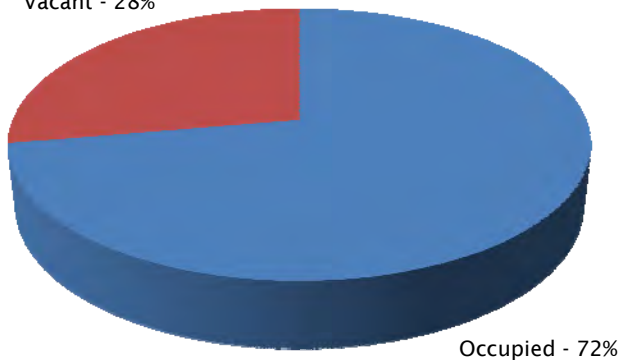
COMMUNITY PROFILE

Housing

- In 2013, the average household size in Coconino County was 2.74. This number remains flat from the prior year but is a 2.5% decrease compared to the 2000 Census data.
- In 2013, Coconino County had 64,654 housing units, which is a 2% increase from the 2010 Census and a 21% increase from the 53,443 units in 2000. According to the U.S. Census Bureau, the median home value in the County in 2013 was \$220,400, a 7% decrease from the prior year.
- Since home values bottomed out in 2013, Coconino County has since a significant increase in market prices over the last two years. The median sales price in April 2015 was \$251,500.

Housing Occupancy (2013)

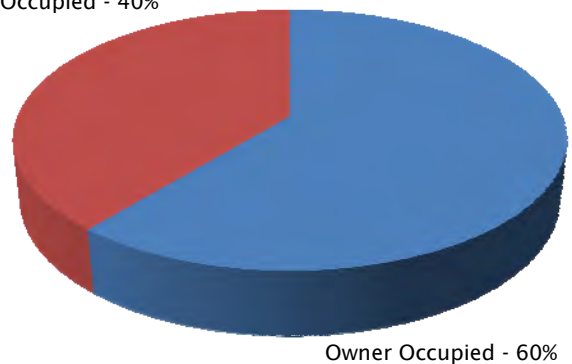
Vacant - 28%



Source: U.S. Census, American Community Survey

Occupied Housing Units (2013)

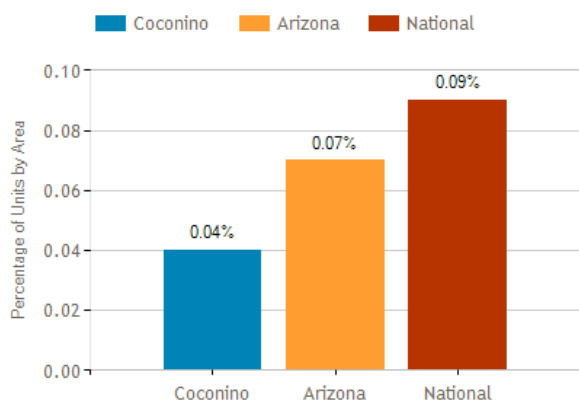
Renter Occupied - 40%



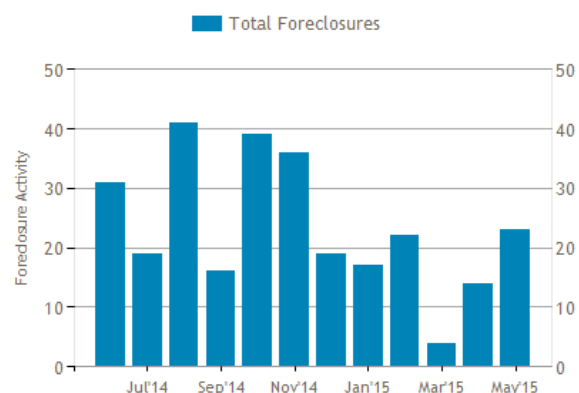
Source: U.S. Census, American Community Survey

- April 2015 single-family home sales in Coconino County were down 24% compared to the same period in 2014. The median home sales price also decreased by 1% compared to the same period in the prior year.
- As of May 2015, 1 in every 2,210 housing units in Coconino County was in foreclosure. Coconino County has now dropped below the State of Arizona rate of 1 in every 1,392 housing units.
- Foreclosure activity for Coconino County was up 10% in May 2015 compared to the same month the prior year.

Geographic Foreclosure Comparison



Coconino County Foreclosure Activity



Source: RealtyTrac.com

POLICIES THAT GUIDE THE BUDGET

The financial goals of Coconino County include: accountability to the citizenry, stewardship of public resources and the purposes for which they are intended, helping users assess whether current year revenues are sufficient to pay for services provided in that year, to not burden taxpayers for services previously provided, to protect the County's capital investments, and to realistically present the financial picture of the County. These goals are incorporated into the budget process along with the policies, goals, and priorities of the County to develop a budget that works to meet the needs of all citizens in Coconino County.

Policy Requirements of the Budget

The Board of Supervisors and the County Manager have adopted fiscal policies, budget management policies, and strategic goals and priorities which are used by the departments to guide them through the budget process. Early in the budget process cycle, departments are required to provide revenue and expenditure estimates for the current fiscal year and planned revenues for the following year. The budget team uses these estimates to assist in the update of a ten-year financial plan which is used to monitor changes in available revenues and expenditure levels. Departments also provide an estimate of available fund balances in their Special Revenue Funds to be carried over to the next fiscal year. Departmental requests for incremental increases emphasize funding for program and service changes rather than specific items to be purchased. All decisions are subject to the availability of the County's financial resources and consistency with program and policy goals set out for the budget process.

State Legal Requirements of the Budget

The budget process used by Coconino County is developed each year to meet the requirements of both Arizona State Statutes and the County's management and policy needs. The State Statutes that govern the process are ARS 11-705 and ARS 42-17101 through ARS 42-17110, which establish a fiscal year ending date of June 30th along with specific schedules for the adoption of the Tentative Budget, the adoption of the Final Adopted Budget, and the setting of tax rates for all counties in Arizona.

The County is required by statute to adopt a balanced budget each year. A balanced budget has the sum of estimated net revenues and estimated fund balances equal to appropriated expenditures. Once the Final Adopted Budget is approved (legally required by the first Monday in August), it may not be increased and State Statutes prohibit expenditures in excess of this budget total. Additionally, actual expenditures may not legally exceed the expenditure appropriations at the level the budget is adopted and must comply with ARS 42-17106. During the year, the Board of Supervisors may make changes to the budget, which can include adjusting appropriation levels between funds or departments, as long as these changes do not increase the Adopted Budget total. Adjustments to the budget are processed by the budget team and are reviewed in accordance with State laws and the County budget management policy.

How Policies Guide County Management and the Budget

Since 1996, the Board has had a set of fiscal management policies which guide budget recommendations. They are reviewed and revised every year at the beginning of the budget process.

The policies were developed:

- (1) to significantly contribute to the County's ability to insulate itself from fiscal crisis
- (2) to promote its long-term financial stability by establishing clear and consistent guidelines
- (3) to provide perspective to the financial picture of the entire County rather than single issues/areas
- (4) to link long-term financial planning with day-to-day operations
- (5) to provide the Board of Supervisors and the citizens of Coconino County with a framework for measuring the fiscal impact of government services against established fiscal parameters.

POLICIES THAT GUIDE THE BUDGET

Fiscal Policy

The County has five main aspects of its fiscal policy: operating budget policies, capital budget policies, revenue policies, reserve policies and debt policies.

Operating Budget Policies

The budget is a plan for allocating resources.

- The County shall annually adopt a balanced budget by fund and department. A balanced budget has the sum of estimated net revenue and estimated fund balances equal to appropriated expenditures.
- The County shall not use debt or bond financing to fund current operating expenditures.
- The County shall generally use only recurring revenues to fund recurring expenditures. Non-recurring revenues shall generally not be used to fund recurring expenditures.
- The County shall maintain a budgetary control system to ensure adherence to the Adopted Budget and associated appropriations. Quarterly reports shall be provided comparing actual revenues and expenditures to budgeted amounts.
- All departments shall share in the responsibility of meeting policy goals and ensuring long-term financial viability. Future service plans and program initiatives shall be developed reflecting policy directives, projected resources, and future service requirements. In order to ensure proper policy discussion, discontinuation (or "sunset") provisions shall be incorporated into service plans, as appropriate. Budgets should be developed to meet the strategic goals and priorities of the organization.
- The County will develop and annually update a ten-year financial forecasting system, which will include projections of revenues, expenditures, future costs of current budget decisions and costs, and financing of capital improvements.
- Requests for increases in funding will be evaluated within the context of the request's financial impact on the County's financial condition on an on-going basis, the County's expenditure limitation, its impact on organizational performance, its future cost-benefit to the County, and its importance in accomplishing specific outcomes of the strategic priorities for the organization.
- The County shall move in the direction of identifying internal services that can be allocated to the different funds and departments of the organization. This allocation should be equitable, based on the use of these services. An indirect cost plan shall be prepared every year to determine the allocation basis for such services.
- The cost/benefit of all County services, both internal and external, shall be analyzed periodically and recommendations shall be made about the continuation of these services.
- The County Manager shall follow the adopted fiscal policies when developing a recommended budget. The County will actively seek to move towards reporting costs and benefits associated with programs, even as they cross departmental lines in the County's operating budget.

POLICIES THAT GUIDE THE BUDGET

- Full reporting of all costs, direct and indirect, current and future, will be expected as part of new funding and services decisions. Unless a decision is made by the Board of Supervisors to support a program, grant funds will be expected to cover their full cost and not be looked at in simple terms as “free” funding.
- When deficits appear to be forthcoming within a fiscal year, spending during the fiscal year must be reduced sufficiently to create a positive cash balance. This responsibility resides with the department.

Capital Budget Policies

The capital budget provides resources for capital maintenance and future capital needs, without adversely affecting the operating budget.

- The County shall establish an adequate contingency for the maintenance and orderly replacement of capital assets. This is to protect the County’s capital investments and minimize future maintenance costs.
- The cost of all new capital projects should include a projection of the future maintenance costs of the assets.
- Expenditures for maintenance supplies and materials for replacement items (other than motor vehicles) along with lease/purchase costs shall be budgeted as an operating item. These appropriations will not be placed in the capital budget.
- The County shall purchase capital assets using pay-as-you-go financing whenever economically feasible. When economic and statutory constraints make pay-as-you-go financing impractical or financially unwise, the County will consider conservative borrowing to fund the acquisition of capital assets.
- Departments will develop and maintain capital replacement plans for major capital repairs and replacements.
- Capital projects may begin expending funds for planning and design costs prior to the implementation of a final plan of financing. Expenditures for construction shall begin after the implementation of a final financial plan, which could be pay-as-you-go or debt financing.

Revenue Policies

Funding for public programs should be derived from a fair, equitable, and adequate resource base, while minimizing tax differential burdens.

- The County will try to maintain a diversified and stable revenue structure to shelter it from the short-term fluctuations in any one revenue source.
- The County will follow an aggressive policy of collecting tax revenues. The County shall continuously explore new sources for revenue.
- The County shall consider user fees, when appropriate, to fund services. User fees should be used when there is a direct relationship between the costs of the service and the user. User fees allow the County to provide services without increases to the general tax burden.

POLICIES THAT GUIDE THE BUDGET

- The County will establish recovery rates for direct and indirect costs for user fees and charges. These shall be regularly reviewed to determine if pre-established recovery goals are being met.
- The County will conservatively estimate its annual revenues by an objective, analytical process. This will include the use of historical trends, current local economic trends, national and global economic trends, and changes in State and Federal laws and policies.
- Revenues will be projected for ten years and projections shall be updated quarterly each year.
- Each fee and permit revenue source will be evaluated every other year. Inflationary increases to these fee sources will be recommended to maintain a level recovery percentage, unless compelling justification is presented to maintain current fees.

Reserve Policies

Responsible reserve policies will provide adequate resources for cash flow and contingency purposes, while maintaining reasonable tax rates.

- The County will maintain a contingency for cash liquidity purposes (i.e. designated fund balances) in the County General Fund equal to at least 10% of its annual revenue budget.
- The County will utilize a revenue smoothing reserve allocation of 5% of its annual revenue budget. These funds should only be utilized to cover short-term drops in County revenues to maintain service levels in difficult economic times. This fund is to be replenished as revenues increase.
- The County will maintain a contingency account (a.k.a. County contingency) for the General Fund's annual operating budget to provide for unanticipated expenditures or to meet unexpected increases in service demands. Use of these funds is subject to the County Manager's approval.
- In other major funds, the County will maintain a contingency fund for cash liquidity purposes (i.e. designated fund balance) equal to at least 10% of their annual operating budget.
- Available fund balances shall not be used for on-going operating expenditures unless a determination has been made that available balances are in excess of required guidelines and that plans have been established to address future operating budget shortfalls. For use of fund balances, emphasis shall be placed on one-time uses.
- An annual review of cash flow requirements and appropriate fund balances shall be undertaken to determine whether modifications are appropriate for the reserve/contingency policies.

Debt Policies

Responsible debt management policy maintains the County's ability to incur present and future debt at minimal interest rates in amounts needed for infrastructure and economic development without endangering its ability to finance essential County services.

- The County will not fund current operations from the proceeds of borrowed funds.
- The County will confine long-term borrowing to capital improvements or projects.
- When the County finances capital projects by issuing debt, it will repay the debt within a period not to exceed the expected useful life of the project.

POLICIES THAT GUIDE THE BUDGET

Budget Management Policy

Overview

- The Board uses the approved County fiscal policies and strategic priorities to guide the County's budget process. Decisions are evaluated within these contexts as well as the accompanying ten-year financial plan.
- During the budget process, departments are asked to put together and evaluate a line item budget for both revenues and expenditures and present program performance measures and outcomes. Funding for all County programs will be submitted to the Budget Team, County Manager, and Board of Supervisors for recommended funding. Increases to program funding must be submitted as part of the annual budget adoption process and must be clearly tied to a specific strategic priority outcome indicator, as adopted by the Board of Supervisors.
- All Service Improvement Requests (SIRs) should be tied to the outcomes of the adopted Strategic Priority Areas and will be evaluated for funding based on criteria adopted by the Board of Supervisors.
- In accordance with State Statutes, the County will adopt a Tentative Budget by the third Monday in July and a Final Adopted Budget by the first Monday in August. The Final Adopted Budget cannot exceed the total of the Tentative Budget. The budget process is planned with the intent to adopt the Tentative Budget by June 30.

Funding Contracts with Outside Granting Agencies

- All applications for new grants, which are submitted by a department during the off-budget cycle **and request a match from the County's General Fund**, must be approved by the Board of Supervisors.
- All applications for new grants, submitted by a department during the off-budget cycle, **which do not require a match from the County's General Fund**, must be approved by the County Manager.
- If new grants or contracts are received by the County, either by any of its agencies headed by elected or appointed officials, they must be approved first by the Board of Supervisors.
- Under ARS 42-17102, all expenditures must be shown in the budget, regardless of the source of the funds which pays for the expense.
- Departments must appropriate funds for grants that are received off-budget cycle. If it is a new grant, an appropriation is made to the budget holding account. Once the grant is awarded, a budget adjustment is made to move the appropriation into the new fund.
- Grant funds that have accumulated a fund balance must expend that fund balance before requesting new funds from the granting agency. An exception is made when there are grant restrictions on the use of the fund balance for a specific purpose.

POLICIES THAT GUIDE THE BUDGET

Note: When the County, or any of its granting agencies or elected officials, receives a grant from an outside source, it generally incurs obligations. Grants are generally given for a specific purpose. At a minimum, in accepting the grant, the County assumes the obligation of ensuring that the grant money is spent only for the specific purposes attached to the grant. In addition, there may be impacts to internal service departments, reporting obligations, compliance with nondiscrimination laws, indemnity and releases—all of which become County obligations upon receipt of the grant funds.

In accordance with ARS 11-201, the Board of Supervisors is the only entity that has the authority to incur financial, legal, and other obligations on behalf of the County, its agencies, and elected officials. Although some County officials may have express or implied authority to enter into contracts, all of their expenditures are subject to budgetary approval by the Board of Supervisors. To ensure fiscal control, the Board of Supervisors must approve all contracts or specifically authorize a designated elected or appointed official to enter into contracts. Under ARS 11-401, County officials are listed as the: Sheriff, Recorder, Treasurer, Superintendent of Schools, County Attorney, Assessor, Supervisors, Clerk of the Board of Supervisors, and the Tax Collector (the Treasurer is the ex-officio tax collector). Delegation authority for appointed officials is in accordance with a specific action taken by the Board of Supervisors.

Budget Amendments

- Budget amendments throughout the fiscal year, if approved, cannot increase the budget over the adopted total.
- Under the State's Budgetary Statutes that apply to counties, total expenditures cannot exceed the final appropriation in a given fiscal year, once the budget is adopted.
- The County's Board of Supervisors can amend the total appropriations for an individual fund. To guarantee compliance with State Statutes, when one fund's total appropriation is increased, another fund's appropriation must be reduced by an equal amount.
- Budget amendments are defined as a change in the total appropriations amount at the department or fund level; reallocation of line items within a fund is within a department's budget authority subject to certain internal approvals (see departmental responsibilities below).
- All requests for budget amendments that change the budget in a fund or increase the total department budget should be made through the County Manager with final approval from the Board of Supervisors in the form of an agenda item with accompanying documentation.
- Departments should use the pull-down menu in the agenda routing software to note that an agenda item requires a budget amendment and a BA should be processed. Any requests for increased general fund support should be clearly explained in the fiscal impact section of the staff report.
- Accompanying documentation with an agenda item includes details of the changed budget. The budget changes must be entered into the financial management system (HTE) by the department. When amendments include a request for contingency funds it should be noted specifically in the agenda item. Additionally, when amendments include a request for new staff, it should be noted specifically in the agenda item. An agenda item without this documentation cannot be processed.
- All requests from departments to expend appropriations in their budget for purposes other than what the appropriations were originally approved must be authorized by the Board of Supervisors.

POLICIES THAT GUIDE THE BUDGET

- Departments may expend appropriations in their budget in a program other than the program the appropriation was initially allocated towards if they are still able to achieve the outcomes in each program as presented to the Board of Supervisors in their Program Reports. If a department would like to expend appropriations in their budget in a program other than the program the appropriation was initially allocated towards resulting in a change to the outcomes presented to the Board, they must receive approval from the County Manager.

Departmental Responsibilities

- Each department is responsible for managing its budget and ensuring compliance with these policies and procedures, (i.e. performing the ongoing tracking of revenues and expenditures each month) to guard against expenditures in excess of budget or the under-collection of budgeted revenues. Departments should be prepared to explain unexpected variances from the budget to the Budget Team, County Manager, and/or Board of Supervisors.
- Departments may spend appropriations within their operations budget without formally reallocating the budget between line items. **Budget compliance according to State Statute is at the department or fund level.**
- A department will need to consult with the Budget Division to expend capital or salary (including ERE) appropriations for a different purpose.
- All requests for the reallocation of the budget between the operations and capital categories need to be reviewed by the Budget Division before changes can be finalized.
- Requests for transfers between salaries and the other budget categories (i.e. use of salary savings) should be submitted by the department to the County Manager for approval. The department should submit the request with an analysis of how this change will impact the department's budget. ***One-time salary savings cannot be used to fund recurring expenditures.***
- The responsibility for projecting the on-going impact will be calculated by the department and must accompany budget submissions.
- To aid departments in managing their budgets, the Finance Department shall send out monthly expenditure and revenue reports to the business manager of each department and include a year-to-date percentage of budget spent for each line item.
- Departments should monitor their revenues on a monthly basis. If revenue estimates drop more than 10% below the amount projected in the budget, the department should contact their Budget representative with an updated revenue figure.

Budgeted Expenditure Carryovers

The Board of Supervisors adopts an annual budget which includes every department's approved expenditures for the year, with the dollar amounts distributed in detail according to the program and category of expense. Major expenditure categories are salaries, benefits, operations, travel, and capital. Policy guidelines and the criteria for requesting and approving carryovers are as follows:

- A department may request to carryover an approved capital expenditure appropriation into the next fiscal year when they do not expect to expend all of the appropriation for the project by the end of the current fiscal year. Requests to carryover operating budget items, however, should be limited to special studies or special projects and one-time expenditures for a specific purpose, such as postage of a major mailing. As with capital, the request should be based on the department's estimate that the project or study will not be completed in the current fiscal year.

POLICIES THAT GUIDE THE BUDGET

- Departments should submit carryover requests during the budget process when they identify current expenditure appropriations that will need to be completed in the next fiscal year.
- Budget appropriation dollars must exist in the current year's annual budget so that there is already an appropriation that may be carried over to the next year. Requests for carryovers will be funded from the same source as the original appropriation.
- The original budget appropriation from which the carryover is being requested will almost always be a one-time funding. If the carryover is approved, then the carryover amount is a one-time appropriation in the next fiscal year's budget and does not become part of that department's base budget.
- Approval of carryover requests is subject to available funds. Grants and Special Revenue Funds need to specify the funding source for every carryover request.
- The total actual expenditures for the full year may not exceed the total project budget, regardless of the annual amount appropriated.
- Capital expenditures are the most frequent type of carryover request. Often a project is begun in one fiscal year but must be completed in the next fiscal year. This is especially true of major road construction and maintenance projects, building construction or renovation projects, and purchases of major pieces of equipment where the delivery date is after the end of the current fiscal year.
- Salary and employee benefit budget appropriations generally do not meet the criteria for carryovers.

General Fund Expenditures, Revenue, and Support

- Budget management is at the expenditure category level by fund and program. Revenues are considered estimates. An increase in revenue above the budgeted amount does not automatically equate to an increase in an expenditure appropriation in the General Fund.
- Departments are expected to stay within their expenditure budget, regardless of revenue. Using additional General Fund revenue as justification for an expenditure appropriation increase will only be considered in special cases. Approval must come from the County Manager.
- Routine revenue increases resulting from the fee study related to licenses and permits and charges for services will not be considered as a basis for an expenditure increase. Aside from special cases, new fees identified in the fee study for the General Fund will not be considered as justification for an expenditure appropriation increase.
- For funds that receive General Fund support in the form of a transfer, it is the department's responsibility to stay within the budgeted transfer amount. If revenues will not meet budget projections, expenditures should be reduced accordingly so that the budgeted level of General Fund support will not be exceeded.

POLICIES THAT GUIDE THE BUDGET

Financial Management of Personnel Expenditures

- Approval for new positions, even through grant funds, must come from the Board of Supervisors.
- The Board approves the funding sources for all FTEs.
- Charging of an FTE to a General Fund supported cost center for more than the approved amount can be considered in special cases only. Approval can be granted on a limited-term basis and must come from the County Manager or Deputy County Manager that oversees the department. E-mail approval is recommended, with the departmental budget contact to be copied on the request. The department must have the ability to absorb the cost of the cost center change in their budget appropriation.
- If positions are approved as part-time, they cannot be combined with other part-time positions to create a benefit-eligible position. An exception can be made for fully grant-funded positions that receive no General Fund support, as long as the grant allows for the benefits and there is sufficient funding in the grant(s) to cover the cost of benefits.
- Benefit-eligible FTEs should not be split into part-time FTEs. If this is necessary, it should be done on a limited-term basis and re-evaluated each year.

BUDGET SUMMARY

Expenditure Limitation

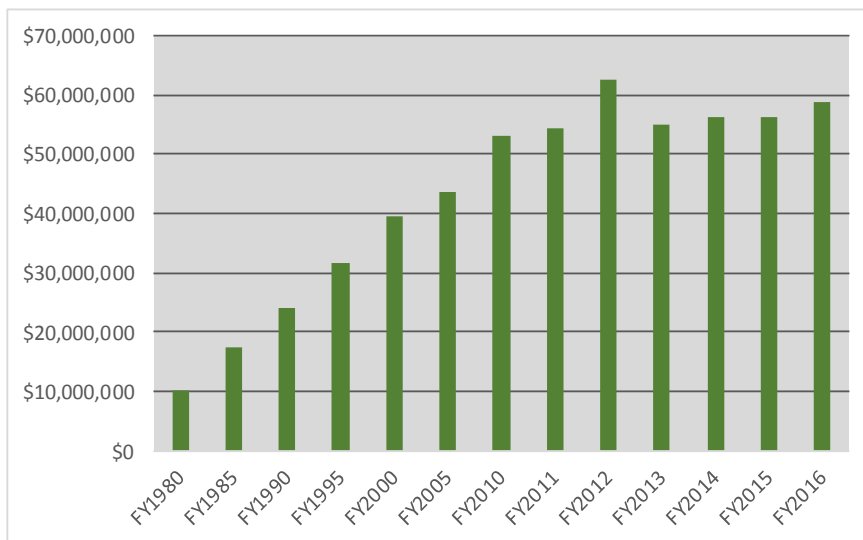
The Arizona Constitution specifies that counties will be subject to expenditure limitations in their annual budgets. This law has been in place since fiscal year 1980 and is based upon a decision by voters to place limits on the spending capacity of local governments. Expenditures that are subject to the limit are those derived from local revenues which include property taxes, County sales tax, fees for services, permits, licenses, and court fines as well as a portion of the gasoline tax. Capital expenditures that are debt-financed are not subject to the limit. Additionally, neither are the expenditures to meet debt service obligations. Revenues received from the State or Federal government are excludable from the limit calculation as well.

The Arizona Economic Estimates Commission (EEC) publishes the expenditure limit for every county by May 1 for the upcoming fiscal year beginning on July 1. FY1980 is referred to as the base year. The calculation for each successive year's expenditure limit as set in Statute contains three parts. First, annual growth in the limit can occur based on the County's change in population. The population factor in the calculation is the percentage growth in the County population for the current year compared to the population count as of the July 1, 1978 GDP price deflator. The population and inflation factors are multiplied times that part of the calculation which is the expenditure base for FY1980. The result is the expenditure limit for the new fiscal year.

The graph below illustrates the change in the annual expenditure limit since 1980. The annual expenditure limit for FY16 is almost six times what it was in 1980 and has only increased 2.5% annually on average since FY00. The overall growth rate has averaged 5.0% since the expenditure limit was enacted. The Federal Bureau of Economic Statistics adjusted the formula by recalculating the base year to 1996 for the GDP price deflator and re-indexing the calculation on measuring inflation. These combined changes dramatically reduced the expenditure limit growth for the County. Coconino County to date has never exceeded the annual expenditure limit.

The County has accumulated expenditure limit carry-forwards from prior years when actual expenditures were less than the limit. These amounts are being carried forward to be used this year and in future years when expenditures would otherwise exceed the limit for a particular year. These carry-forward amounts may also be used to support capital projects.

The graph below illustrates changes in the expenditure limit since FY1980.



Fiscal Year	Expenditure Limitation
FY1980	10,268,127
FY1985	17,562,554
FY1990	24,003,655
FY1995	31,633,275
FY2000	39,533,349
FY2005	43,555,714
FY2010	53,212,623
FY2011	54,492,857
FY2012	62,768,726
FY2013	55,182,593
FY2014	56,203,452
FY2015	56,245,154
FY2016	58,875,431

BUDGET SUMMARY

Basis of Budgeting and Accounting

In FY10, Coconino County began the implementation of a Strategic Budget Process. This process implementation, combined with a downturn in the State and local economy, changed the way the budget was developed compared to prior processes. For more information on the Strategic Budget Process and the impact its implementation had on the budget development process, please see the Strategic Budget and Long Term Planning section.

The Basis of Budgeting

Historically the County has used a base budget process for its preparation, in which each department has a base operations appropriation for the upcoming fiscal year. In FY10, it was taken a step further and budgets were developed by program. The program-based budgeting has continued to grow in each fiscal year since FY10. Each department was asked to establish a base budget for each program, not to exceed the calculated base of the entire department. The Budget Team reviewed and set the base budget by fund and department at the beginning of the budget cycle. This base amount includes personnel and operations costs. During past budget processes, departments could request incremental increases to the base amount which may have had a one-time impact (e.g., capital) or a recurring impact (e.g., requests for additional staff). With the revenue challenges faced by the County in the past few years the opportunity to request budget increases was minute. In FY15, departments were able to make new requests. Each request was evaluated by management and either recommended for the FY15 budget, recommended for review at mid-year, or recommended to be considered in a future year if the need remains.

The Basis of Accounting

The accounting policies of Coconino County conform to the General Accepted Accounting Principles (GAAP) applicable to governmental units as adopted by the Government Accounting Standards Board (GASB).

The County's accounts are maintained in accordance with the principles of fund accounting to ensure that limitations and restrictions on the County's available resources are observed. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds or account groups in accordance with the activities or objectives specified for those resources. Each fund is considered a separate accounting entity, and its operations are accounted for in a separate set of self-balancing accounts that comprise its assets, liability, fund equity, revenues, and expenditure or expenses.

All governmental funds are budgeted and accounted for using the modified accrual basis of accounting. The modified accrual basis of accounting is a blend of accrual and cash basis accounting concepts. Revenue is recognized when measurable and available to finance the expenditures of the current period. Expenditures are generally recorded when the related fund liability is incurred.

The internal service fund is accounted for using the full accrual basis of accounting. Revenue is recognized when it is earned and expenses are recorded when they are incurred. **Fiduciary funds are not formally budgeted for or accounted for by the County.**

BUDGET SUMMARY

Fund Types

Government Funds

Government Funds account for the County's general government activities undertaken in response to the needs of the citizens of Coconino County and are designed to measure the extent to which revenues obtained during the current fiscal year are sufficient to cover current expenditures. Governmental Funds include the following types:

General Fund

The General Fund is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in other funds. Revenues in the General Fund are primarily derived from sales taxes, vehicle license taxes, property taxes, license and permit fees, fines and intergovernmental sources, including State Shared Sales Taxes. General Fund expenditures include the costs associated with general government, the costs associated with providing internal services, and transfer to other funds (principally the funding of operations for health and social services).

Special Revenue Funds

Special Revenue Funds account for specific revenue sources, other than major capital projects, that are legally restricted to expenditures for specified purposes. The largest source of revenue in this fund type is the Highway User Revenue Fund (HURF) which is restricted for the maintenance and construction of County roads. It is revenue returned to counties from the State-wide gasoline tax.

Debt Service Fund

Debt Service Funds account for resources accumulated and used for the payment of general and special district long-term debt principal, interest, and related costs. Revenues in Debt Service Funds are in the form of transfer, sales tax, special assessments, and investment income. Funds that account for revenues and expenditures associated with special districts, which are funded through special assessments, are also currently active. The County has no general obligation debt currently outstanding.

Capital Projects Funds

Capital Project Funds account for resources to be used for acquiring or constructing major capital facilities. The majority of current capital project expenditures are budgeted in the Parks Capital Plan Fund.

Proprietary Funds

Proprietary Funds account for the County's ongoing activities that are similar to those found in the private sector but are not profit seeking; they are intended to be cost-covering. In other words, users of specific goods or services are charged amounts directly related to the costs of providing those goods or services. Coconino County has one Proprietary Fund - it is the Internal Service Fund known as the Mechanical Services Fund.

Internal Service Fund

Internal Service Funds are a type of Proprietary Fund where departments are charged for the services of the funds. The fund recovers 100% of its costs through department reimbursements. The accrual basis of accounting is used for the County's Internal Service Fund. Internal Service Funds account for the financing of goods or services provided by the department or agency to other County departments or agencies, or to other governments on a cost-reimbursement basis. The only Internal Service Fund within Coconino County is the Mechanical Services Fund that operates the County's fleet of automobiles for official County business. The appropriation for this fund is not shown independently because the fund expenses are charged back to the County departments and are already represented in the Governmental Funds budget.

BUDGET SUMMARY

Fund Types

Fiduciary Funds

Fiduciary Funds account for assets the County holds on behalf of others. Because these funds account for non-County assets, the County has no authority over how they are expended. They are not included in the County Budget. Fiduciary Funds include the following fund types:

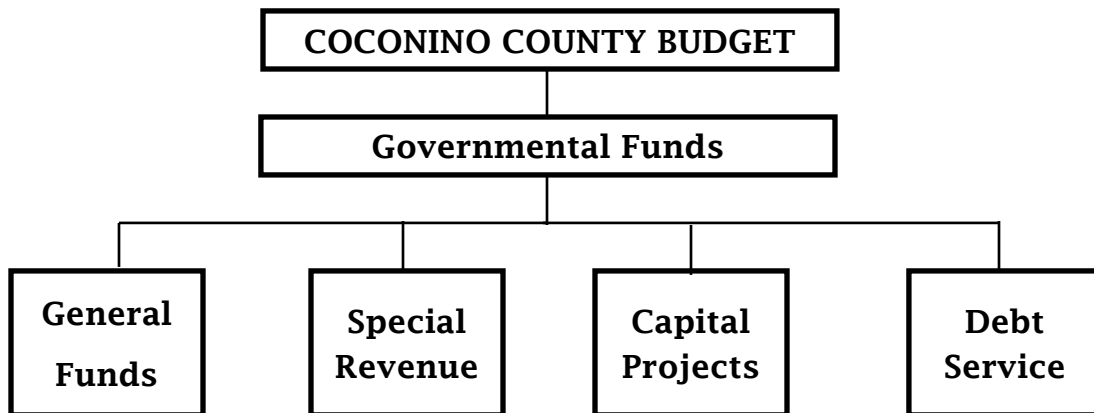
Investment Trust Funds

Investment Trust Funds account for investments made by the County on behalf of other governmental entities.

Agency Funds

An Agency Fund is custodial in nature and does not present results of operations. These funds are used to account for assets that the government holds for others in an agency capacity.

The County's budgetary fund structure is illustrated below:



Major Funds

The following pages present summary financial statements for all Coconino County Governmental Funds along with Major Fund financial statements. Major Funds can be any Governmental Fund type; they do not include Internal Service or Fiduciary Funds. Major Funds are defined as those meeting both of the following criteria:

1. 10% or more of the associated total revenues, expenditures/expenses, assets, or liabilities of:
 - A. All Governmental FundsOR
 - B. Enterprise Funds

And

2. 5% or more of the revenues, expenditures/expenses, assets, or liabilities of:
 - A. All Governmental FundsAND
 - B. All Enterprise Funds

Coconino County does not have any Enterprise Funds. Government officials may elect to report a fund as major if they believe that the public interest is served by the reporting - regardless of the quantitative criteria.

BUDGET SUMMARY

Fund Types

The following funds are considered Major Funds by Coconino County in FY16:

General Fund

The General Fund is the County's primary operating fund. It accounts for all financial resources of the County, except for those required to be accounted for in other funds.

Highway User Revenue Fund

The Highway User Revenue Fund (HURF) accounts for the portion of revenues derived from gasoline tax and returned to the County by the State. HURF is used to support road construction and maintenance projects in the County.

Jail District

The Jail District is a separate legal entity established to fund the operations of the Coconino County Jail. Its primary source of revenue is a dedicated sales tax. It receives General Fund support in the form of a maintenance of effort payment.

Public Health Services District

The Public Health Services District was formed on December 15, 2009. It is funded by a property tax, General Fund support, user fees, and State and Federal grants. It funds Public Health Services in the County.

Road Maintenance Sales Tax

A County Sales (Transaction Privilege) Tax was approved by the voters in November of 2014. The purpose of the tax is to maintain and preserve the conditions of Coconino County-maintained roads.

Non-Major Funds

This is the total of all other Governmental Funds not considered major funds.

Other Funds

As mentioned on pages in the Fund Types section, Coconino County has proprietary and fiduciary funds that are not part of the adopted budget structure. The budget for these funds are not legally adopted by the Board of Supervisors. Because these funds have FTEs or are used to offset County expenditures, we feel it is important to discuss the sources and uses of funds in our proprietary and fiduciary funds.

Internal Service Funds

Coconino County has an internal service fund called Mechanical Services for the operation of general motor pool. We establish a budget for this fund, in which the revenue source comes through expenditure charges to County departments for their proportional share of vehicle usage expenditures. Coconino County went through a study to evaluate the Mechanical Services program and to determine if there are efficiencies and cost cutting measures that can be utilized to reduce County-side motor pool costs.

BUDGET SUMMARY

Other Funds

	<u>FY 2016 Budget</u>
Charges for Services	\$ 2,671,797
Investment Income	10,000
Miscellaneous	<u>65,000</u>
Total Revenue	\$ 2,746,797
Salary/ERE	\$ 827,370
Operations	2,324,972
Travel	9,860
Vehicle Replacement	<u>469,479</u>
Total Expenditures	\$ 3,631,681
 Increase/(Decrease) in Fund Balance	 \$ (884,884)

Investment Trust Funds

The Justice Courts and Superior Court have funds set by Statute in which a percentage of every fee and fine paid to the court is designated to a separate fund. Authority to use the funds is made by grant application to the AOC, which they approve based on need, fund balance, and recurring receivables. Expenditures from the funds that are under \$2,500 do not need such approval. The use of these funds are limited to certain types of projects relating to training, collections, automation, and case processing. During the budget process each year, the judges make a recommendation for annual use of the funds. Although the County Board of Supervisors are not legally required to adopt a budget for these funds, the departments prepare an annual budget for the expenditure funds. The anticipated expenditure budget by department for FY16 is shown below.

<u>Department</u>	<u>FY2016 Budget</u>
Justice Court - Flagstaff	\$ 52,909
Justice Court- Fredonia	12,000
Justice Court - Page	5,051
Justice Court - Williams	18,300
Superior Court	47,751

BUDGET SUMMARY

Other Funds

Investment Trust Funds: Fire District Assistance Tax

Please see the Special Taxing Districts section for a complete explanation of the fire district assistance tax.

Investment Trust Funds: Accommodation Schools

The Superintendent of Schools Office operates an accommodation school as an alternative route to achieving a high school diploma. The accommodation school funding is primarily from State Education Equalization revenues. Although the County Board of Supervisors is not legally required to adopt a budget for these funds, the department prepares an annual budget for the expenditure of funds. The Accommodation School program description can be found in the Superintendent of Schools program financials.

BUDGET SUMMARY

Department Expenditures by Function

	General Government	Public Safety	Highways and Streets	Sanitation	Health	Welfare	Culture and Recreation	Education
Board of Supervisors	X							
County Manager	X							
Assessor	X							
Recorder	X							
Superintendent of Schools	X							X
Government Relations								
Treasurer	X							
Non-Departmental	X							
Adult Probation		X						
Clerk of the Superior Court	X							
Constable		X						
County Attorney	X							
Justice Courts	X							
Juvenile Court Services		X						
Legal Defender	X							
Public Defender	X							
Sheriff/Jail District		X						
Superior Court	X							
Career Center						X		
Community Services						X		
Community Development	X	X						
KVID				X				
Parks and Recreation						X		
Public Health Services District		X			X			
Emergency Management		X						
Public Works		X	X	X				
Facilities Management	X							
Finance	X		X					
Human Resources	X							
Information Technology	X		X					
Special Districts			X			X		

BUDGET SUMMARY

Department Expenditures by Strategic Priority Area

	Community Vitality	Cultural and Natural Resources	Economic Vitality and Development	Organizational and Fiscal Health	Public Health	Public Safety
Board of Supervisors	X			X		
County Manager				X		X
Assessor				X		
Recorder	X			X		
Superintendent of Schools	X					
Government Relations				X		
Treasurer				X		
Non-Departmental	X	X	X	X		
Adult Probation						X
Clerk of the Superior Court				X		X
Constable						X
County Attorney				X		X
Justice Courts						X
Juvenile Court Services						X
Legal Defender						X
Public Defender						X
Sheriff/Jail District						X
Superior Court	X					X
Career Center	X		X			
Community Services	X	X	X	X		
Community Development						X
KVID				X	X	
Parks and Recreation	X	X				
Emergency Management						X
Public Health Services District					X	
Public Works	X				X	X
Facilities Management		X		X		
Finance	X		X	X		
Human Resources	X			X		
Information Technology	X		X	X		X
Special Districts			X			X

BUDGET SUMMARY

Summary of Financial Statements

All Funds

Fiscal Years 2014 Through 2016

The total Fiscal Year 2016 Adopted Budget for all funds is \$175,034,502

	FY2014 Actuals	FY2015 Revised Budget	FY2015 Estimated Actuals	FY2016 Adopted Budget
Revenues:				
Property Taxes	\$ 19,267,346	\$ 19,552,309	\$ 18,826,650	\$ 19,748,536
Other Taxes	32,707,038	34,595,625	37,283,235	39,535,735
Special Assessments	221,547	185,081	118,972	114,550
Licenses & Permits	1,585,214	1,605,830	1,520,046	1,652,281
Fees, Fines, and Forfeits	1,890,337	1,880,350	1,605,316	1,714,450
Intergovernmental	51,826,891	54,818,043	50,940,616	47,321,112
Charges for Services	11,200,245	10,074,230	9,874,855	10,391,849
Investment Income	1,924,017	632,052	625,719	456,127
Contributions	62,559	71,200	56,058	48,500
Miscellaneous	789,610	972,403	1,242,640	4,843,829
Total Revenues	\$ 121,474,802	\$ 124,387,123	\$ 122,094,108	\$ 125,826,969
Expenditures:				
Current:				
General Government	\$ 32,338,967	\$ 58,792,395	\$ 35,034,568	\$ 58,784,653
Public Safety	45,938,864	56,545,586	45,677,504	51,304,485
Highways and Streets	10,940,070	21,872,169	13,801,062	26,808,781
Sanitation	1,430,557	2,422,026	1,941,941	2,321,211
Health	13,806,176	15,372,088	13,446,174	13,332,601
Welfare	4,424,658	4,343,203	3,552,962	4,279,446
Culture and Recreation	5,986,726	21,020,774	7,298,263	16,592,206
Education	3,506,836	2,684,100	3,370,473	1,507,969
Capital Outlay				
Debt Service:				
Principle	416,480	149,178	105,243	85,000
Interest and Other Charges	45,952	24,503	24,482	18,150
Total Expenditures	\$ 118,835,285	\$ 183,226,022	\$ 124,252,672	\$ 175,034,502
Excess (deficiency) of revenues over expenditures	\$ 2,639,517	\$ (58,838,899)	\$ (2,158,564)	\$ (49,207,533)
Other Financing Sources (Uses):				
Sales of Capital Assets	502,571	150,000	101,858	150,000
Transfers In	16,478,320	34,242,304	20,373,146	32,871,496
Transfers Out	(16,478,320)	(34,242,304)	(20,373,146)	(32,871,496)
Total Other Financing Sources and Uses	\$ 502,571	\$ 150,000	\$ 101,858	\$ 150,000
Net Change in Fund Balance	\$ 3,142,088	\$ (58,688,899)	\$ (2,056,706)	\$ (49,057,533)
Fund Balances, July 1	\$ 92,094,782	\$ 95,236,870	\$ 95,236,870	\$ 93,180,165
Fund Balances, June 30	\$ 95,236,870	\$ 36,547,971	\$ 93,180,165	\$ 44,122,632

BUDGET SUMMARY

Summary of Financial Statements

General Fund

Fiscal Years 2014 Through 2016

The total Fiscal Year 2016 Adopted Budget for all General Funds is \$73,629,911

	FY2014 Actuals	FY2015 Revised Budget	FY2015 Estimated Actuals	FY2016 Adopted Budget
Revenues:				
Property Taxes	\$ 9,035,224	\$ 9,241,236	\$ 8,913,168	\$ 9,517,093
Other Taxes	15,595,183	16,108,636	17,046,156	16,555,537
Special Assessments	-	-	-	-
Licenses & Permits	787,213	878,500	669,503	1,062,928
Fees, Fines, and Forfeits	1,180,543	1,091,650	1,300,142	1,121,150
Intergovernmental	21,749,672	22,568,117	23,478,212	23,468,917
Charges for Services	5,213,766	4,523,151	4,734,001	4,791,782
Investment Income	598,685	238,860	329,682	121,400
Contributions	3,450	-	-	1,000
Miscellaneous	266,890	220,165	433,989	311,315
Total Revenues	\$ 54,430,627	\$ 54,870,315	\$ 56,904,852	\$ 56,951,122
Expenditures:				
Current:				
General Government	\$ 30,251,718	\$ 55,318,787	\$ 32,826,292	\$ 55,954,389
Public Safety	12,989,978	13,668,562	13,738,406	14,536,365
Highways and Streets	496,652	537,578	509,504	535,828
Sanitation	-	-	-	-
Health	2,183	121,203	98,775	26,471
Welfare	486,574	473,755	466,453	469,730
Culture and Recreation	1,399,123	2,348,145	2,350,269	1,639,911
Education	476,702	453,716	450,298	467,217
Capital Outlay	-	-	-	-
Debt Service:				
Principle	-	-	-	-
Interest and Other Charges	-	-	-	-
Total Expenditures	\$ 46,102,930	\$ 72,921,746	\$ 50,439,998	\$ 73,629,911
Excess (deficiency) of revenues over expenditures	\$ 8,327,697	\$ (18,051,431)	\$ 6,464,854	\$ (16,678,789)
Other Financing Sources (Uses):				
Sales of Capital Assets	397,278	-	-	-
Transfers In	2,173,158	2,008,266	1,842,550	3,889,644
Transfers Out	(13,409,730)	(11,443,482)	(10,531,417)	(12,490,100)
Total Other Financing Sources and Uses	\$ (10,839,294)	\$ (9,435,216)	\$ (8,688,867)	\$ (8,600,456)
Net Change in Fund Balance	\$ (2,511,598)	\$ (27,486,647)	\$ (2,224,013)	\$ (25,279,245)
Fund Balances, July 1	\$ 30,685,549	\$ 28,173,951	\$ 28,173,951	\$ 25,949,939
Fund Balances, June 30	\$ 28,173,951	\$ 687,304	\$ 25,949,939	\$ 670,694

BUDGET SUMMARY

Summary of Financial Statements

Highway User Revenue Fund

Fiscal Years 2014 Through 2016

The total Fiscal Year 2016 Adopted Budget for the Highway User Revenue Fund is \$26,141,694

	FY2014 Actuals	FY2015 Revised Budget	FY2015 Estimated Actuals	FY2016 Adopted Budget
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	1,775,891	1,709,800	1,887,808	1,866,600
Special Assessments	-	-	-	-
Licenses & Permits	16,565	9,500	30,969	28,100
Fees, Fines, and Forfeits	-	-	-	-
Intergovernmental	8,447,852	8,331,403	9,608,862	9,382,565
Charges for Services	5,412	-	1,947	-
Investment Income	390,932	50,000	130,797	50,000
Contributions	-	-	-	-
Miscellaneous	(42,979)	-	56,650	-
Total Revenues	\$ 10,593,673	\$ 10,100,703	\$ 11,717,032	\$ 11,327,265
Expenditures:				
Current:				
General Government	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-
Highways and Streets	10,383,105	21,271,854	13,224,197	26,141,694
Sanitation	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Education	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principle	-	-	-	-
Interest and Other Charges	-	-	-	-
Total Expenditures	\$ 10,383,105	\$ 21,271,854	\$ 13,224,197	\$ 26,141,694
Excess (deficiency) of revenues over expenditures	\$ 210,568	\$ (11,171,151)	\$ (1,507,164)	\$ (14,814,429)
Other Financing Sources (Uses):				
Sales of Capital Assets	\$ 88,340	\$ 150,000	\$ 101,858	\$ 150,000
Transfers In	1,717,407	5,023,516	4,417,555	9,004,285
Transfers Out	(162,088)	(3,477,354)	(3,426,991)	(221,091)
Total Other Financing Sources and Uses	\$ 1,643,660	\$ 1,696,162	\$ 1,092,423	\$ 8,933,194
Net Change in Fund Balance	\$ 1,854,228	\$ (9,474,989)	\$ (414,742)	\$ (5,881,235)
Fund Balances, July 1	\$ 18,498,368	\$ 20,352,596	\$ 20,352,596	\$ 19,937,854
Fund Balances, June 30	\$ 20,352,596	\$ 10,877,607	\$ 19,937,854	\$ 14,056,619

BUDGET SUMMARY

Summary of Financial Statements

Jail District Fund

Fiscal Years 2014 Through 2016

The total Fiscal Year 2016 Adopted Budget for the Jail District Fund is \$19,460,796

	FY2014 Actuals	FY2015 Revised Budget	FY2015 Estimated Actuals	FY2016 Adopted Budget
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	12,270,130	12,697,600	13,576,136	13,274,100
Special Assessments	-	-	-	-
Licenses & Permits	-	-	-	-
Fees, Fines, and Forfeits	-	-	-	-
Intergovernmental	(6,936)	12,000	1,219	12,000
Charges for Services	1,278,372	1,407,483	897,779	1,407,483
Investment Income	274,898	193,057	115,079	193,057
Contributions	-	-	-	-
Miscellaneous	(30,945)	13,600	57,642	-
Total Revenues	\$ 13,785,519	\$ 14,323,740	\$ 14,647,855	\$ 14,886,640
Expenditures:				
Current:				
General Government	\$ -	\$ -	\$ -	\$ -
Public Safety	13,740,010	19,084,299	13,849,103	19,460,796
Highways and Streets	-	-	-	-
Sanitation	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Education	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principle	-	-	-	-
Interest and Other Charges	-	-	-	-
Total Expenditures	\$ 13,740,010	\$ 19,084,299	\$ 13,849,103	\$ 19,460,796
Excess (deficiency) of revenues over expenditures	\$ 45,508	\$ (4,760,559)	\$ 798,752	\$ (4,574,156)
Other Financing Sources (Uses):				
Sales of Capital Assets	-	-	-	-
Transfers In	2,501,421	2,545,028	2,545,028	2,595,929
Transfers Out	(53,629)	(56,878)	(40,715)	(855,149)
Total Other Financing Sources and Uses	\$ 2,447,791	\$ 2,488,150	\$ 2,504,313	\$ 1,740,780
Net Change in Fund Balance	\$ 2,493,300	\$ (2,272,409)	\$ 3,303,065	\$ (2,833,376)
Fund Balances, July 1	<u>\$ 13,477,413</u>	<u>\$ 15,970,713</u>	<u>\$ 15,970,713</u>	<u>\$ 19,273,778</u>
Fund Balances, June 30	<u>\$ 15,970,713</u>	<u>\$ 13,698,304</u>	<u>\$ 19,273,778</u>	<u>\$ 16,440,402</u>

BUDGET SUMMARY

Summary of Financial Statements

Road Maintenance Sales Tax

Fiscal Years 2014 Through 2016

The total Fiscal Year 2016 Adopted Budget for the Road Maintenance Sales Tax Fund is \$0

	FY2014 Actuals	FY2015 Revised Budget	FY2015 Estimated Actuals	FY2016 Adopted Budget
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	3,500,000	3,778,550	7,839,498
Special Assessments	-	-	-	-
Licenses & Permits	-	-	-	-
Fees, Fines, and Forfeits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Investment Income	-	-	4,575	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	\$ -	\$ 3,500,000	\$ 3,783,125	\$ 7,839,498
Expenditures:				
Current:				
General Government	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-
Highways and Streets	-	-	-	-
Sanitation	-	-	-	-
Health	-	-	-	-
Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Education	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principle	-	-	-	-
Interest and Other Charges	-	-	-	-
Total Expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenditures	\$ -	\$ 3,500,000	\$ 3,783,125	\$ 7,839,498
Other Financing Sources (Uses):				
Sales of Capital Assets	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	(3,500,000)	(2,900,000)	(8,244,285)
Total Other Financing Sources and Uses	\$ -	\$ (3,500,000)	\$ (2,900,000)	\$ (8,244,285)
Net Change in Fund Balance	\$ -	\$ -	\$ 883,125	\$ (404,787)
Fund Balances, July 1	\$ -	\$ -	\$ -	\$ 883,125
Fund Balances, June 30	\$ -	\$ -	\$ 883,125	\$ 478,338

BUDGET SUMMARY

Summary of Financial Statements

Health and Public Health Services District Funds

Fiscal Years 2014 Through 2016

The total Fiscal Year 2016 Adopted Budget for all Health Funds is \$14,012,539

	FY2014 Actuals	FY2015 Revised Budget	FY2015 Estimated Actuals	FY2016 Adopted Budget
Revenues:				
Property Taxes	\$ 3,831,665	\$ 3,836,210	\$ 3,713,160	\$ 3,850,071
Other Taxes	210	-	42	-
Special Assessments	-	-	-	-
Licenses & Permits	779,436	717,830	818,425	561,253
Fees, Fines, and Forfeits	-	-	300	-
Intergovernmental	3,884,325	4,863,296	3,990,587	4,354,957
Charges for Services	542,745	533,917	594,298	537,291
Investment Income	28,799	12,340	8,081	6,034
Contributions	18,534	18,600	9,633	4,000
Miscellaneous	152,941	245,196	155,240	46,833
Total Revenues	\$ 9,238,655	\$ 10,227,389	\$ 9,289,765	\$ 9,360,439
Expenditures:				
Current:				
General Government	\$ -	\$ -	\$ -	\$ -
Public Safety	669,842	684,958	691,106	706,409
Highways and Streets	-	-	-	-
Sanitation	-	-	-	-
Health	13,803,993	14,664,070	13,347,399	13,306,130
Welfare	-	-	-	-
Culture and Recreation	-	-	-	-
Education	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principle	-	-	-	-
Interest and Other Charges	-	-	-	-
Total Expenditures	\$ 14,473,835	\$ 15,349,028	\$ 14,038,505	\$ 14,012,539
Excess (deficiency) of revenues over expenditures	\$ (5,235,180)	\$ (5,121,639)	\$ (4,748,740)	\$ (4,652,100)
Other Financing Sources (Uses):				
Sales of Capital Assets	-	-	-	-
Transfers In	5,120,053	4,717,585	4,811,734	4,780,393
Transfers Out	(142,722)	(21,203)	(3,056)	(137,022)
Total Other Financing Sources and Uses	\$ 4,977,331	\$ 4,696,382	\$ 4,808,678	\$ 4,643,371
Net Change in Fund Balance	\$ (257,849)	\$ (425,257)	\$ 59,938	\$ (8,729)
Fund Balances, July 1	\$ 1,940,949	\$ 1,683,100	\$ 1,683,100	\$ 1,743,038
Fund Balances, June 30	\$ 1,683,100	\$ 1,257,843	\$ 1,743,038	\$ 1,734,309

BUDGET SUMMARY

Summary of Financial Statements

Non-Major Funds

Fiscal Years 2014 Through 2016

The total Fiscal Year 2016 Adopted Budget for the Non Major Funds is \$41,789,562

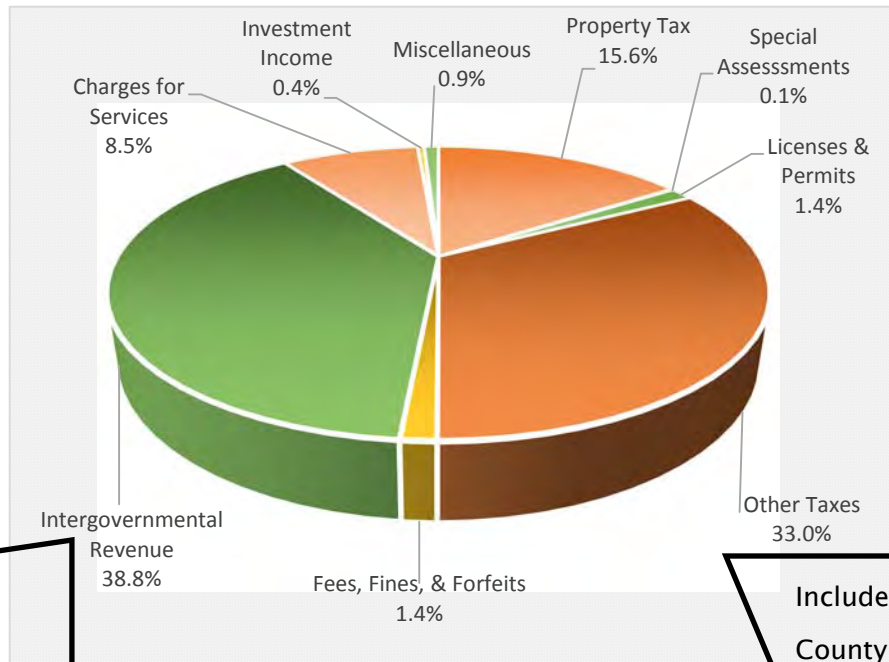
	<u>FY2014 Actuals</u>	<u>FY2015 Revised Budget</u>	<u>FY2015 Estimated Actuals</u>	<u>FY2016 Adopted Budget</u>
Revenues:				
Property Taxes	\$ 6,400,457	\$ 6,474,863	\$ 6,200,322	\$ 6,381,372
Other Taxes	3,065,623	579,589	994,542	-
Special Assessments	221,547	185,081	118,972	114,550
Licenses & Permits	2,000	-	1,150	-
Fees, Fines, and Forfeits	709,794	788,700	304,875	593,300
Intergovernmental	17,751,979	19,043,227	13,861,736	10,102,673
Charges for Services	4,159,949	3,609,679	3,646,830	3,655,293
Investment Income	630,703	137,795	37,505	85,636
Contributions	40,575	52,600	46,425	43,500
Miscellaneous	443,703	493,442	539,120	4,485,681
Total Revenues	\$ 33,426,329	\$ 31,364,976	\$ 25,751,477	\$ 25,462,005
Expenditures:				
Current:				
General Government	\$ 2,087,249	\$ 3,473,608	\$ 2,208,276	\$ 2,830,264
Public Safety	18,539,033	23,107,767	17,398,888	16,600,915
Highways and Streets	60,314	62,737	67,361	131,259
Sanitation	1,430,557	2,422,026	1,941,941	2,321,211
Health	-	586,815	-	-
Welfare	3,938,084	3,869,448	3,086,509	3,809,716
Culture and Recreation	4,587,603	18,672,629	4,947,994	14,952,295
Education	3,030,134	2,230,384	2,920,174	1,040,752
Capital Outlay	-	-	-	-
Debt Service:				
Principle	416,480	149,178	105,243	85,000
Interest and Other Charges	45,952	24,503	24,482	18,150
Total Expenditures	\$ 34,135,405	\$ 54,599,095	\$ 32,700,869	\$ 41,789,562
Excess (deficiency) of revenues over expenditures	\$ (709,076)	\$ (23,234,119)	\$ (6,949,392)	\$ (16,327,557)
Other Financing Sources (Uses):				
Sales of Capital Assets	\$ 16,953	\$ -	\$ -	\$ -
Transfers In	4,966,281	19,947,909	6,756,279	12,601,245
Transfers Out	(2,710,151)	(15,743,387)	(3,470,967)	(10,923,849)
Total Other Financing Sources and Uses	\$ 2,273,083	\$ 4,204,522	\$ 3,285,312	\$ 1,677,396
Net Change in Fund Balance	\$ 1,564,007	\$ (19,029,597)	\$ (3,664,080)	\$ (14,650,161)
Fund Balances, July 1	\$ 27,492,504	\$ 29,056,511	\$ 29,056,511	\$ 25,392,431
Fund Balances, June 30	\$ 29,056,511	\$ 10,026,914	\$ 25,392,431	\$ 10,742,270

BUDGET SUMMARY

Analysis of Revenues

All Fund Detail by Category

This chart highlights FY16 operating revenues for all funds by percentage of the total (excluding unawarded grants):



Includes:
State & Federal
Grants and State
Shared Sales Taxes

Includes:
County Sales Taxes &
Vehicle License Taxes

The following pages discuss County revenues for all funds and discuss the projections for the various revenue sources that were used in the County's ten year financial planning process. General Fund revenue assumptions are discussed in detail on pages 85 through 86.

BUDGET SUMMARY

Analysis of Revenues

Revenue Sources and Trends

Total revenues for all funds are estimated to be \$121,987,639

REVENUE POLICIES

The County tries to maintain a diversified and stable revenue structure to shelter it from short-term fluctuations in any one revenue source. The organization follows an aggressive policy on collecting tax revenues and is continuously exploring new sources for revenue. All money is required to be deposited with the Treasurer including all taxes collected on real and personal property in the County, all public monies, statutory fees or funds, and outside agency grants.

The County conservatively estimates its annual revenues by an objective and analytical process. This process includes the use of historical trends, current local economic trends, national and global economic trends, and changes in State and Federal laws and policies. Revenues are projected for ten years and projections are updated monthly during the year.

Current General Fund revenues include a large budget for sales taxes. County sales tax and State shared sales taxes make up 59.6% of the General Fund revenue budget. In order to try to insulate the organization from the fluctuations in the economy, the organization reviews its user fees and makes recommendations for changes every year for 1/2 of all County departments. In effect, all user fees are re-evaluated and updated as needed every two years. In keeping with legal requirements, user fees are only charged when there is a direct relationship between the costs and revenues associated with a particular departmental service. User fees can allow the County to provide services without increasing the general tax burden. Each time a fee is changed, a public hearing is held to give users the opportunity to review, comment, or change the proposed fee.

For a complete list of Coconino County revenue policies, please refer to pages 35-36.

Prior year revenues are estimated during the development of the budget and do not always reflect the actual ending revenues for each category. The revenue projections discussed below are based on the revenue estimates developed during the budget process. The actual FY15 ending revenues can be found in the major fund and departmental financial statements presented throughout this document.

TAXES

Property Taxes

There are two categories of property for the purpose of taxation in Arizona, real property and personal property. Real property is defined as land and all improvements permanently affixed or attached to the land, including homes, buildings, canals, etc. Personal property is defined as all other property that is not permanently affixed to land, including business equipment, inventory, boats, computers, furniture, vehicles, and an individual's personal possessions. The County Assessor determines the full cash value of each property. In prior years full cash values were used when determining secondary property taxes while primary property taxes were determined using the limited cash value. The limited value of property is determined by taking the limited property value of the property in the preceding valuation year, plus the greater of either:

- 10% of that value, or
- 25% of the difference between the full cash value of the parcel in the current valuation year and the limited value of the parcel in the preceding valuation year.

Proposition 117, the Arizona Property Tax Assessed Valuation Amendment, was approved on the November 6, 2012 general election ballot.

BUDGET SUMMARY

Analysis of Revenues

Prop 117 limited the annual growth in the limited property value of local assessed property. The measure amended the Arizona Constitution to cap the annual increase in the value of real property used to calculate property taxes to 5% over the value of the property for the previous year, beginning with the 2015 tax year (2016 fiscal year). Prior to tax year 2015, there was no limit on full cash value. This limitation would apply to property values used in determining all property taxes on the real property. As a result, primary and secondary property taxes are determined using the limited property value.

The County uses primary property taxes to fund a portion of its General Fund budget; secondary taxes are levied to fund the Library District, Public Health Services District, a special lighting district, and the Flood Control District.

Primary Property Taxes

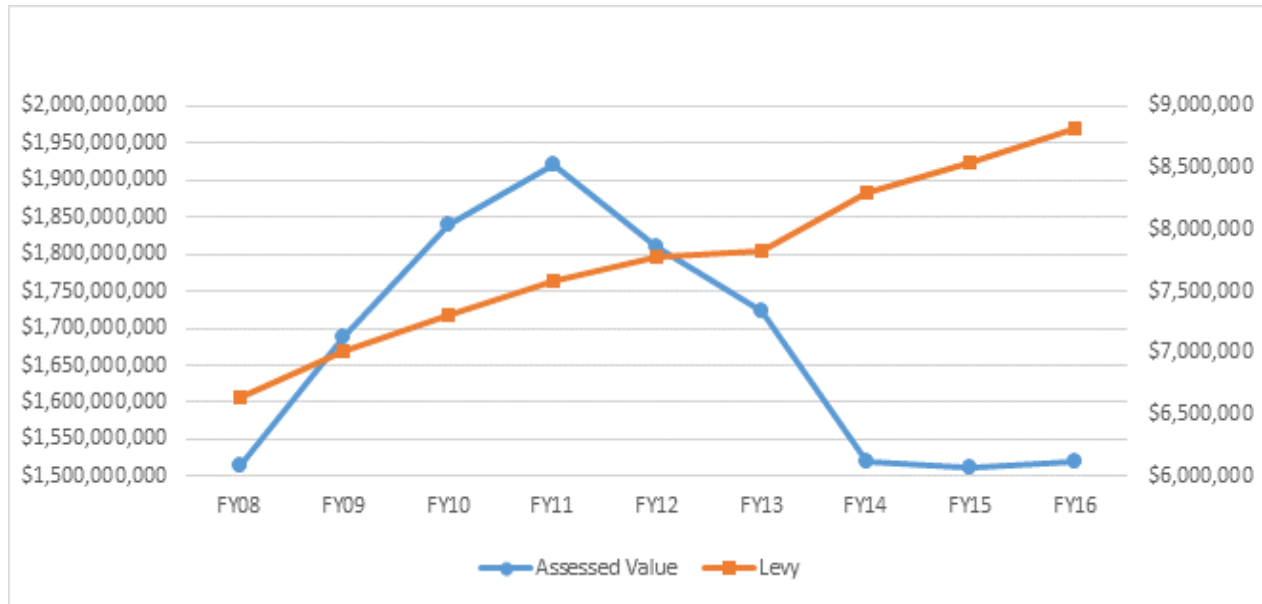
Under the primary system, the full cash value of locally-assessed real property (consisting primarily of residential, commercial, industrial, agricultural, and unimproved property) cannot increase by more than 10% per year, except under certain circumstances. Annual levies under the primary system are based on the nature of the property taxed and the taxing authority. Primary taxes levied only on residential property are limited to 1% of the full cash value of the property. In addition, primary taxes levied on all types of property by counties, cities, towns, and community college districts are limited to a maximum increase of 2% over the prior year's levy plus any amount directly attributable to new construction and annexation. The 2% limitation does not apply to primary taxes levied for local school districts. A law passed by the Arizona State Legislature effective for FY07 further limited the County's ability to increase primary property tax revenue by limiting those counties that were not assessing their maximum primary property tax rate. Their new maximum rate is a calculation based on the lower rate that was assessed in FY06.

Revenues from primary property taxes account for 15.6% of General Fund revenues. Under the 2% levy growth limitation statute, if property values increase more than 2% in any given year, the tax rate will decline. If property values decrease, or increase less than 2%, the tax rate will increase.

On the following page is a chart showing the relationship between assessed valuation changes compared to the primary tax levy. The levy increases by 2% regardless of the change in primary net assessed values. In FY15, Coconino County collected the 2% increase plus new construction. The FY16 adopted budget also shows the collection of the 2% increase plus new construction.

BUDGET SUMMARY

Analysis of Revenues



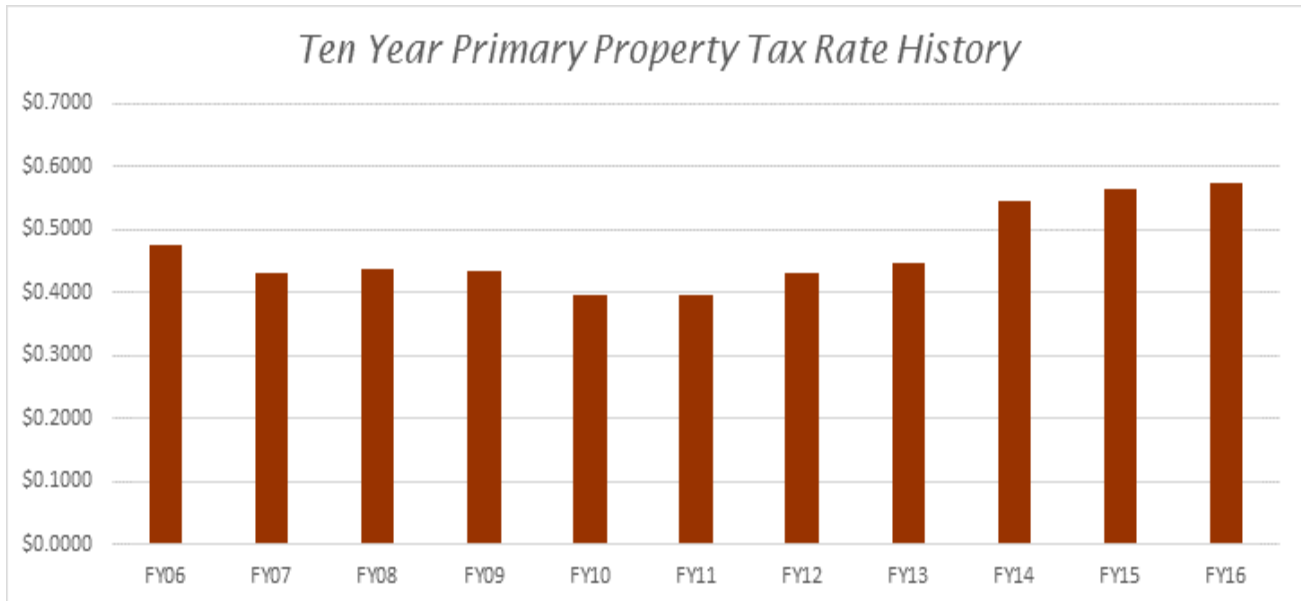
At the FY16 rate of \$0.5735 per \$100 of assessed valuation, the County primary property taxes collected on a home valued at \$300,000 are \$172.05, which equals a \$2.67 increase from FY15.

Coconino County currently has the third lowest primary property tax rate allowed by Statute for all counties in the State of Arizona.

The passage of legislation capping County levies is evident in the chart below of our tax rate history. Prior to this legislation, our property tax rate was held flat, and the levy increased and decreased depending on assessed values. The primary rate was increased or decreased depending on budgetary needs. Beginning in FY07 our maximum rate was decreased to \$0.4622. The effective rate the County could assess on new construction continued to decline as value rose at a rate great than 2% per year. In FY16, our tax rate is the highest it has been since FY05.

BUDGET SUMMARY

Analysis of Revenues



FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16
\$ 0.4753	\$ 0.4753	\$ 0.4322	\$ 0.4383	\$ 0.4338	\$ 0.3973	\$ 0.3953	\$ 0.4303	\$ 0.4480	\$ 0.5466	\$ 0.5646	\$ 0.5735

Secondary Property Taxes

Coconino County also collects secondary property taxes for the Library District, the Fire District Assistance Tax, the Public Health Services District, and the Flood Control District. Secondary assessed values are determined based on the limited property value. Like much of the nation, property values in Coconino County have fallen after a large short-term increase. Assessed values are showing slight increases. Because of the lag timing of assessed value changing on the tax rolls, the FY16 secondary assessed values reflect the 2013 market. Secondary values are showing an increase of 3% in FY16 compared to FY15.

Library District allocations are made based on recommendations from the Library District Board. For FY16 the tax rate will remain the same as FY15 at \$0.2556. The rate was increased in FY14 from \$0.2367. The increase was used to assist in keeping all County Library operations whole for the upcoming fiscal years. The need for the increased rate will continue to be evaluated in future fiscal years.

The Public Health Services District was formed during FY10 to protect the funding that is available for public health programs and create additional budget capacity in the General Fund. The maximum rate is \$0.2500 per \$100 of assessed value. This rate has remained in effect since the onset of the district and will stay at \$0.2500 for FY16.

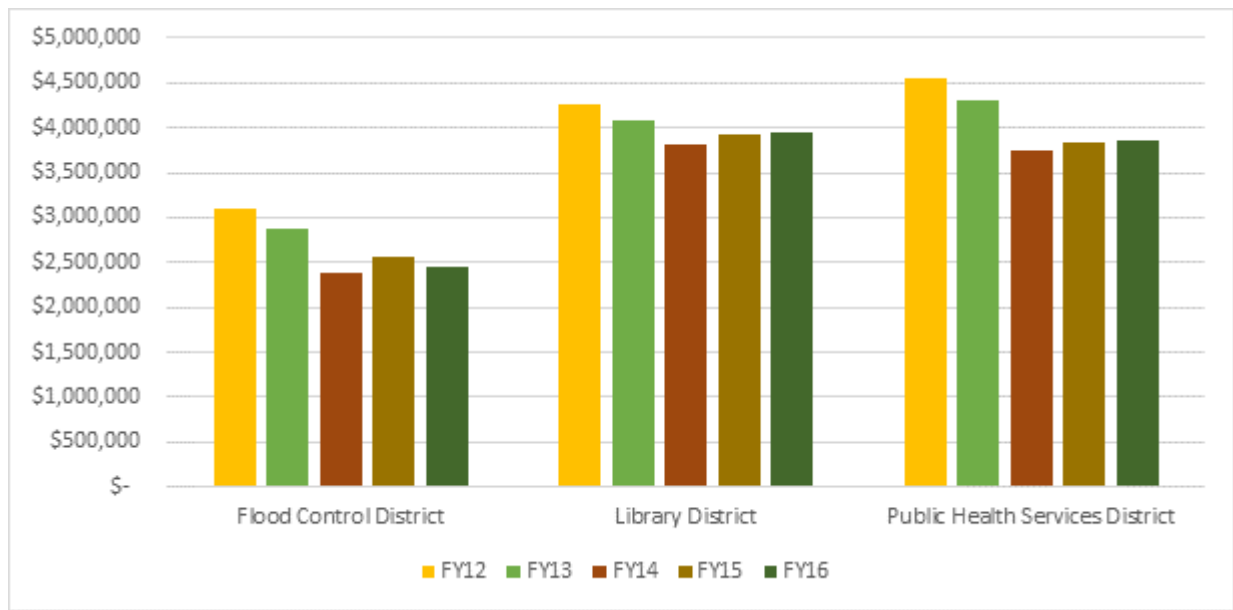
The Flood Control District is a special taxing jurisdiction and is not County-wide. Flood control and drainage work is performed and managed by the Community Development and Public Works departments. Coconino County has experienced multiple natural disasters within the past six years, including substantial flooding in the Schultz Burn Area. The Flood Control levy at the FY11 rate of \$0.2000 would have been less than \$1.6 million. With the current conditions there will be flooding concerns for the next 10 years that require mitigation and response action now. In FY11, the tax rate was increased to \$0.4000 in order to help offset some of the anticipated mitigation costs. The rate

BUDGET SUMMARY

Analysis of Revenues

has remained at \$0.4000 since FY11. These funds will also assist in mitigation for flooding in the Oak Creek area as a result of the Slide Fire in late FY14. For more information on the Flood Control District, please refer to pages 264-268 and page 330.

The chart below shows the 5-year history of property tax levies for districts where the levy is set by the Coconino County Board of Supervisors.



History of Tax Rates	FY12	FY13	FY14	FY15	FY16
Flood Control District	\$ 0.4000	\$ 0.4000	\$ 0.4000	\$ 0.4000	\$ 0.4000
Library District	\$ 0.2367	\$ 0.2367	\$ 0.2556	\$ 0.2556	\$ 0.2556
Public Health Services District	\$ 0.2500	\$ 0.2500	\$ 0.2500	\$ 0.2500	\$ 0.2500

The Fire District Assistance Tax is required by Statute, collected by the County, and distributed to the various fire districts based on a statutory formula.

Sales Tax

County Sales Tax

A County sales tax is collected to fund general County operations. The tax rate is imposed at 10% of the State transaction privilege tax rate or 0.5% of a total taxable sale. The County Sales Tax revenue is estimated to be \$12,900,000 for FY15 and is projected at \$13,274,100 for FY16. This sales tax represents 23% of the General Fund revenues and 11% of total County operating revenues. Tax collections are monitored by staff in order to track changes in sales activity and the local economy.

FY15 collections are estimated to increase by 5% from FY14. We are anticipating some continued increases in our sales tax revenue going into FY16 and are projecting sales tax revenue at 2.9% growth compared to FY15. Sales tax revenues have recovered and are back to pre-recession levels.

BUDGET SUMMARY

Analysis of Revenues

Jail District Sales Tax

An additional sales tax is levied to fund the Sheriff's detention facility under a County-wide voter authorized Jail District. The Jail District rate is imposed at 10% of the State rate, or 0.5% of a total taxable sale. Sales taxes for the district represents approximately 89% of total estimated Jail District operating revenues for FY16. Any fluctuations in the general economy which impact the taxable sales base will have a dramatic impact on the ability of the Jail District to meet its ongoing obligation. In FY07 this tax was increased from 0.3% of a total taxable sale to 0.5% and the sunset on this tax was extended to 2027. The new rate took effect January 1, 2007. For FY15, the estimated tax collections are \$12,900,000 and for FY16 this number is projected at \$13,274,100. These taxes are on the same base as the local sales tax, and the projections incorporate the same growth figures.

Road Maintenance Sales Tax

The Coconino County Road Maintenance Sales Tax measure was approved the November 4, 2014 General Election ballot. The measure authorized a County Sales Tax for maintaining and preserving the conditions of Coconino County-maintained roads. Coconino County was authorized to levy and collect a three-tenths of a cent (\$0.003) sales tax for a period of twenty (20) years, beginning January 1, 2015, to fund the maintenance and preservation of roads maintained by Coconino County and fund those costs related to, but not limited to, snowplowing, dirt road grading, road surface chip sealing, road maintenance and other road-related expenses. The proposed three-tenths of a cent sales tax is equal to thirty cents on each one hundred dollars of taxable sales within Coconino County. For FY15, the estimated tax collections are \$3,544,058 and for FY16 this number is projected at \$7,839,498. These taxes are on the same base as the local sales tax, and the projections incorporate the same growth figures.

Other Taxes

Vehicle License Tax

Also known as auto in lieu taxes, vehicle license taxes represent about 5.5% of total General Fund Collections and 16.3% of HURF revenues. This revenue is split by a formula between the General Fund and HURF fund. Tax collections are based on rates applied to the blue book values of vehicles registered in the County. FY15 collections are down less than 1% from FY14. This is another revenue source that has been greatly impacted by the recession. FY15 is down 13.3% from the FY07 high. For FY16 this revenue is estimated to be \$3,141,437 in the General Fund and \$1.8 million in the HURF fund. The County is anticipating a 1% increase in this revenue source for FY16.

Projection Overall tax revenues collected in FY16 are estimated at \$5.2 million above FY15 collections. This increase is mostly due to the implementation of the Road Maintenance Sales Tax. The County will receive 3.2% growth in primary property taxes in FY16. This growth is anticipated into the future. Secondary property taxes are anticipated to decrease by 0.8% in FY16. This is due to the change in secondary property taxes now being assessed on limited property rather than full cash value. An increase in secondary property taxes is anticipated into the future. County Sales tax is projected to see moderate growth based on population and CPI. For FY16 County Sales taxes are showing an increase of 16.7%. This is due to the expiration of the Capital and Open Space Sales Tax and the implementation of the new Road Maintenance Sales Tax. Vehicle license tax is projected to have minimal growth in FY17.

BUDGET SUMMARY

Analysis of Revenues

SPECIAL ASSESSMENTS

Assessments are levied twice per year on property owners residing within special improvement district boundaries to pay off the debt issued for improvements to roads or sewer and water systems. Special assessments may also be levied for the maintenance of certain roads not constructed to the County standards. County improvement districts are created at the request of individual homeowners via a petition process and in accordance with ARS Title 48. These revenues are less than 1% of total County operating revenue and are not a General Fund revenue source. For more detail on improvement districts, please refer to page 322 - Special Taxing Districts.

Projection: Revenues from special assessments are budgeted to decrease from FY15 to FY16 due to continual pay off of districts that are in the assessment phase. Moving forward, we are projecting a decrease in Special Assessment revenue as there has been a stall in the creation of new improvement districts for the construction of roads. The two active districts will mature in 2019 and there are no districts currently in formation. Although County improvement districts are viable alternative to residents of unincorporated areas to authorize infrastructure improvements without increasing the general tax burden, the demand for the formation of new districts is anticipated to remain relatively low in the next few years.

LICENSES AND PERMITS

License and permit fees are collected from a variety of County departments and are approved by the Board of Supervisors unless otherwise set forth in Statute. Licenses and Permits represent 1.35% of total operating revenues and 1.9% of General Fund operating revenues. Examples of licenses and permits include building permits, marriage licenses, dog licenses, and environmental health permits. In the General Fund, building permits and plan review fees represent about 1.3% of General Fund operating revenues for FY16.

Projection: License and permit revenues were deeply impacted by the recent recession. FY15 building permits and check plan fees are estimated to be approximately 50% of our FY07 levels. License and permit revenues have begun to show recovery and we anticipate the growth to continue. Growth is projected at 2% in FY16. Larger growth as high as 3.7% is projected into the future. License and permits are budgeted to increase each fiscal year to account not only for volume increases, but as a result of the user fee study that is conducted every two years for each department. This revenue source will be closely monitored, as they are an indicator of the local economic health.

FEES, FINES, AND FORFEITS

The Coconino County Court System collects various fees, fines, and forfeitures such as citations, court fines, and restitutions. The largest source of fine revenue is through the Justice Courts. The majority of collections are generally related to traffic and misdemeanor fines and support the General Fund (about 2% of the total General Fund operating revenues). They represent 1.4% of total operating revenues. Forfeitures are a fluctuating component of this revenue source.

Projection: For FY16 this revenue is anticipated to decrease from FY15 in total, due to a projected decrease in forfeitures. Growth into the future is expected to be 1.5% but this projection could change with forfeitures and the aforementioned revenue fluctuation.

BUDGET SUMMARY

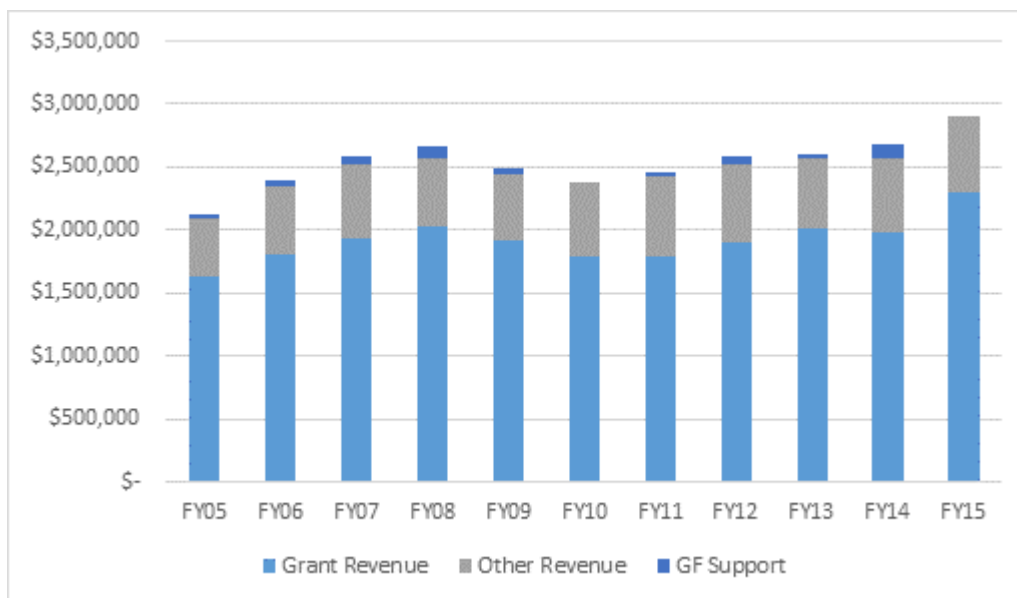
Analysis of Revenues

INTERGOVERNMENTAL

Intergovernmental revenues are collections received by the County from other governments and public entities and include payments in lieu of taxes, State shared sales tax revenues, grants, indirect costs paid by grants, and payments required by intergovernmental agreements. Intergovernmental revenues are distributed from a variety of sources including State or Federal agencies and local cities. State shared sales taxes and highway user revenues are the two largest sources of revenue in this category. Included in this revenue classification are grant revenues that usually carry restrictions on expenditures. Coconino County depends heavily on these sources of revenue to supplement the General Fund and other program functions to provide services to citizens, most notably in the Public Works, Health, Adult Probation, Juvenile Court, and Community Services departments. Overall these revenues will decrease \$17.8 million in FY16 mainly due to a decrease in the budget for un-awarded grants and a decrease in grant funding for the Schultz Flood mitigation projects.

Grants

State and Federal grant revenue is provided to many County departments to assist with the programs that are mandated or that the granting agency believes should be provided. In many instances grants have been awarded, the County has provided a new service, and then the grant money disappears and the County has had to increase financial support to take over funding for that program to maintain the level of service expected by residents of the County. The cost of attracting and retaining employees rises each year, but usually the grant funding does not increase or does not increase at a level that is sufficient to keep up with the County's increase. This results in increased General Fund support to grant programs or a reduction in these programs to keep them going. The chart below gives an example of the grant funding history for Adult Probation services.



Over time, the General Fund portion of program funding has fluctuated due to increases and decreases in state and federal grant funding. Coconino County has experienced level funding when the economy is booming, and funding cuts from the State during the recession. Many of the programs are State mandated programs, where at the same time we are seeing an increase in case loads, employee costs, and inflationary expenditure increases. There are State mandates that require services to be performed, or statutory levels to be maintained, but funding has been drastically reduced for Counties to provide those programs.

BUDGET SUMMARY

Analysis of Revenues

State Shared Sales Tax

A transaction privilege tax is collected by the State on various business activities. A portion of the total is allocated to a pool which is then distributed to cities, counties, and the State. Incorporated cities/towns receive 25%, counties receive 40.51% and 34.49% remains in the State General Fund. The categories taxed include retail, construction, restaurants and bars, and hotels/motels. The “shared ratio” is set by the State Legislature.

Coconino County’s portion of State Shared Sales Tax has shown considerable growth over the past two years and into FY15. This growth is based on assessed valuation and the fact that Coconino County has a higher percentage of assessed values in the state. As these values increase throughout the state the County will experience a decline in this revenue, and will move closer to our anticipated sustainable line, and grow at the rate of population and CPI increases. FY15 is estimated to see an increase of 5.4% in this revenue source and is projected with a 2.8% growth rate in FY16.

Highway User Revenue Fund (HURF)

HURF is a State tax collected on motor vehicle fuels (gasoline, diesel, etc.); the rate levied is \$0.18 per gallon on the motor fuel sold in the State. The primary purpose of HURF is to fund construction and maintenance of streets and highways. A portion of the amount collected is distributed to the State and a portion is returned to cities, towns, and counties. HURF money distributed to the counties is allocated based on fuel sales and estimate consumption as well as the population. As part of the FY09 State budget, the State changed the allocation formula of HURF revenues to allocate more funding to State DPS. This impact began at approximately \$650K and increased to \$900K in FY13 and FY14. In FY15, the Senate passed budget included HURF restoration for three years, but at a reduced level. Coconino County is estimated to receive back \$378,635 of the impacted funds in FY15 and are projecting the same increase in FY16.

National Forest Fees

National Forest Fee Revenue is received by the County under the Secure Rural Schools and Self-Determination Act of 2008. This revenue includes payments to eligible counties to compensate them for lumber activities on Federal forest land located within these counties. The funding can be used for schools and roads, and a portion is set aside under Title III of this act for funding projects on Federal land. The act was scheduled to sunset at the end of FY08, but received a three year extension by Congress through Federal FY12. In late FY14 the act was reauthorized and the Title III funding was used in FY15 for Sheriff’s Search and Rescue operations. In late FY15 the funds were once again reauthorized and will be expended in FY16 on Board approved projects that meet the Title III guidelines.

Projection: Staff anticipates the County’s continued reliance on outside revenue sources for the operation of programs. We anticipate growth at an average of 2% per year into the future for most intergovernmental revenues. Depending on the future of Forest Fee legislation and PILT funding authorization, the County may sustain funding reductions from intergovernmental revenue sources into future fiscal year. Staff will continue to be proactive in pursuing grant funding and the Board will continue their legislative efforts to retain Forest Fee funding and PILT full funding.

BUDGET SUMMARY

Analysis of Revenues

CHARGES FOR SERVICES

Charges for services include the County's user fees, which are revenues collected for services that are provided for the benefit of a specific individual or group. These voluntary services can be withheld if beneficiaries refuse to pay, and can be charged if service utilization can be measured. The County exercises care in establishing charges for services that do not unfairly discriminate against those most in need of services. In the case of many of our Public Health related fees, the Board has adopted a sliding fee schedule in order to provide services to even the neediest of populations. The Board of Supervisors approves all changes to the fee schedule, unless fees are specifically set forth in State Statute. Example of charges for services to the public include transfer station charges, Jail District bed rentals, probation services, charges for recording documents, and charges for maps, copies and other records.

Projection: General fund charges for services are anticipated to increase 2% in FY16 and each year moving forward. This increase is driven by volume and inflationary rate increases from fee reviews. For all funds, this number is projected at around 2% for a few years and growing at varying rates depending on the fee type.

INVESTMENT INCOME

Investment income is comprised of revenues generated from the investment of the County's cash balances. Balances are invested either through the State of Arizona's "pool" or through a recognized investment advisor authorized by the Treasurer. Investments are made in conservative instruments (identified by State Statute) due to the public nature of this money. Not all balances can earn interest for the benefit of the particular funds; in some cases, grant contracts do not allow interest to accrue during the year to a fund. The majority of interest earnings accrue to the Highway User Revenue Fund, the Parks and Open Space Fund, the Jail District fund balances, and the General Fund reserve. Earnings are allocated monthly by the Treasurer, the County's investment officer. Staff anticipates that these collections will decline in the next couple of years due to decreases in the fund balance available for interest earnings and a drop in market interest rates.

Projection: Investment income is projected at 0.85% of average fund balance in FY16 then increases to 1% in FY17, 1.25% in FY18, 1.5% in FY19, and 1.75% through the remaining years in the forecast period. Overall this revenue will decline as the County spends down fund balance for revenue smoothing, capital, facility, and IT purchases. The interest rate earned by the County has fluctuated in the past, but was about 2% in FY11 as the Treasurer was able to maintain investments with higher market yields. Staff is anticipating a lower rate of return in the next few years, coinciding with the economic downturn we experienced and interest rates remaining at their current low for a few years. Staff will continue to monitor the rates earned and will make adjustments in the financial planning process as needed.

CONTRIBUTIONS

Contributions are State contribution revenues derived from the Salt River Project Utility (SRP) and other private donations. Although SRP is a public entity, it estimates its net assessed value and makes payments in lieu of property taxes to each taxing jurisdiction. The General Fund and Library District both receive this annual contribution. The State Legislature authorized the Salt River Project to make a contribution to counties instead of paying property taxes. Other private donations are voluntary contributions the County receives, primarily for providing social services.

Projection: The SRP contributions are anticipated to increase in the next few years due to an increase in the County's primary property tax rate. In the long-term the cap on our property taxes will cause our rate to decline and decrease this revenue source. Other private contributions are difficult to estimate, and are not material to the budget.

BUDGET SUMMARY

Analysis of Revenues

MISCELLANEOUS

Miscellaneous revenues are classified as any revenue that does not fall within a more specific revenue category. An example would include facilities rental. They are generally revenues derived from unanticipated sources and are therefore not subject to discernible variances.

Projection: Due to the nature of this revenue, the outlook is for this revenue to remain fairly flat.

OTHER FINANCING SOURCES

Other financing sources are proceeds received from debt issuances for capital projects and gains on the sale of fixed assets. It is the policy of the Board of Supervisors that debt, short or long-term may not be issued for operational expenses.

Projection: Other financing sources fluctuate depending on debt issuances, both General County and Special District, and asset sales. Additional debt may be issued for Special Districts in future fiscal years, depending on the size of new districts that go into formation. Any debt issued for this purpose is repaid through assessments on district residents.

TOP TEN REVENUE SOURCES

County's top ten revenue sources in FY16, excluding un-awarded stimulus and other grant funding.

The County's dependence upon outside (non-property tax) sources of funding is evident and includes the State Shared Sales Tax, County Sales Tax, Jail District Sales Tax, Highway User Revenues, and Vehicle License Tax. These select sources make up 83% of all operating revenue (net of un-awarded grants). In the General Fund, 65% of revenues come from State Shared Sales Tax, County Sales Tax, and Vehicle Licenses Taxes. Three of the top ten revenues sources are sales taxes that are pegged to the health of the regional tourist economy, which suffered from the recession. These sales taxes are beginning to show an increase with this as the anticipated trend into the future.

Top Ten Revenues Sources

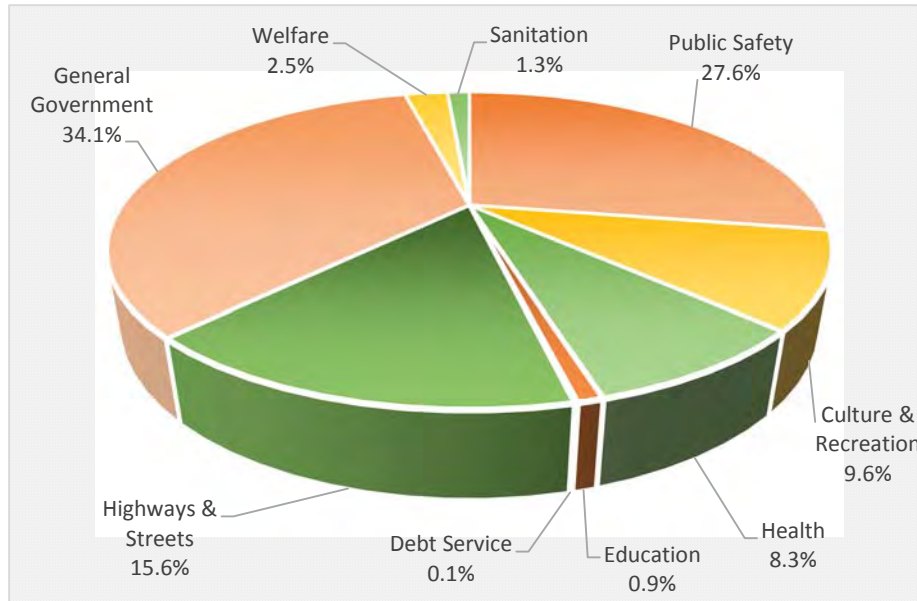
	Revenue Type	Fund	FY16 Budget
1	State Shared Sales Tax	General Fund	\$ 20,665,300
2	Jail District Sales Tax	Jail District	13,274,100
3	County Sales Tax	General Fund	13,274,100
4	Highway User Revenue Fund	Public Works	9,167,000
5	County Primary Property Tax	General Fund	8,817,093
6	Road Maintenance Sales Tax	Road Maintenance Sales Tax	7,839,498
7	Library District Secondary Property Tax	Library District	3,936,314
8	Public Health Services District Secondary Property Tax	Public Health Services District	3,850,071
9	Vehicle License Tax	General Fund	3,141,437
10	Flood Control District Secondary Property Tax	Flood Control District	2,445,058

BUDGET SUMMARY

Analysis of Expenditures

All Fund Detail by Function

This chart highlights FY16 expenditures for all funds by percentage of the total.



A discussion of these functions, what is included under each, and a projection of future expenditure trends by fund type is included in the pages that follow. It is important to note that the functions listed above, on the County-wide financial statements and in the expenditure discussions, represent the same format as our audit information. These functions are identified and grouped according to GASB guidelines on expenditures by function. The same expenditure information, classified by County Strategic Priority Area, is included as well.

The information shown in the Analysis of Expenditures section is for operation expenditures, and excludes un-awarded grants.

BUDGET SUMMARY

Analysis of Expenditures

Coconino County's FY16 budgeted expenditures have decreased by 6% from the FY15 revised budgeted expenditures. This decrease is mainly due to a decrease in budgeted capital expenditures for Flood Control District Shultz Fire and Flood mitigation as well as capital expenditures for land acquisition using Parks & Recreation Capital Project and Open Space sales tax revenue.

The County's expenditure budget for FY16 is composed of its General Funds, Special Revenue Funds, Debt Service Funds, and Capital Project Funds. General Fund expenditures in FY15 represent 43% of the total expenditure budget. Special Revenue Funds, which include grant funds, represent 56% of the total budget. Capital Project Funds account for 1% and Debt Service Funds make up less than 1% of the total County budget.

General Government

General Government is the function used to describe all expenditures that do not fall under any other function. This includes expenditures for internal services, court services, and many of the offices run by Elected Officials, including the Treasurer, Assessor, Recorder, and Board of Supervisors.

General Fund

In the County's General Fund, general government expenditures increased by 1% between the FY15 and FY16 budgets.

Projection: General government expenditures in the General Fund are projected to slightly increase in FY16 over the FY15 budget. This increase is due to the inclusion of merit raises in the FY16 budget. The General Fund ten-year plan projects gradual increases each year for merit raises as well as funding set aside for facilities repair and replacement. Also projected in the plan is the absorbing of the Superintendent of Schools administration budget due to the loss of Secure Rural Schools funding and an escalation of the Public Health Services District maintenance of effort to assist in the sustainability of the district.

Special Revenue Funds

In the various Special Revenue Funds, general government expenditures will decrease by 1.8% between the FY15 and FY16 budgets, primarily due to one-time expenditures budgeted in FY15 as well as operational savings in Special Revenue Funds.

Projection: Special Revenue Fund general government expenditures are projected to increase in future years and remain fairly constant due to limited revenue opportunities available to fund general government activities.

Debt Service Funds

Debt Service Funds do not have general government expenditures in FY16.

Capital Project Funds

In FY15 funds were budgeted for the County data center being relocated to enable efficient and effective use of technology. These were one-time funds and the project was completed in FY15.

Projection: General government Capital Project Fund expenditures are not anticipated going forward until we are able to implement our strategic Facilities Master Plan.

BUDGET SUMMARY

Analysis of Expenditures

Public Safety

The public safety function includes all expenditures for Flood Control, Emergency Services, Constable, Sheriff, Jail District, Juvenile Court Services, Adult Probation, and the Medical Examiner. At 28% of the operating budget, this is one of the largest functions.

General Fund

In the County's General Fund, public safety expenditures increased 6% between the FY15 and FY16 budgets. A large part of this is due to the increase for merit raises, as well as a 2% pay increase for all sworn officers.

Projection: Public safety expenditures in the General Fund are projected to increase for the foreseeable future. Due to local competition, the County has had a difficult time attracting and retaining Deputy Officers, Youth Care Workers, and Probation Officers. The 2% pay increase for sworn officers is step one of many to alleviate these difficulties. The County is committed to remaining competitive with other local jurisdictions to help offset the shortage of public safety workers in a high demand market. As the State continues to decrease our grant funding for critical public safety programs, the General Fund will be required to increase its contribution in order to meet our mandates.

Special Revenue

In the various Special Revenue Funds, public safety expenditures will decrease 24% between the FY15 and FY16 budgets. This is primarily due to a decrease in appropriations in the Flood Control District for the Schultz Flood mitigation projects. Net of the mitigation projects, special revenue expenditures will decrease 3% between the FY15 and FY16 budgets.

Projection: Special Revenue Fund public safety expenditures are projected to decrease (net of Schultz mitigation appropriations) between FY15 and FY16 budgets. This decrease is attributed to one-time expenditures that were approved in the FY15 budget. The County is working on holding down overall public safety and criminal justice system costs. The County's establishment of the Criminal Justice Coordinating Council has been a major factor in managing public safety and criminal justice system expenditure growth.

Debt Service Funds

Debt Service Funds do not have public safety expenditures for FY15.

Capital Projects Funds

Capital Project Funds are budgeted in FY16 for the Jail Repair and Replacement (R&R) fund. Capital Project Funds for public safety are a recurring budget item for routine R&R needs that arise, and the budget changes each year depending on the R&R needs identified.

Projection: These expenditures are budgeted according to a long-term Jail District R&R schedule and will fluctuate from year to year, as needs change. Similar to our Facilities repair and replacement program, our goal is to identify and perform repair and replacement projects when we are able to maximize our return on investment, by weighting repair costs against replacement costs for Jail District Capital.

BUDGET SUMMARY

Analysis of Expenditures

Highways and Streets

The highways and streets function of expenditures includes all expenditures for road maintenance, construction, engineering, GIS, and special districts.

General Fund

Expenditures for highways and streets in the General Fund include those expenditures for GIS. This budget will decrease by less than 1% compared to FY15. This is due to a change in the allocation of the permit tracking system which no longer includes the Public Works Department.

Projection: GIS expenditures are projected to increase due to health and retirement rate increases in the next several years.

Special Revenue Funds

Special Revenue Funds expenditures relating to highways and streets pertain to Public Works expenditures, and they will increase by 23% between the FY16 and FY15 budgets. This is due to an increase in the budget for maintenance and capital projects.

Projection: The goal of the Public Works Department is to plan for a manageable construction level each year. This was becoming increasingly difficult with the uncertainty in the State budget and shifting of HURF funds to State programs. With the passing of the Road Maintenance Sales Tax, funds are now available for construction projects.

Debt Service Fund

Debt Service Funds do not have highways and streets expenditures for FY16.

Capital Projects Funds

Capital Project Funds do not have highways and streets expenditures for FY16.

Culture and Recreation

Library funding and Parks and Recreation Department programs are considered culture and recreation funding.

General Fund

The General Fund supports culture and recreation by funding administrative and maintenance salaries in the Parks and Recreation Department. These expenditures are budgeted to decrease 27% in FY16. This is due to one-time expenditures for the amphitheater roof and other Fort Tuthill improvements.

Projection: These expenditures are projected to increase due to health and retirement increases in the next several years. Capital expenditures may fluctuate depending on the need and approval.

BUDGET SUMMARY

Analysis of Expenditures

Special Revenue Funds

Culture and recreation expenditures funded by special revenue funds will decrease 20% in FY16 from the FY15 budget. This decrease is due to expenditures related to the Coconino Parks and Open Space (CPOS) ballot. Parks and Open Space projects are budgeted according a capital improvement schedule and availability of land that was identified for open space acquisition. The projects are funded by a voter-approved sales tax, which was a dedicated voter-protected funding source for projects that were listed on the CPOS ballot. The County Board of Supervisors have very limited ability to change the CPOS budget. The Library District expenditures in FY16 will remain stable.

Projection: Library expenditures are projected to remain stable in the next several years. Parks and Recreation expenditures vary due to capital projects in the CPOS programs. For more detail on upcoming capital projects associated with the CPOS program, see page 341.

Debt Service Funds

Debt Service Funds do not have culture and recreation expenditures for FY16.

Capital Project Funds

Capital Project Funds do not have culture and recreation expenditures for FY16.

Health

Health expenditures include expenditures for the Public Health Services District programs in the County.

General Fund

There are no direct General Fund health expenditures budgeted. The County does provide General Fund support for health programs through a maintenance of effort payment to the Public Health Services District.

Special Revenue Funds

In Special Revenue Funds, expenditures for health are expected to decrease by 10% in FY16. There are approximately 35 active Special Revenue health funds, some will experience budget increases while other will experience a budget decrease. During FY15, the Public Health Services District went through a process of identifying areas of expenditure reduction or revenue increases in order to alleviate an annual and ten-year structural deficit. The reductions went into effect with the FY16 budget.

Projection: Health expenditures will continue to fluctuate depending on available State and Federal grant funding. Secondary assessed values have declined as a result of the recession and this has impacted the baseline (property tax) revenue for the District. This impact caused the General Fund to prioritize additional health funding along with other expenditure functions to establish a sustainable financial plan for the Public Health Services District.

Debt Service Funds

Debt Service Funds do not have health expenditures in FY16.

Capital Project Funds

Capital Project Funds do not have health expenditures in FY16.

BUDGET SUMMARY

Analysis of Expenditures

Welfare

Welfare expenditures are for programs in the Community Services and Career Center departments.

General Fund

The General Fund directly supports Community Services administration, and also provides indirect funding for Community Services programs that are operated in Special Revenue Funds. For FY16 General Fund expenditures for welfare will decrease by less than 1%.

Projection: General Fund welfare expenditures will not change much in the next few years, because administration expenses should remain fairly flat. Any increases will be a result in compensation, retirement system, and employee health benefit increases.

Special Revenue Funds

In Special Revenue Funds, expenditures for welfare will increase by approximately 1% in FY16. This increase is due to merit increases.

Projection: Welfare expenditures for Community Services programs will vary based on the level of grant funding received by the County. Many of these programs are funded primarily through grants, with some General Fund support. This level of support is expected to increase with salary and benefit increases in future years. Career Center expenditures are greatly subject to variation due to the nature of their revenues. The Career Center is completely funded by Federal grants, so change in administrations brings changes to these programs.

Debt Service Funds

Debt Service Funds do not have welfare expenditures for FY16.

Capital Project Funds

Capital Project Funds do not have welfare expenditures for FY16.

Sanitation

Sanitation expenditures include those for the County's solid waste programs and expenditures for the Kachina Village Improvement District.

General Fund

There are no sanitation expenditures in the General Fund for FY16. The General Fund supports the Solid Waste Program through a transfer to the Solid Waste Fund.

Special Revenue Funds

Sanitation expenditures in Special Revenue Funds are anticipated to decrease 4% in FY16 from the FY15 budget. This is mainly due to a one-time capital expenditure in the FY15 KVID budget.

Projection: Expenditures for sanitation will continue to rise in the Solid Waste Program if we maintain current service levels. The main driver of these increases will be tipping and transportation fees passed along to the County from outside vendors. KVID expenditures are not anticipated to increase greatly in the next five years, but increases may come if more homes are built in the Kachina Village area, creating a larger service area. Much of the Solid Waste Program cost increases are passed along to the General Fund in the form of a funds transfer to the programs. This support is expected to increase as transportation employee-related costs increase while the amount citizens are willing to pay for this service remains flat.

BUDGET SUMMARY

Analysis of Expenditures

Debt Service Funds

Debt Service Funds do not have sanitation expenditures in FY16.

Capital Project Funds

Capital Project Funds do not have sanitation expenditures in FY16.

Education

Superintendent of Schools expenditures are categorized as education.

General Fund

General Fund expenditures for education will increase 3% from FY15 to FY16. This is an increase in wages and benefits in the Superintendent of Schools budget.

Projection: The General Fund expenditures for education are not projected to show significant changes. Any upcoming changes will be related to personnel increases. In FY14, these expenditures in the General fund were funded by Secure Rural Schools (SRS) and Community Self-Determination Act funding. The SRS funds were reauthorized late in FY15 and will therefore fund the General Fund expenditures for the Superintendent of Schools in FY16. Without authorization of this funding in the future, the County will need to prioritize Superintendent of Schools funding with all other General Fund expenditures.

Special Revenue Fund

Education expenses will decrease by 53% in Special Revenue Funds from the FY15 budget due to a budgeted decrease in anticipated Federal grants. These grants fund technical assistance and professional development services to County and regional educators to meet State and Federal mandates and improve instructional quality.

Projection: Special Revenue Funds education expenditures will vary each year, depending on the amount of grant funds the Education Service Agency is able to receive. The County does not support these programs with additional General funds, so as grant funding fluctuates, so do expenditures. There is a consistent concern that Federal action could impact revenues for these programs.

Debt Service Funds

Debt Service Funds do not have education expenditures for FY16.

Capital Project Funds

Capital Project Funds do not have education expenditures for FY16.

Debt Service Principal and Interest

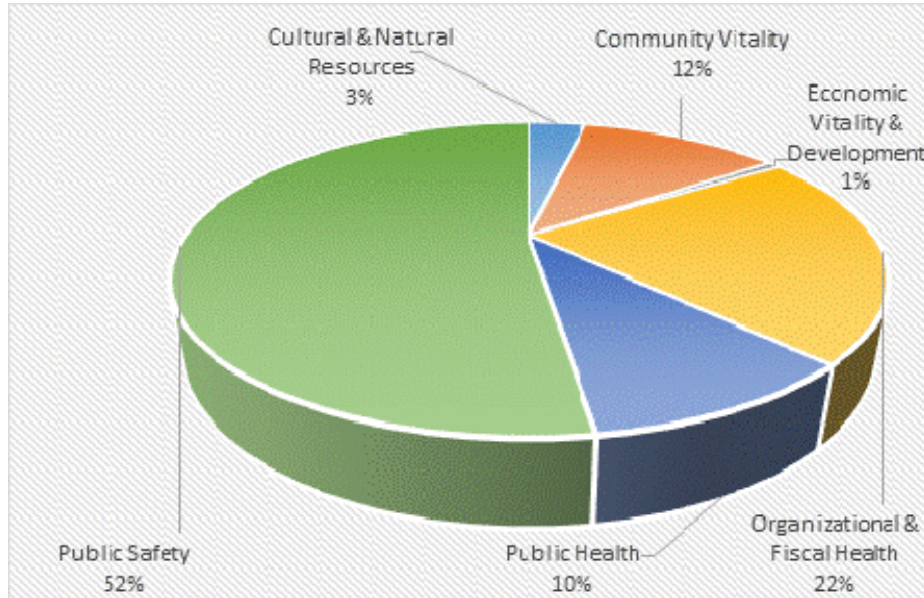
All Debt Service Fund payments go towards principal and interest on outstanding special districts debt. A detailed discussion of these expenditures can be found on pages 328.

BUDGET SUMMARY

Analysis of Expenditures

All Fund Detail by Strategic Priority Area

This chart highlights FY16 Expenditures for all funds by percentage of the total (net of un-awarded grants)



A discussion of these areas, what is included under each, and a projection of future expenditure trends by fund type is included in the pages that follow. FY10 was the first year expenditures were categorized according to Strategic Priority Area.

Data presented above represents department categorization of programs into each area. These will continue to be refined as the process develops.

BUDGET SUMMARY

Analysis of Expenditures

A summary of the types of program expenditures included in each area is listed below, along with projected changes to the expenditures for these areas in the future.

Public Safety

The largest allocation in our budget is for Public Safety. This area includes both criminal justice programs such as Sheriff Patrol and Superior Court, and public safety programs outside of the criminal justice area like Public Works Road Maintenance and Community Development Planning and Zoning. For FY16, the Public Safety budget will decrease by 3%. This decrease is largely due to a decrease in budgeted expenditures for flood control mitigation projects.

Projection: Coconino County's planning efforts have been very successful in containing the costs of the criminal justice system. System-wide collaboration through the Criminal Justice Coordinating Council has helped identify system problems that had been driving up costs. Programs like the Exodus substance abuse treatment program in the Jail District have helped identify preventative measures that can be taken to reduce future costs. Investing in reducing system bottlenecks has also helped keep costs lower. The County plans to continue efforts that will result in a lower than average growth rate in this system. Public Works expenditures will vary over the next several years as HURF funds have been freed up by the Road Maintenance Sales Tax to complete capital projects.

Community Vitality

Community Vitality programs include Elections, DUI/Drug Court, Integrated Family Court, Parks and Recreation programs, Emergency Management, Career Center programs, and Superintendent of Schools programs, among others. These expenditures are budgeted to decrease 13% below FY15, mainly due to a decrease in grant funding for the Superintendent of Schools as well as completion of capital projects in the Parks and Recreation budget.

Projection: Because these expenditures include those for Emergency Management and Career Center programs, the Board may decide to increase funding for the safety net programs that see increasing demand during economic downturns. The Career Center is 100% Federally funded, which is a volatile funding source. Elections funding is cyclical and is mandated, so the normal elections funding cycles will continue. Superintendent of Schools funding is heavily dependent on Federal allocations that tend to change with changes in the Federal administration.

Public Health

Public Health programs include all Public Health Service District programs, solid waste, and KVID programs. These expenditures are budgeted to decrease 6% from FY16. This is due to reductions in Public Health Services Fund programs to ensure financial stability into the future.

Projection: Health expenditures will continue to fluctuate year over year with available State funding for Health programs. The solid waste budget has been reduced by budget reductions, but the cost of hauling waste increases with higher fuel prices. KVID continually strives to find operational efficiencies so it is anticipated that these expenditures will not see large increases in the short-term.

BUDGET SUMMARY

Analysis of Expenditures

Organizational and Fiscal Health

Organizational and Fiscal Health programs include most of the County's internal services, and many programs of Elected Offices, including the Treasurer, Assessor, Board of Supervisors, Clerk of Superior Court, and Superintendent of Schools. These expenditures will decrease 3% from FY15, mainly due to decrease in capital expenditures for Facilities repair and replacement.

Projection: The programs in Organizational and Fiscal Health are heavily supported by the General Fund. As this funding source becomes more competitive given the nature of local tax revenues, these programs will need to find innovative ways to reduce their cost of doing business. Expenditures will increase as pay and benefit increases are approved, but funding for program expansion continues to be uncertain.

Cultural and Natural Resources

Cultural and Natural Resources programs include Coconino Parks and Open Space land acquisitions, Facilities Management energy efficiency improvements, and the Coconino Plateau Water Advisory Council. In FY16, these expenditures will decrease 30%. This decrease is due to a decrease in capital project acquisition expenditures.

Projection: Cultural and Natural Resources expenditures will fluctuate in the next few years as Coconino Parks and Open Space funding is used for approved projects and acquisitions. The revenue for these projects was fully collected in FY15. Once these projects and acquisitions are complete, the long-term outlook for this expenditure type will rely on Federal funding.

Economic Vitality and Development

Economic Vitality and Development programs include most Career Center programs, and payments to economic development collaborations the County is involved with.

Projection: Although a small percentage of the total County budget, Economic Development programs have been considered increasingly important to accomplishing the organizational goals of the County. The majority of this program funding is Federal, and is expected to be cyclical in the next ten years as administration priorities adjust. The County will continue to work with Economic Development organizations like SEDI, the Sustainable Economic Development Initiative developed by County staff, to accomplish our Economic Development objectives.

BUDGET SUMMARY

Reserves

Policies, Changes in Fund Balance, and Long-Term Outlook

What is fund balance?

Fund balance is the difference between a fund's assets and its liabilities. A portion of the fund balance may be reserved for various purposes, such as contingencies or encumbrances, carried forward into the next fiscal year, or reverted back to a granting agency if such is contractually stipulated.

As part of the ten-year financial plan, 15% of General Fund revenues will go toward an emergency reserve fund. Of the 15%, 10% is for an emergency reserve. The balance of 5% could be available to be used during economic downturns to help alleviate potential cuts to service.

The County also maintains an operating contingency of \$240,000 in the General Fund to provide for unanticipated expenditures, or to meet unexpected increases in service demands. Use of these funds is subject to the County Manager's approval.

Available fund balances are not used for on-going operating expenditures unless a determination has been made that available balances are in excess of required guidelines and that plans have been established to address future operating budget shortfalls. However, based on current audit requirements, fund balances associated with grant revenues in cost reimbursement grant funds should be exhausted before the granting agency remits additional funds. For using fund balances, emphasis is placed on one-time uses. An annual review of cash flow requirements and appropriate fund balances is undertaken to determine whether modifications are appropriate for the reserve/contingency policies.

What are the changes in fund balance and what is the long-term outlook?

By Fund Type

General Funds: The General Fund balance will decrease by \$5.2 million (25%) as a result of the FY16 budget (net of contingencies). As in previous years, we will continue to expend fund balance, as a one-time budget balancing mechanism. We will also be expending approximately \$800,000 toward compensation, and \$1.5 million is being set aside for capital improvements. The long-term forecast to the operating General Fund shows we are balancing our budget beginning in FY21. Our reserved General Fund balances will be spent down as projects are completed, but our goal is to maintain four years of project funding in these funds, by transferring our one-time capacity from the operating General fund into the reserved R&R General Fund as it becomes available. This will help us prepare for the next recession, by pre-funding projects that can still be funded during the next economic downturn.

Special Revenues Funds: Fund balances in the Special Revenue Funds are budgeted to decrease 33% , or \$13.2 million in FY16. Most of the decrease occurs in the HURF and the Coconino County Jail District. The HURF balance decline of \$5.8 million is due to capital projects being completed and equipment replacement. These expenditures have been delayed over the years due to the fund balance going towards the Schultz flood emergency response. To address the depletion of HURF funds and the need for funds for the operation and maintenance of County roads, the Board of Supervisors supported a measure on the November ballot to enact a sales tax for transportation. The measure passed with voters approving a 3/10 of a cent sales tax for 20 years to be used for transportation in our County.

The Coconino County Jail District decrease of \$1.5 million is due to a \$3 million budgeted capital expenditure for transitional housing. This project is still in the planning stages.

BUDGET SUMMARY

Reserves

Debt Service Funds: Debt Service Funds will remain flat. The long term outlook for the special district debt service funds is for very little change in fund balance, because as assessments are collected, debt payments are made.

Capital Project Funds: Capital Project Fund reserves will decrease by 48%, or \$10.4 million. The majority of this decrease is in the Coconino Parks and Open Space fund. The CPOS decrease of \$9.1 million is due to the continued progress on the CPOS capital plan. This fund balance is reserved for listed projects on the CPOS ballot, and will be required to be spent on projects until the balance is exhausted.

Major Funds

Highway User Revenue Funds: As discussed in the Special Revenue Fund section, the HURF balance will decrease by 37% due to funds being used for completion of capital projects and equipment replacement. Voters approved a measure in the 2015 November election on a sales tax to provide funding for continued operations and maintenance of County roads.

Jail District: The Jail District Fund balance will decrease by 15% from the FY15 projected ending fund balance. A portion of this decrease is due to funding being set aside for the future planning of transitional housing. Continued discussion will be had to determine what type of housing or program addition would be more beneficial for the criminal justice system.

Parks and Open Space Debt Service: In FY16 the Parks and Open Space Debt Services fund balance will decrease 92% as CPOS projects continue and open space is acquired. The sales tax collection has expired and approved projects will continue until all funds are exhausted.

Public Health Services District: The fund balance in this district will decrease by 8% in FY16. Long-term program and service evaluations were completed and recommendations were made to the Board of Supervisors. Numerous reductions were approved as well as some increases in fees. This process was intended to decrease a long-term structural fund deficit and provide a more sustainable financial future for the district.

BUDGET SUMMARY

General Fund Operating Budget

The County adopts a balanced budget annually and does not use debt or bond financing to fund current operating expenditures. As a general rule, the County is committed to using only recurring revenues to fund recurring expenditures.

The County maintains a budgetary control system to ensure adherence to the Adopted Budget. Quarterly reports are prepared and provided to the Board of Supervisors by the budget team which compare actual revenue and expenditures to budgeted amounts as well as provide updates to the County ten-year financial plans and forecasts.

As previously stated, the Budget Team develops and regularly updates a General Fund ten-year financial forecasting system which includes projections of revenues, expenditures, and future costs of current budget decisions and financing of capital improvements. The current revenue and expenditure ten-year plans on the following pages illustrate the results of this process.

The entire County budget for FY16 was evaluated within the context of these financial plans and a determination was made on the impacts that the current recurring expenditures would have on the operating budget, the expenditure limitation, and the future cash flow needs of the County. All departments were given direction to submit their program budgets with funding amounts not to exceed the FY15 “base” budget for the department. Expenditure adjustments between programs were allowed. Budget increases were requested via a Service Improvement Request form. The form provided all details associated with new or enhanced services and programs requesting to be included in the FY16 annual budget. The Service Improvement Requests were evaluated and approved based on available resources. In FY16 we will continue our long-term approach to budget alignment. We have strategic compensation, Facilities, and Information Technology needs that are core expenditure requirements to maintain our efficiency and effectiveness as an organization. Over the next several years we will need to align our revenues and expenditures in all of our funds through strategic evaluation of our programs and funding levels, how they align with our priorities and where we want to be as an organization, as well as look at other revenue opportunities. This could result in significant General Fund reductions and realignment.

The ten-year plan that follows has been adjusted to eliminate the contingency and fund balance contingency items. The fund balance is presented on the cash basis, because there are annual revenue accruals that are not available in cash balance to fund programs. Contingency items are budgeted for emergency use only so they are not included in the General Fund balance projections. The financial plan that follows is the plan that was used during the budget process, and includes department and budget estimates of FY15 revenue and expenditures, based on year-to-date information that was available at the time the budget was developed. The financial statements on pages 51-57 include updated FY15 estimated actuals.

An operating deficit is anticipated through FY20. That is the low point in our revenue projection period, where we expect to either lose, or have reductions, in some of our Federal revenue resources. In FY16 we are showing an operating deficit of \$6.1 million. This includes a transfer to our Facilities Capital Repair and Replacement Fund for future improvements.

BUDGET SUMMARY

General Fund Ten-Year Financial Plan

	Actuals	Budget	Estimates	Budget	Projected
	FY2014	FY 2015	FY2015	FY 2016	FY 2017
Revenues and Transfers In					
Taxes	\$ 24,630,407	\$ 25,349,872	\$ 25,014,704	\$ 26,182,229	\$ 26,640,716
Licenses and Permits	787,213	878,500	770,500	878,500	911,005
Intergovernmental	21,199,634	22,568,117	23,064,789	23,351,217	24,369,644
Charges for Services	5,126,174	4,447,151	4,507,087	4,632,432	4,732,264
Fees, Fines, and Forfeits	1,180,543	1,091,650	1,234,030	1,121,150	1,137,967
Investment Income	496,281	178,000	259,926	95,000	256,296
SRP Contributions	181,981	130,150	185,740	180,000	180,000
Miscellaneous	495,894	90,015	118,503	107,315	108,388
Transfers In	313,755	660,716	660,716	241,979	244,519
Total Revenues and Transfers In	54,411,882	55,394,171	55,815,995	56,789,822	58,580,799
Expenditures and Transfers Out					
Salaries	25,926,535	26,650,261	26,650,261	27,095,801	27,728,476
Benefits	10,529,406	10,773,277	10,773,277	11,485,349	12,065,659
Less: Projected Salary Savings	(1,277,410)	(300,000)	(1,695,580)	(300,000)	(300,000)
Operations	7,398,923	10,797,094	9,702,912	13,113,329	8,769,992
Travel	1,480,825	1,527,230	598,546	586,638	610,506
Capital	336,354	903,173	904,140	5,452	5,452
Total Transfers Out	13,372,795	9,390,148	9,262,301	10,984,436	9,614,340
Total Expenditures and Transfers Out	57,767,427	59,741,183	56,195,857	62,971,005	58,494,425
Total Surplus/(Deficit)	(3,355,545)	(4,347,012)	(379,862)	(6,181,183)	86,374
Beginning Fund Balance	24,562,103	21,206,558	21,206,558	20,826,696	14,645,513
Net Ending Fund Balance	\$ 21,206,558	\$ 16,859,546	\$ 20,826,696	\$ 14,645,513	\$ 14,731,887
Fund Balance					
Unreserved					
General Fund	\$ 13,032,078	\$ 8,649,528	\$ 12,553,404	\$ 6,163,337	\$ 5,981,445
Loan Balance to Flood Control District	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(700,000)
Emergency Reserve	8,174,480	8,210,018	8,273,292	8,482,176	8,750,442
Total Unreserved Fund Balance	\$ 20,206,558	\$ 15,859,546	\$ 19,826,696	\$ 13,645,513	\$ 14,031,887

BUDGET SUMMARY

General Fund Ten-Year Financial Plan

Budgeted Recession		Projected				
FY 2018	FY 2019	FY 2020	FY 2021	FY2022	FY2023	FY2024
\$ 26,945,283	\$ 27,258,318	\$ 27,989,840	\$ 28,777,798	\$ 29,553,533	\$ 30,336,883	\$ 31,142,596
944,712	978,721	1,013,955	1,049,444	1,086,174	1,124,190	1,163,537
23,896,040	23,722,742	24,969,106	25,771,938	26,580,686	27,417,093	28,282,118
4,834,272	4,938,504	5,045,010	5,153,839	5,265,042	5,378,673	5,494,785
1,155,037	1,172,362	1,189,948	1,207,797	1,225,914	1,244,303	1,262,967
257,808	254,470	227,215	221,006	221,314	235,777	253,604
180,000	180,000	180,000	180,000	180,000	180,000	180,000
109,472	110,567	111,672	112,789	113,917	115,056	116,207
245,049	247,501	249,927	252,155	254,146	256,176	258,245
58,567,673	58,863,185	60,976,673	62,726,765	64,480,727	66,288,151	68,154,059
27,671,174	28,315,994	28,816,467	29,449,988	29,972,484	30,701,655	31,323,930
12,361,397	12,872,141	13,402,244	13,801,377	14,215,198	14,666,340	15,134,394
(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)
8,655,013	8,908,902	8,845,563	9,076,107	8,989,439	9,246,673	9,333,237
598,429	622,416	610,458	634,564	622,728	646,957	653,247
5,452	5,452	5,452	5,452	5,452	5,452	5,452
9,766,969	9,995,705	9,951,287	10,041,661	10,148,952	10,302,429	10,461,210
58,758,435	60,420,610	61,331,471	62,709,149	63,654,253	65,269,505	66,611,470
(190,763)	(1,557,424)	(354,798)	17,616	826,474	1,018,646	1,542,589
14,731,887	14,541,124	12,983,700	12,628,902	12,646,518	13,472,992	14,491,637
\$ 14,541,124	\$ 12,983,700	\$ 12,628,902	\$ 12,646,518	\$ 13,472,992	\$ 14,491,637	\$ 16,034,227
\$ 5,792,731	\$ 4,191,347	\$ 3,519,890	\$ 3,275,327	\$ 3,839,005	\$ 4,586,841	\$ 5,849,855
(350,000)	(350,000)	-	-	-	-	-
8,748,394	8,792,353	9,109,012	9,371,191	9,633,987	9,904,796	10,184,372
\$ 14,191,124	\$ 12,633,700	\$ 12,628,902	\$ 12,646,518	\$ 13,472,992	\$ 14,491,637	\$ 16,034,227

BUDGET SUMMARY

General Fund Revenue Assumptions

The single largest fund in the County is the General Fund. It accounts for approximately 42% of the County's annual operating revenue (net of un-awarded grants). The process of estimating and forecasting revenues involves review and analysis of numerous variables and continuous tracking and research. The budget team takes a scan of the local and national economy to estimate current and future growth in retail consumption, tourism spending, and changes in State and Federal legislation which would have an impact on revenue collections. A forecast is created and presented to the County Manager and Board of Supervisors in order to define the financial parameters of the budget process in a given fiscal year. This forecast is subsequently adjusted based on a comparison of the departmental revenue estimates in the months following. Listed below are the current assumptions derived to account for specific tax levies, projected growth in sales taxes, other revenues and interest rates, and fund balances (cash on hand) which will earn interest.

The budget was partially based on estimates for FY15. The budget team provided several scenarios for the County Manager and Board of Supervisors, as part of the financial planning process and budget process. To estimate FY16 revenues for all funds, but in particular for the General Fund, the budget team continued to use the assumption pattern that State and local revenues started to recover in FY14 and that pattern will continue in FY16. This will be noted for many of the revenue growth assumptions that are primarily driven by the economy. Some estimates have been difficult to determine due to the lag in sales tax collections between fiscal years. The budget development process begins in January. At that time, we only have access to four or five months of revenue data for FY15. Sales that occur in October are not reported until November, and the State figures are released toward the end of December. The following assumptions were used as the growth scenario to estimate the FY16 General Fund revenues available for recurring expenditures.

The County's **primary property tax rate** increased in FY16. We are allowed a 2% growth in our levy each year. Additional growth is also allowed through new construction that was added to the tax rolls during the year. For FY16, Coconino County used the 2% allowable and new construction growth to determine the projected tax levy. This will be the assumption on-going in the ten-year forecast.

Vehicle license tax (auto in lieu) is anticipated to grow by 1% from the FY15 estimate to the FY16 budget. The trend for this tax has been hard to determine but the economic recession put this revenue below FY06 levels. Auto lieu revenues are projected to increase by 1% annually in the ten-year projection. As the economy continues to recover it is anticipated that this revenue will fall back in line with local inflation and population increases.

County sales tax is projected to grow from the FY15 estimate to the FY16 budget by 2.1%. This growth is based on population and inflation and will return us to what we have determined to be our adjusted baseline. We are forecasting County local and State shared sales taxes by looking at what our sustainable population and inflation line was prior to the recent recession, and adjusting this down to a revised line at 85% of the historical level. We have worked into the County sales tax growth a two year window for another recession. As we are unable to determine the exact timeframe of another recession the placement of the recession in FY18 and FY19 will balance out with increased growth into the future.

Licenses and permits have fluctuated greatly over the last few years with the FY15 estimate showing tremendous growth over FY14. Growth in FY16 is projected at 2%, with slight increases in future years. Building permits are the main component of this revenue source.

BUDGET SUMMARY

General Fund Revenue Assumptions

State shared sales tax is projected to increase at a pattern similar to County sales tax. Because the local economy has been stronger than the State economy throughout the course of this recession, local net assessed values have become a larger portion of the State total, increasing our State shared sales tax distribution formula. Due to this formula we have experienced a short-term increase in this revenue. In FY16 our relative share of net assessed value will begin returning to a more historical level as property values in the Phoenix area recover.

Other intergovernmental revenue is projected to increase from FY15 to the FY16 budget by 2%. This growth is anticipated to continue into future years, but it is offset by adjustments for the loss of Forest Fee funding for the Superintendent of Schools, and the change in PILT funding as determined.

Charges for services are anticipated to increase by 2% in FY16 compared to FY15. The long-term outlook growth in this revenue source is about 2%, matching anticipated inflationary increases to our fees.

Fees, fines, and forfeits are anticipated to increase 1.5% in FY16 compared to FY15 and will continue to grow at this rate into the future due to the County's policy of updating the user fee schedule every other year.

Investment income is projected at 0.85% of the General Fund balance in FY16, 1% in FY17, 1.25% in FY18, 1.50% in FY19, and 1.75% into the future. The rate of return on County investments is tied to market rates, which are projected to remain low in FY16 and gradually increase as the economy continues to recover. Federal interest rate action will impact the long-term investment income returns.

The SRP contribution will decrease in the ten-year period, as our primary property tax decreases due to the restrictions on levy growth.

Miscellaneous revenue is forecasted at the minimum level during the ten-year period. These revenues are usually derived from unanticipated sources.

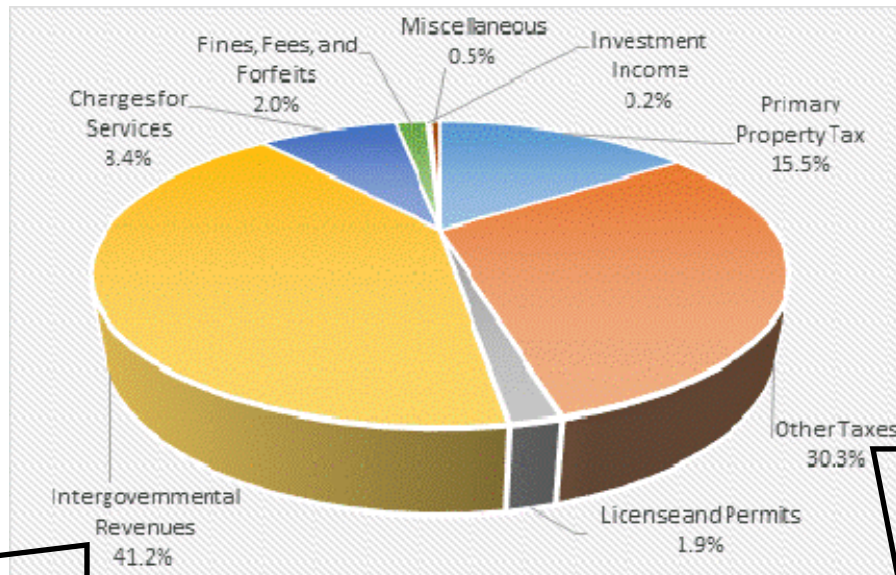
Transfer in for FY16 are budgeted to decrease due to a one-time transfer from the Coconino Rural Environmental Corp for indirect services provided by the County service departments.

BUDGET SUMMARY

General Fund Revenues

FY16 Revenues by Percentage

This chart details FY16 General Fund revenues for all activities by percentage and illustrates the County's reliance on State shared and County sales taxes as the predominant General funding sources.



Includes State Shared Sales Tax and PILT

Includes County Sales Tax and Vehicle License

BUDGET SUMMARY

General Fund Revenue Projections

The County incorporates the preceding assumptions for the budget year and additional estimated growth or decline rates (where applicable) into a ten-year forecast for revenues. This forecast provides County management with a planning tool for determining future funding options and availability. The FY15 estimates were used for the budget development and reflect information available at the time.

	FY2014 Actuals	FY2015 Budget	FY2015 Estimates	FY2016 Budget	Projected	
					FY 2017	FY 2018
Primary Property Tax	\$ 8,171,706	\$ 8,541,236	\$ 8,115,000	\$ 8,817,093	\$ 9,037,520	\$ 9,308,646
Utilities	58,608	37,000	49,014	37,000	37,370	37,744
Other Taxes	947,523	800,000	740,356	780,000	600,000	600,000
Auto Lieu	3,180,936	3,274,036	3,110,334	3,274,036	3,306,776	3,339,844
County Sales Tax	12,271,635	12,697,600	13,000,000	13,274,100	13,659,049	13,659,049
Taxes Subtotal	\$ 24,630,407	25,349,872	25,014,704	26,182,229	26,640,716	26,945,283
Licenses and Permits	\$ 787,213	878,500	770,500	878,500	911,005	944,712
State Shared Sales Tax	\$ 19,067,397	19,698,434	20,100,000	20,665,300	21,022,557	20,522,557
PILT	1,705,008.00	1,666,210	1,666,210	1,666,210	2,317,987	2,345,803
SRS	475,160.00	-	-	-	-	-
Federal Grant & Shared	(603,874.11)	223,645	201,496	209,459	213,648	217,921
State Grant & Shared	96,652.54	141,830	191,078	215,410	219,718	224,113
County Contribution	-	550,038	550,038	550,038	550,038	550,038
Other Intergovernmental	459,290.72	287,960	355,967	44,800	45,696	35,609
Intergovernmental Subtotal	\$ 21,199,634	22,568,117	23,064,789	23,351,217	24,369,644	23,896,040
Charges for Services	\$ 3,767,608	3,055,619	3,115,555	3,195,804	3,259,720	3,324,914
Health Indirect	1,358,566	1,391,532	1,391,532	1,436,628	1,472,544	1,509,357
Fees, Fines, and Forfeits	\$ 1,180,543	1,091,650	1,234,030	1,121,150	1,137,967	1,155,037
Investment Income	\$ 496,281	178,000	259,926	95,000	256,296	257,808
SRP Contributions	\$ 181,981	130,150	185,740	180,000	180,000	180,000
Miscellaneous	\$ 495,894	90,015	118,503	107,315	108,388	109,472
Revenues Subtotal	\$ 54,098,127	54,733,455	55,155,279	56,547,843	58,336,280	58,322,623
Transfers In	313,755	660,716	660,716	241,979	244,519	245,049
Grand Total	\$ 54,411,882	\$ 55,394,171	\$ 55,815,995	\$56,789,822	\$ 58,580,799	\$ 58,567,673

BUDGET SUMMARY

General Fund Revenue Projections

The County incorporates the preceding assumptions for the budget year and additional estimated growth or decline rates (where applicable) into a ten-year forecast for revenues. This forecast provides County management with a planning tool for determining future funding options and availability. The FY15 estimates were used for the budget development and reflect information available at the time.

	FY 2019	FY 2020	Projected FY2021	FY2022	FY2023	FY2024
Primary Property Tax	\$ 9,587,905	\$ 9,875,542	\$ 10,171,809	\$ 10,476,963	\$ 10,791,272	\$ 11,115,010
Utilities	38,121	38,502	38,887	39,276	39,669	40,066
Other Taxes	600,000	600,000	600,000	600,000	600,000	600,000
Auto Lieu	3,373,243	3,406,975	3,441,045	3,475,455	3,510,210	3,545,312
County Sales Tax	13,659,049	14,068,820	14,526,057	14,961,839	15,395,732	15,842,208
<i>Taxes Subtotal</i>	27,258,318	27,989,840	28,777,798	29,553,533	30,336,883	31,142,596
Licenses and Permits	978,721	1,013,955	1,049,444	1,086,174	1,124,190	1,163,537
State Shared Sales Tax	20,322,557	21,541,910	22,317,419	23,098,529	23,906,977	24,743,721
PILT	2,373,952	2,402,440	2,431,269	2,460,444	2,489,970	2,519,849
SRS	-	-	-	-	-	-
Federal Grant & Shared	222,280	226,725	231,260	235,885	240,603	245,415
State Grant & Shared	228,595	233,167	237,830	242,587	247,438	252,387
County Contribution	550,038	550,038	550,038	550,038	550,038	550,038
Other Intergovernmental	25,321	14,826	4,122	(6,796)	(17,933)	(29,293)
<i>Intergovernmental Subtotal</i>	23,722,742	24,969,106	25,771,938	26,580,686	27,417,093	28,282,118
Charges for Services	3,391,413	3,459,241	3,528,426	3,598,994	3,670,974	3,744,394
Health Indirect	1,547,091	1,585,769	1,625,413	1,666,048	1,707,699	1,750,392
Fees, Fines, and Forfeits	1,172,362	1,189,948	1,207,797	1,225,914	1,244,303	1,262,967
Investment Income	254,470	227,215	221,006	221,314	235,777	253,604
SRP Contributions	180,000	180,000	180,000	180,000	180,000	180,000
Miscellaneous	110,567	111,672	112,789	113,917	115,056	116,207
<i>Revenues Subtotal</i>	58,615,684	60,726,746	62,474,610	64,226,581	66,031,975	67,895,814
Transfers In	247,501	249,927	252,155	254,146	256,176	-
Grand Total	\$ 58,863,185	\$ 60,976,673	\$ 62,726,765	\$ 64,480,727	\$ 66,288,151	\$ 67,895,814

BUDGET SUMMARY

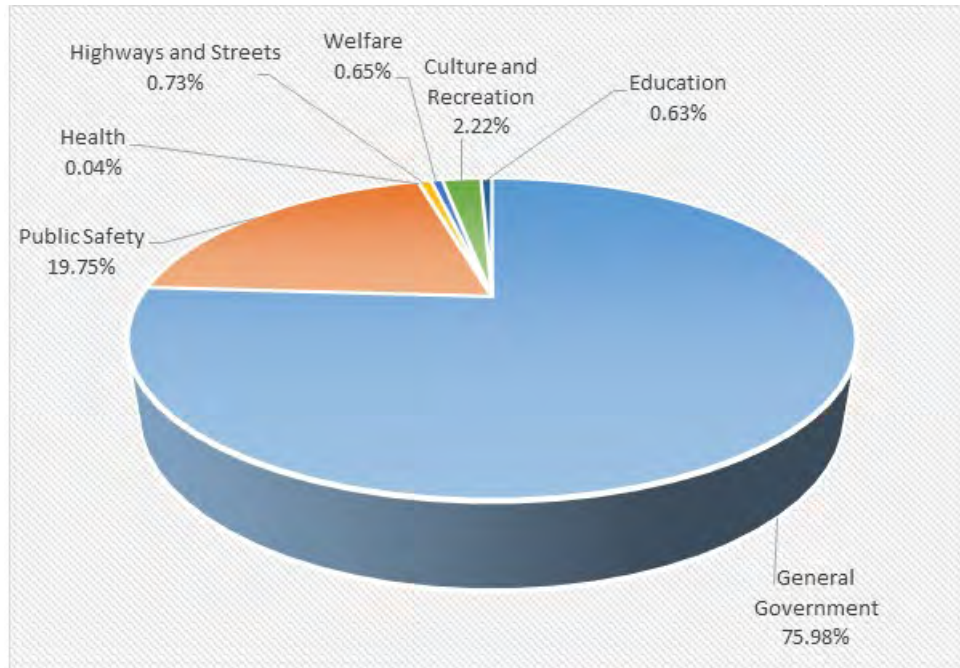
General Fund Expenditures

Total Expenditures for the General Fund

The total County adopted expenditures budget for FY16 (net of un-awarded grants) is \$171,045,172.

Of this, total adopted expenditures for the operating General Fund (1001) are \$71,809,555 and for all other General Funds adopted expenditures are \$1,795,356. The budgeted expenditures in the General Fund represents the budgeted appropriation of fund balance for emergency reserve to provide budget capacity in the event of a fiscal emergency. Other General Funds were created to account for General Funds that have been set aside for special projects.

General Fund Expenditures by Function

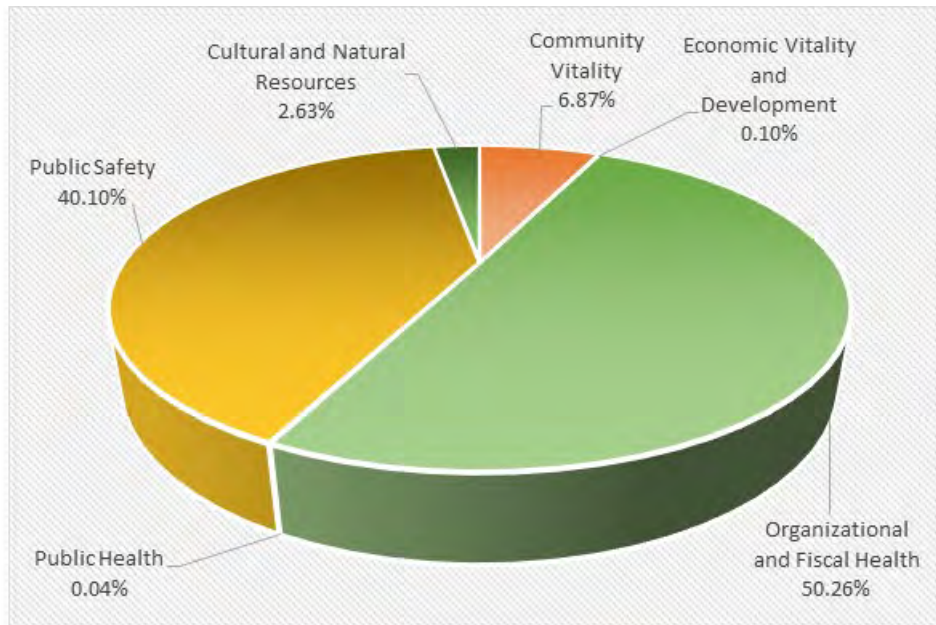


	General Government	Education	Health	Highways & Streets	Public Safety	Welfare	Culture & Recreation	Total
Salaries	\$ 18,227,293	\$ 291,426	\$ -	\$ 325,586	\$ 7,378,461	\$ 336,800	\$ 768,454	\$ 27,328,020
Benefits	6,235,535	93,504	-	102,992	4,874,223	111,395	279,764	11,697,413
Operating	30,418,385	73,587	26,471	92,250	2,089,390	12,035	539,812	33,251,930
Travel	405,853	8,700	-	15,000	162,299	9,500	16,881	618,233
Capital	642,323	-	-	-	31,992	-	35,000	709,315
Total	\$ 55,929,389	\$ 467,217	\$26,471	\$ 535,828	\$ 14,536,365	\$ 469,730	\$ 1,639,911	\$ 73,604,911

BUDGET SUMMARY

General Fund Expenditures

General Fund Expenditures by Strategic Priority Area



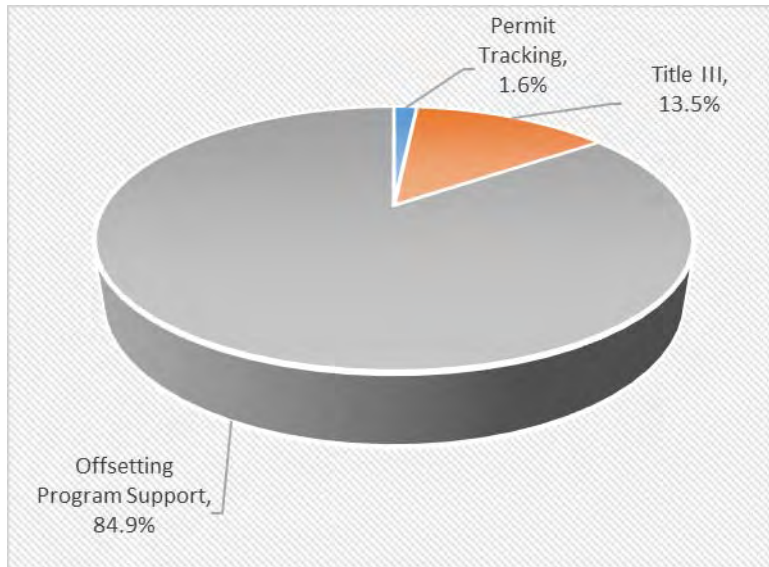
	General Government	Education	Health	Highways & Streets	Public Safety	Welfare	Culture & Recreation
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Travel	405,853	8,700	-	15,000	162,299	9,500	16,881
Capital	642,323	-	-	-	31,992	-	35,000
Total	\$ 55,929,389	\$ 467,217	\$ 26,471	\$ 535,828	\$ 14,536,365	\$ 469,730	\$ 1,639,911

BUDGET SUMMARY

General Fund Transfers

An important part of the General Fund budget includes transfer into the fund. For example, a transfer **into** the General Fund might include a Title III reimbursement for an approved project. The chart below provides a summary of transfers in budgeted in FY16. It excludes transfers between the unreserved General Fund and Reserved General Funds.

Transfer *Into* the General Fund



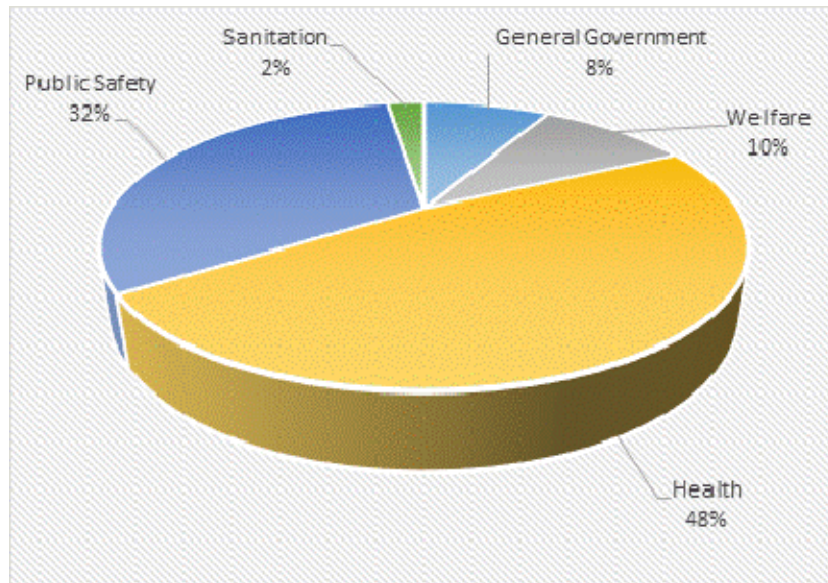
- Permit Tracking: The permit tracking system costs are split between the General Fund and the Public Health Services District.
- Title III: Pays for a portion of Search and Rescue, Flagstaff Patrol, and the County allocation to the County Partner Greater Flagstaff Forest Partnership.
- Offsetting Program Support: Transfer to offset the cost of General Fund Programs from Special Revenue Funds.

BUDGET SUMMARY

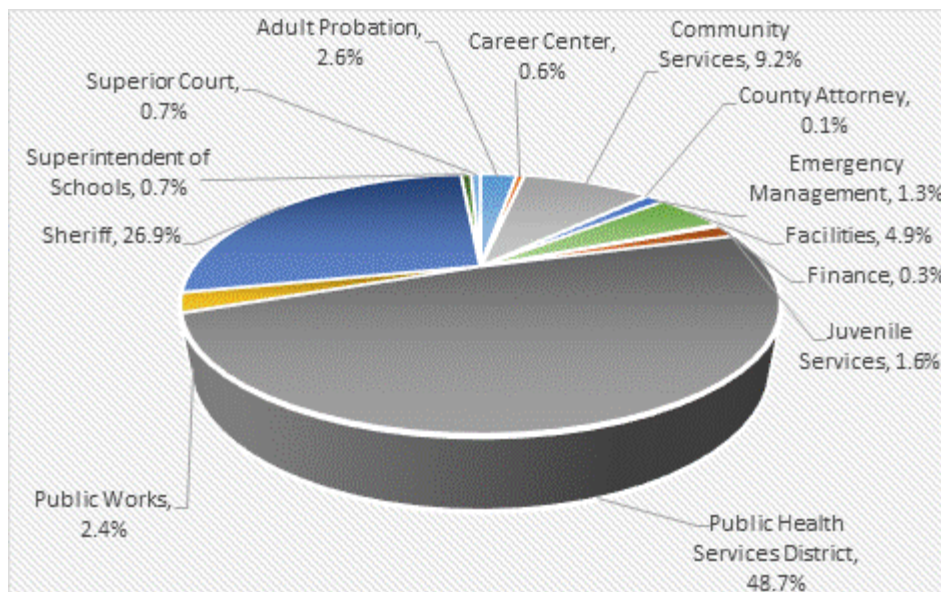
General Fund Transfers

An important part of the General Fund budget includes transfers out of the fund. For example, a transfer **out** of the General Fund might include subsidies to State-mandated grant programs where funding has been cut or subsidies for programs where fees do not cover the full cost of the program. The charts below provide a summary of transfer out budgeted in FY16. They exclude transfer between the unreserved General Fund and Reserved General Funds.

Transfer Out of the General Fund by Function



Transfer Out of the General Fund by Department (\$9,807,050) Total

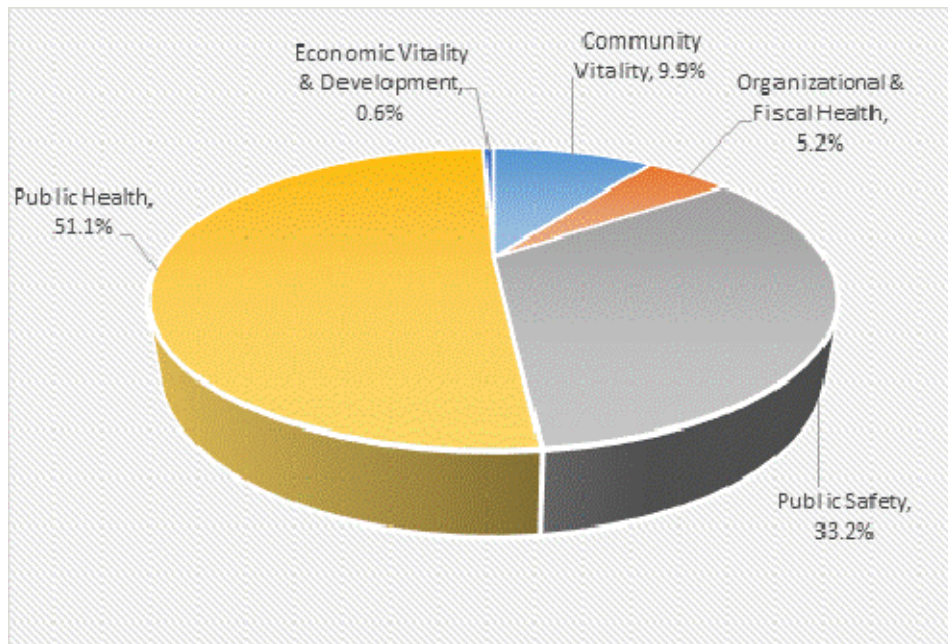


BUDGET SUMMARY

General Fund Transfers

An important part of the General Fund budget includes transfers out of the fund. For example, a transfer **out** of the General Fund might include subsidies to State-mandated grant programs where funding has been cut or subsidies for programs where fees do not cover the full cost of the program. The charts below provide a summary of transfer out budgeted in FY16. They exclude transfer between the unreserved General Fund and Reserved General Funds.

Transfer *Out of* the General Fund by Strategic Priority Area



BUDGET SUMMARY

General Fund Budget Allocation Changes for FY16

The FY16 adopted budget includes the 2.5% merit increase on the anniversary date of each employee.

One-Time Funding Changes

- Adult Probation: FTE Re-alignment: \$84,843
- Career Center: Teenworks Program: \$45,495
- Community Development: Funding for Planning Contract: \$79,000
- Community Services: Home Health Program: \$133,851
- County Attorney: Case Management System Upgrade: \$60,000
- County Attorney: FTE Funding re-alignment: \$229,378
- Emergency Management: Code Red, Weather Warning, and IPAWS: \$17,500
- Facilities Management: Fleet/Mechanical Services Increase: \$30,640
- Finance: ExecuTime Advanced Scheduling Options: \$4,440
- Finance: FY16 Copier Replacement Funding: \$6,400
- Human Resources: AED Supplies: \$2,440
- Human Resources: Learning Management System Maintenance: \$19,124
- Human Resources: Tuition Reimbursement Program: \$27,426
- Information Technology: OnBase EDMS Software Expansion Study: \$40,000
- Information Technology: Network Security Audit: \$40,000
- Juvenile Services: Juvenile Shelter Care: \$80,300
- Non-Departmental: Criminal Justice Integration Project: \$20,000
- Non-Departmental: 125th Anniversary: \$10,000
- Non-Departmental: ERP System Project: \$50,000
- Non-Departmental: Recorder 2016 Presidential Preference Election: \$250,000
- Non-Departmental: Juvenile ADJC Shift: \$252,354
- Non-Departmental: Community Cleanup Set Aside: \$20,000
- Non-Departmental: NAIPTA Vanpool Services: \$24,000
- Parks & Recreation: Fleet Services Increase: \$25,380
- Parks & Recreation: 4X4 Pickup Truck: \$35,000
- Parks & Recreation: Fort Tuthill Sign Fabrication: \$30,000
- Parks & Recreation: Master Plan Update: \$30,000
- Parks & Recreation: National Accreditation Visit: \$5,000
- Public Defender: Case Preparation Costs: \$100,000
- Public Works: City of Flagstaff Waste Contract
- Recorder: 90-Day Notice Mailing to Permanent Early Voters: \$30,000
- Recorder: National Voter Registration Act Biennial Mailing: \$50,000
- Recorder: State Voter Registration System Maintenance: \$36,700
- Recorder: May 2016 City of Flagstaff Special Elections Cost: \$75,000
- Sheriff: Phase II Radio Sites: \$15,000
- Sheriff: Co-location Dispatch: \$55,131
- Sheriff: HVAC Condensing Units - LEAF: \$4,979
- Sheriff: Records Management/Jail Management Systems Upgrade: \$47,408
- Sheriff: Motor Pool: \$132,356

BUDGET SUMMARY

General Fund Budget Allocation Changes for FY16

Recurring Funding Changes

- Board of Supervisors: Increase in dues for Coconino Supervisors Association: \$9,343
- Facilities Management: DP Air Contract for Data Center Cooling Units: \$12,000
- Finance: Executime Annual Maintenance: \$30,136
- Information Technology: Office 365 Subscription: \$175,000
- Justice Court - Fredonia: Administration Specialist Increase: \$19,359
- Non-Departmental: Department of Revenues Tax Collection Fee: \$54,789
- Non-Departmental: Courier Services: \$20,000
- Parks & Recreation: Frontiere Property Operations: \$36,079
- Public Defender: Part-Time Attorney and Operational Costs: \$
- Recorder: Temp Wages for Document Recording Process: \$5,363
- Sheriff: 2% Market Adjustment for Sworn Officers: \$117,195
- Sheriff: Co-location Increase for Dispatch: \$10,494
- Sheriff: Co-location Increase for Records: \$1,346

BUDGET SUMMARY

State Budget Impacts

During the most recent recessionary decline, the State of Arizona chose to balance their budget in part by shifting their budget deficit onto local governments. They did this by passing along mandated costs to counties, reducing funding for county grant programs, county shared revenue sweeps, and agency reductions resulting in reduced services to counties. Budget impacts from the State began in FY09 and are expected to continue through FY16. Because there is such a variety of impacts, quantifying those impacts is nearly impossible.

The table below summarizes the various State budget impacts Coconino County has absorbed into the budget over the past several years.

State Budget Impacts	FY09-FY13	FY14	FY15 (estimated)	FY16 (projected)
Court Liability Insurance	\$ 192,480	\$ 43,664	\$ 42,561	\$ 40,000
Restoration to Competency Cost Shift	788,412	347,261	436,377	365,000
Sexually Violent Predators Cost Shift	159,845	38,272	87,037	50,000
County Justice of Peace Salaries	291,556	69,200	63,160	63,160
CAMA System	1,849,636	102,657	94,571	98,839
AZ Department of Juvenile Correction Costs	-	-	-	252,354
AZDOR Tax Collection Fee	-	-	-	141,935
Subtotal: Direct Cost Shifts	\$ 3,281,929	\$ 601,054	\$ 723,706	\$ 1,011,288
Reduction in Grant Funding/Agency Cost Shifts	\$ 5,700,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Reduction in County Assistance Funds (Lottery)	1,923,261	-	-	-
HURF Shifts	3,700,000	900,000	521,365	521,365
Subtotal: Revenue Reductions	\$ 11,323,261	\$ 2,100,000	\$ 1,721,365	\$ 1,721,365
Grand Total State Budget Impacts by Year	\$ 14,605,190	\$ 2,701,054	\$ 2,445,071	\$ 2,732,653
Cumulative State Budget Impacts	\$ 14,605,190	\$ 17,306,244	\$ 19,751,315	\$ 22,483,968

- Court Liability Insurance: Agency shift of a State cost that counties are now required to fund.
- Restoration to Competency: Cost to house and treat prisoners at the State hospital. Coconino County has entered into an IGA with Yavapai County, resulting in a near 50% decrease in the cost of this new mandate. Projected cost is caseload driven.
- Sexually Violent Predators: Cost (50%) to house and treat sexually violent prisoners at the State hospital.
- Justice of the Peace Salaries: Increase cost shift from the State where Counties previously funded 58.85% of salaries and the share has been increased to 80.75%.
- CAMA System: Shift of mandated parcel assessment program from the State Department of Revenue to counties. This discontinuation of the State system resulted in a new computer system and staffing for every county.
- Reduction in Grant Funding/Agency Cost Shifts: Reduced or eliminated funding from the State for County programs, many of which we are mandated by the State to provide. This is an estimated figure because State grant funding is variable and can be dependent on many factors including caseload and population.

BUDGET SUMMARY

State Budget Impacts

- **Reduction in County Assistance Funds:** The State had previously distributed a share of lottery revenues to counties. This shared revenue was swept back into the State General Fund. This resulted in a \$550,000 revenue loss to the County General Fund. This funding was reinstated in FY14 and remains in the budget moving forward.
- **HURF Shifts:** Gasoline taxes are collected by the State and shared with local governments as the funding mechanism for road maintenance, including snowplowing. Over the past several years the State has been diverting these funds to pay for the State Department of Public Safety, decreasing the State General Fund obligation by sweeping funds from local governments.
- **AZ Department of Juvenile Correction Costs:** Counties are required to pay 25% of the average cost of a youth being housed by ADJC from each county.
- **AZDOR Tax Collection Fee:** Payment to Department of Revenue for processing local jurisdiction sales tax collections.

BUDGET SUMMARY

Personnel

Changes in Personnel

Coconino County's full time position count has fluctuated over the past ten years due to fluctuations in State and Federal grant funding along with needed and required reductions during the recent economic downturn.

The total FTE count decreased by .13 in FY16 compared to revised FY15 staffing level. This is not considered a significant change and the staffing level for FY16 is considered to be flat.

Organizational Full-Time Equivalents

Department	FY14 Budget	FY15 Budget	FY15 MidYear Adjustment	FY16 Base	FY16 Budget Approvals	FY16 Budget
Adult Probation	56.80	56.80	1.00	57.80	-	57.80
Assessor	27.00	27.00	-	26.00	-	26.00
Board of Supervisors	14.50	14.50	-	14.50	-	14.50
Career Center	12.00	13.00	-	13.00	-	13.00
Clerk of Superior Court	23.60	23.60	-	23.60	2.00	25.60
Community Development	20.30	21.30	4.00	25.30	(1.15)	24.15
Community Services	48.33	34.83	0.22	35.05	(0.63)	34.43
Constable	1.00	1.00	-	1.00	-	1.00
County Attorney	43.00	43.00	-	43.00	-	43.00
County Manager	12.47	12.47	(5.47)	7.00	-	7.00
Emergency Management	-	-	3.00	3.00	-	3.00
Facilities Management	26.00	26.00	-	26.00	-	26.00
Finance	18.00	18.00	-	18.00	-	18.00
Governmental Relations	-	-	4.00	4.00	-	4.00
Human Resources	10.63	10.63	1.12	11.75	-	11.75
Information Technology	24.00	24.00	0.25	24.25	-	24.25
Justice Courts - Flagstaff	21.50	21.50	-	21.50	-	21.50
Justice Courts - Fredonia	2.50	2.50	-	2.50	0.25	2.75
Justice Courts - Page	5.00	5.00	-	5.00	-	5.00
Justice Courts - Williams	6.00	6.00	-	6.00	-	6.00
Juvenile Court Services	70.11	71.03	-	70.55	-	70.55
KVID	8.00	8.00	-	8.00	-	8.00
Legal Defender	6.00	6.00	-	6.00	-	6.00
Parks and Recreation	19.00	19.00	-	19.00	-	19.00
Public Defender	20.00	20.00	-	20.00	-	20.00
Public Health Services District	114.33	102.98	(3.00)	99.98	(4.60)	95.38
Public Works	127.53	127.53	(2.03)	125.50	-	125.50
Recorder	17.50	17.50	-	17.50	-	17.50
Sheriff	267.81	269.63	2.00	271.63	4.00	275.63
Superintendent of Schools	11.83	10.00	-	10.71	-	10.71
Superior Court	36.33	36.33	-	36.33	-	36.33
Treasurer	8.00	8.00	-	8.00	-	8.00
Organization Total	1,079.07	1,057.13	5.09	1,061.45	(0.13)	1,061.33

BUDGET SUMMARY

Secure Rural Schools and Community Self Determination Act

Background

The Secure Rural Schools and Community Self-Determination Act of 2000 (SRS Act) was enacted to provide years of transitional assistance to rural counties affected by the decline in revenue from timber harvests on Federal lands. The last payment authorized under P.L. 106-393 was for 2006.

On May 25, 2007 the Iraq Accountability Act of 2007, P.. 110-28, was signed into law. It included a provision for payments to States and counties for FY2007 and extended provisions of Title II and Title III of the SRS Act.

On October 3, 2008, P.S. 110-343 (H.R. 1424, Emergency Economic Stabilization Act of 2008, Energy Improvement and Extension Act of 2008, and Tax Extenders and Alternative Minimum Tax Relief Act of 2008) was signed into law (aka: SRSCA-2008), Section 601 of Divisions C of P.L. 110-343 amended and reauthorized the SRS Act (P.S. 106-393). The SRS Act, as amended, retains the original title. This Act approved SRS payments through County Fiscal Year 2011. Although the amount of total program funding was increased under this Act, each year there was 90% reduction in funding levels from the prior year.

On July 6, 2012, the Secure Rural Schools and Community Self-Determination Act of 2000 was reauthorized for federal fiscal year 2012 as part of P.S. 112-141. The full funding amount for all counties that elected to receive a share of the State payment is 95% of the prior year amount.

As of October 2, 2013, Secure Rural Schools was again passed as part of the Helium Stewardship Act. These funds were disbursed late in fiscal year 2014 resulting in the Title III portion being programmed for use in fiscal year 2015.

Once again the Secure Rural Schools Act was reauthorized by section 524 of P.L. 114-10 and signed into law by the President on April 16, 2015. The authorization is for two years and the full funding amount shall be 95% of the full funding amount for the preceding fiscal year.

There are three Titles to the SRS Act. Title I allows for funding for County roads and Schools. Title II designates funding towards a Resource Allocation Committee (RAC), to be used to fund "protection, restoration, and enhancement of fish and wildlife habitats and other resource objects on Federal land and non-Federal land where projects would benefit these resources on Federal Land." Under the 2008 Act, Title III funding is given to the County to fund:

- Homeowner education and assistance regarding ways to reduce the risks of wildfire
- Reimbursement of search, rescue and emergency services on Federal lands
- Development of community wildfire protection plans

Allocation of Funds

Under the 2008 Act, funds can be allocated between Title I, II, and III according to the following guidelines:

- Title I: 80% - 85%
- Title II: 8% - 20%
- Title III: 0% - 7%

BUDGET SUMMARY

Secure Rural Schools and Community Self Determination Act

Title III Projects

During the FY16 budget process, the Board of Supervisors tentatively approved Title III funding for eligible projects. There was a statutory 45 day comment period that was advertised for public comment. The final project allocation was adopted at a Board meeting scheduled after the comment period ended.

The following projects and funding were allocated for FY16:

- Greater Flagstaff Forest Partnership: Forest restoration and community protection - \$10,000
- Public Works Community Cleanups: Allows residents to dispose of waste and fuels accumulated on their properties - \$60,738
- Flagstaff Patrol: Covers estimated costs of Sheriff patrol on Federal land in Coconino County - \$107,521
- Search and Rescue: Cover the estimated cost of Search and Rescue operations on Federal land in Coconino County - \$106,564

If this Act is not reauthorized into the future, the County will have a reduced ability to fund road maintenance projects and wildfire protection, search and rescue and patrol activities on Federal Lands. The Schools Districts would be severely impacted in their ability to maintain the same level of service currently provided to students.

BUDGET SUMMARY

Debt

Debt Management Policies

Coconino County Debt

The County adopted a debt management policy with the purposes of maintaining the County's ability to incur present and future debt at minimal interest rates in amounts needed for infrastructure and economic development without endangering its ability to finance essential County services. The County decided that it would not fund current operations from the proceeds of borrowed funds. The County would confine long-term borrowing to capital improvements or projects and when the County finances capital projects by issuing debt, it will repay the debt within a period not to exceed the expected useful life of the project. Since the policy's adoption, the County has followed these guidelines. The County reviews its debt policy every year during its formal review of all fiscal policies at the start of the budget process. The complete debt management policy is printed on page 36. The legal debt limit of the County is equal to 15% of the County's net secondary assessed valuation. For FY16 this total would be \$240,350,987.

Coconino County does not have General Fund Obligation Debt.

Jail District

The Jail District issued debt in FY99 and FY00. This debt was used to finance construction of the Coconino County Jail located in Flagstaff. Payments were made using the special dedicated Jail District sales tax. Series 2000 pledged revenue obligations were retired in FY10. These Series 1998 pledged revenue obligations retired after the final payment in FY12.

Special Districts Debt

Special districts incurred debt for a number of County improvement districts for improvements to existing roadways. Assessments are levied annually on property owners within the boundaries of these special districts to pay the debt service for improvements.

FY16 Debt Payments

The following schedule shows the historical and projected interest and principal payments for debt in all Non-Major funds, no major funds have outstanding debt payments.

Special Districts	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Hashknife	\$ 33,000	\$ 34,000	\$ 36,000	\$ 38,000	\$ 40,000	\$ 43,000	\$ 45,000
Kiowa Comanche	13,005	15,446	14,028	-	-	-	-
Lupine	11,193	15,561	12,171	-	-	-	-
North Stardust & Antelope	40,000	42,000	44,000	47,000	49,000	51,000	32,000
Pawnee	9,116	12,160	9,734	-	-	-	-
Pinon Improvement	8,912	10,712	-	-	-	-	-
Rio Arroyo	24,808	24,552	26,053	-	-	-	-
Shoshone	2,548	3,483	2,725	-	-	-	-
Toho Tolani	300,000	315,000	-	-	-	-	-
Tonowanda	4,071	4,965	4,368	-	-	-	-

BUDGET SUMMARY

Debt

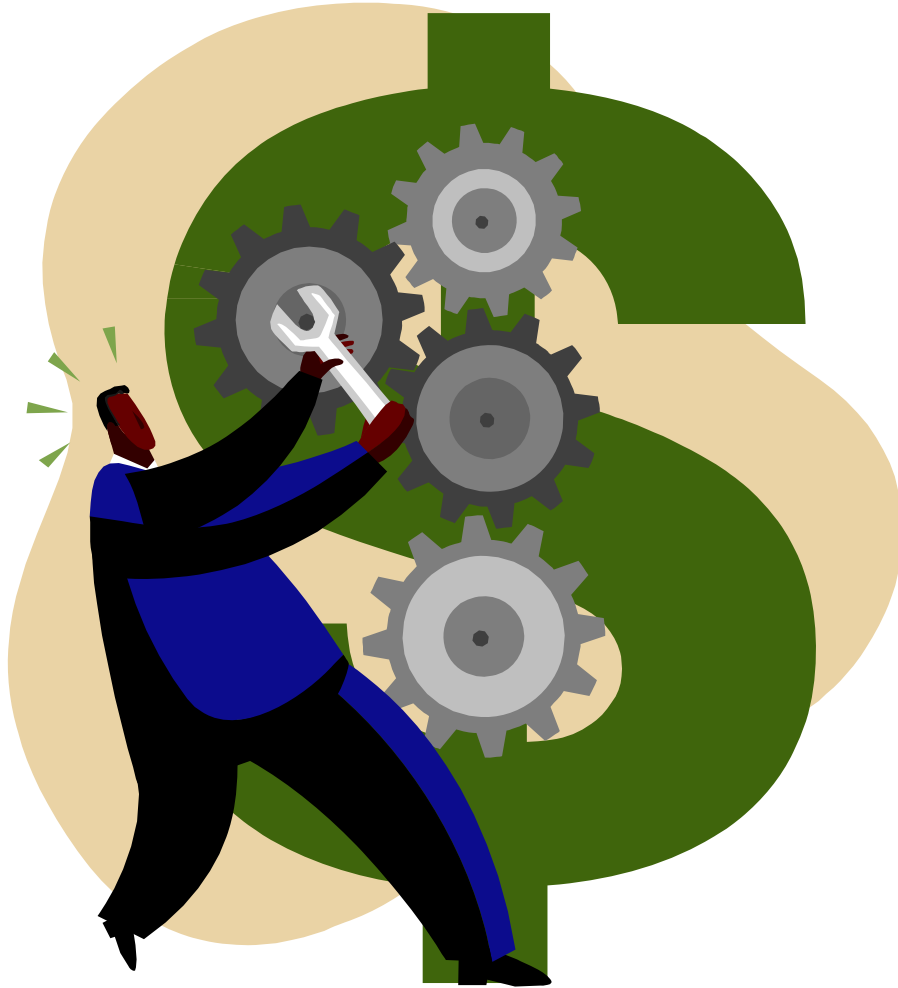
Debt Per Capita

The County does not anticipate any general debt issuances in the immediate future, so the County debt per capita is expected to remain at \$0.

Future Debt Planning

The County does not have a formalized future general obligation debt plan at this time. If the County were to issue more debt there would have to be a dedicated revenue stream for debt payments. At this time the County has not identified any new revenue sources that could be used. If the Facilities Master Plan is fully implemented the County may plan some larger capital improvements. At that time debt may be discussed as a funding option.

Strategic Budget Process



STRATEGIC PLANNING

Financial Planning

Coconino County has a long history of prudent financial management. To position ourselves more strategically moving forward, we began an extensive long-term financial planning process in FY07. This effort began by revising the way we were looking at our long-term General Fund forecasting. We also realized that the more we could promote financial literacy in the County, the more successful we will be as an organization. Worksessions were held with the Board of Supervisors to explain our financial situation and our long-term planning processes. This was essential to providing the framework so the Board could continue to make responsible financial decisions. The financial planning effort was also taken deeper into the organization by providing Leadership Team presentations and presentations to staff at employee forums.

Prior to FY07, the County had been using a five-year plan for projecting General Fund revenues and expenditures. The County realized there is a recession approximately every ten years, and our goal is to maintain consistent staffing, operating, and service delivery levels over time. The economy in the State of Arizona had been experiencing rapid growth, causing growth in our State shared sales tax levels at an unsustainable level. To that end, we developed a ten-year financial plan for not just the General Fund, but for all major funds. This process was effective in aligning our recurring revenues with recurring expenditures. We moved away from a “reactionary” revenue budgeting approach to a more accurate forecasting methodology based on what a sustainable level of revenues could be. We determined “reactionary” budgeting to be projecting major revenues based on the prior year’s actuals. In effect, this causes an over-estimating of sustainable revenue during times of economic growth, and an underestimating of long term revenues during periods of recession. In developing what we believe is a more accurate forecasting method, County staff evaluated revenues and determined that a “base” year would be a realistic point to begin growing revenues. Intuitively, we should only expect long-term revenue growth based on drivers of those revenues. Therefore, we began to look at sustainable levels as growth in line with population and inflation increase for sales tax revenues. If we realized actual revenues above that line, it was considered one-time funds. If revenues fall below that line it is also considered a short-term dip in which the revenue smoothing fund balance should be used to maintain service levels. The theory of budget prioritization alignment with revenue types is shown graphically below.

- MANDATES → LEGALLY REQUIRED
- Wages & Benefits → Recurring Base Growth
- Core Operations → Recurring Base Growth
- Other (one-time) → Incremental Growth and One-Time Revenues
 - *R&R (IT & Facilities)
 - *Small FMP & CIP
 - *Operations (one-time)
- CIP & FMP funding → Temporary Revenues

The County’s goal with the financial planning effort is not only to provide stable service delivery, but to identify opportunities for cost containment through preventative efforts. To do so, Coconino County has established reserves and expends those funds in the manner that maximizes our return on investment. In the FY08 budget we addressed compensation to address a high turnover rate of 26% and pay scales that were well below the regional market. It was estimated that the cost of turnover was over \$8 million annually for Coconino County. We paid off our debt in FY08, which is estimated to have saved taxpayers over \$500,000 of interest payments and freed up all of our general debt capacity. A Facilities Repair and Replacement fund was established to be used on the

STRATEGIC PLANNING

Financial Planning

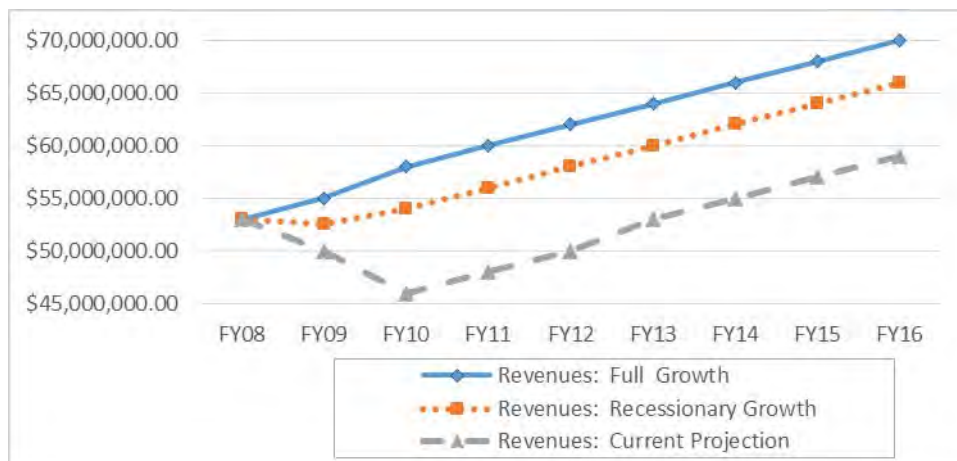
Maintenance efforts that have proven to have a long-term impact on delaying or minimizing major facility projects. We also underwent a Facilities Master Plan effort, which identified how we can design and maintain our facilities to give us the greatest flexibility in use of space, and provide information on appropriate facilities planning in the next 20 years. This will help with cost containment by reducing the need for leasing and by developing a more efficient “campus” type service delivery for those departments that interact most often. Finally, an IT strategic plan was completed to identify our technology needs along with an IT Governance Committee to prioritize those needs.

Reserve Policy

Coconino County has a policy of setting aside 15% of our General Fund revenues into our emergency reserve fund. Of this, 10% is set aside for emergency scenarios due to extreme weather conditions, fire, flooding, or other emergencies that may arise where we must respond to our citizens. Although many major emergencies are eventually classified as eligible for Federal or State reimbursement, the reimbursement process can take several years and the County needs to have the ability to provide the necessary resources up-front for immediate response. The remaining 5% of the emergency reserve is set aside for revenue smoothing. This allows us to maintain a more consistent level of service if revenue projections are not met. We are able to have cash set aside to meet our obligations, even if our revenues fall below the anticipated figure.

Financial Planning and the FY16 Budget

The recession that began in FY08 greatly impacted our financial planning. The recession we faced was unlike any we have seen in recent history. There was a shift in consumer spending habits, that caused us to rethink our “base” year forecasting and make an adjustment for what we believe will be a long-term change in consumer spending and saving. We are fortunate to have approached our revenue forecasting from a conservative approach; had we done more reactionary budgeting our long-term revenue forecast would have had much further to fall. The critical financial planning action that spared us over \$3 million in additional budget reductions was the conservative management of expenditure growth. The County committed to a consistent level of service and spending that did not exceed recessionary revenue levels. If County spending had reflected typical revenue forecasting and associated spending, budget cuts and resulting service reductions would have been drastic. While budget reductions were implemented in FY10 and again in FY11, the chart below shows how our prior planning has insulated us from having to make some of the more dramatic cuts that other agencies in Arizona have experienced throughout this recession.

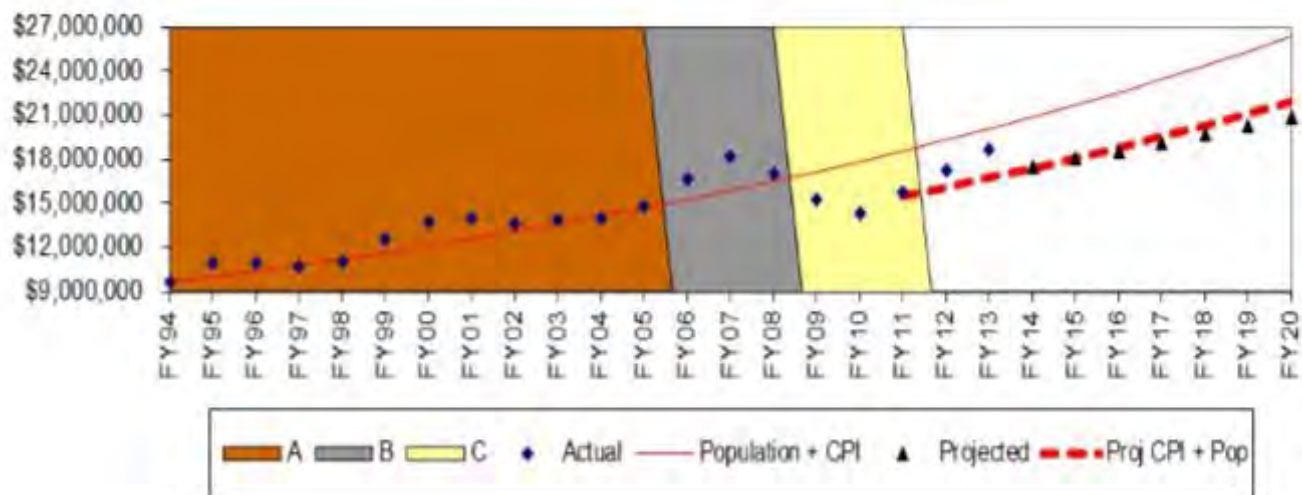


STRATEGIC PLANNING

Financial Planning

As previously mentioned, the recession caused us to readjust our “base” level of recurring revenues. We feel that FY10 was the low year in our 10-year forecast, but that we will not return to the “baseline” population and CPI growth at the same level as before. We are forecasting a long-term return to 85% of baseline to account for spending changes from taxable goods to a greater focus on non-taxable purchases like groceries, fuel, and on-line spending. We anticipated some higher growth in the early recovery years but do not want to make the mistake of trending that forecast out for ten years, only to return programs to an unsustainable level and make cuts again down the road in order to balance the budget. Our revised forecasting model is depicted graphically in the chart that follows.

During the period marked “A” on this chart, we were pre-boom time. Our actual revenues trended with population and CPI. During the boom years (shaded as “B” on the chart), we trended above that sustainable line and these revenues were considered one-time. Finally in the recession (shaded area “C”) we fell well below the previously determined “baseline” and our revised projection is growth at projected population and CPI after some initial rebound period of higher growth. You can see we have essentially adjusted our “baseline” down to a reduced level. This chart depicts our local sales tax forecast, but the methodology is applied to our State shared sales tax forecast as well.



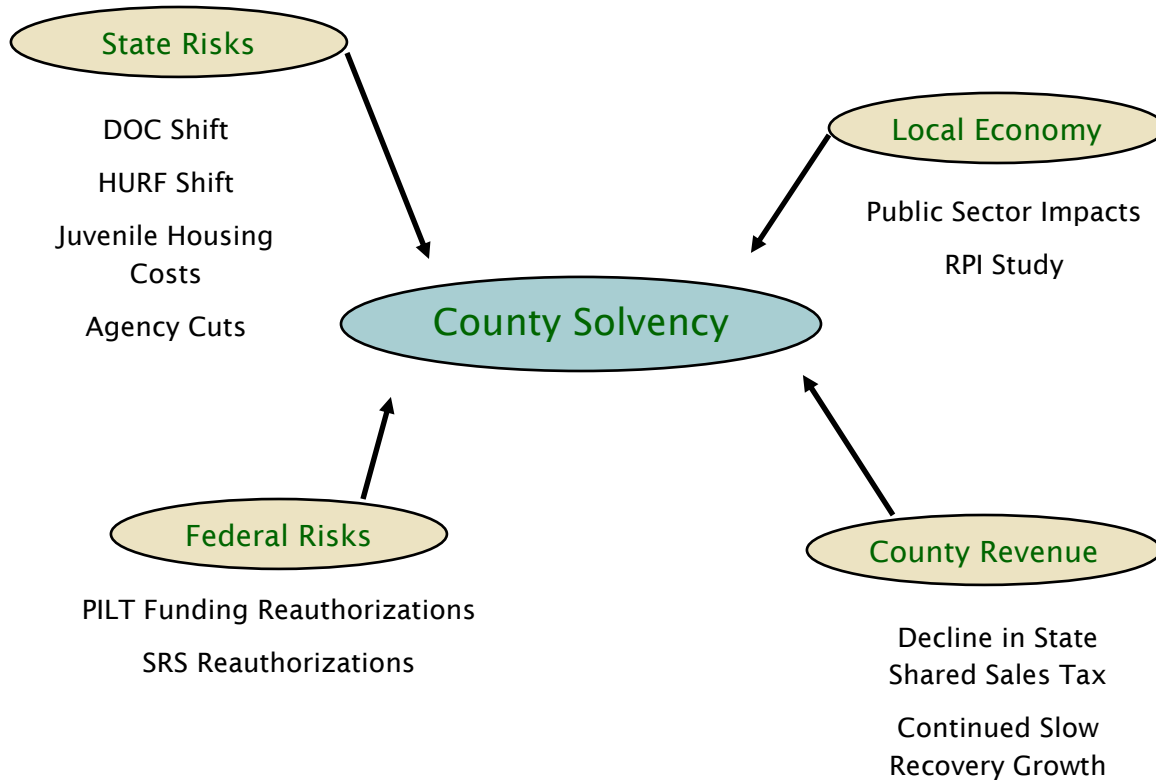
The first step in developing a budget for FY16 involved reviewing our revenue and expenditure forecast by using a 10-year plan for each major fund, and determining available resources. Other key considerations for the FY16 budget were:

- ⇒ Continuing prudent fiscal management
- ⇒ Importance of protecting essential services
- ⇒ Evaluating the County budget as a way to maximize efficiencies and move the focus to outcomes
- ⇒ Continuing to move toward fiscal independence
- ⇒ Compensation strategies to ensure employee investment
- ⇒ Funding set-aside for the Facilities Master Plan

STRATEGIC PLANNING

Financial Planning

Financial Risks Threatening County Solvency



Many significant risks to the County's solvency still exist, and this graph captures many of them. PILT full funding received a one year authorization in FY16 while Secure Rural Schools (SRS) funding has been re-authorized for two years. Future funding from these sources is unknown at this time. Uncertainties lie in the sustainability of the DUI/Drug Court funding and HURF fund balance. These threats and unknowns prompted us to use our ten-year financial plan as a method of balancing not only the FY16 budget, but the FY17 and beyond budgets given the upcoming funding losses we are projecting. The stated risks highlight why it is so important to continue our prudent financial approach. We need to remember that the State has not implemented any true structural solutions. Instead they are continuing to pass costs to County taxpayers. The local economic risks were determined through a Rural Policy Institute study that determined that recent local government budget reductions would have over \$107 million in direct impacts on the regional economy. Reductions in government spending have a ripple effect on our local economy that will ultimately further impact our critical sales tax revenue sources.

STRATEGIC PLANNING

Mission Critical Needs

Leadership identified needs that have been marked as “mission critical” due to the impact they have on our ability to deliver services regardless of the department, service location, or program type.

Compensation

Compensation was identified by the Leadership Team as the number one priority for FY16. During the recession pay increases were frozen. In FY14 County staff received a market adjustment to better align each position with salaries for similar positions in other organizations. The adjustment raised every pay range for all grades by 1.5%, meaning every base salary was made 1.5% higher. In addition to the market increase the County reinstated the 2.5% performance-based merit increase on each employee’s annual evaluation date.

The FY15 budget once again included the 2.5% performance-based merit increase. Funds were also set aside for a mid-year compensation adjustment to address the County’s compression issue. Due to the timing of the compression study, the funds were carried over into FY16.

On July 1, 2015, the mid-year funds that were set aside in the previous fiscal year were used to implement a solution to the compression issue. Only those positions affected by compression received a change in compensation. In addition to this, the budget allows for the 2.5% performance-based merit increase on each employees evaluation date.

Facilities

The County’s facilities infrastructure is also considered “mission critical” in that they support all of our functions. Our facilities currently include several locations throughout Flagstaff, older facilities throughout the County, and leased space. All of these factors contribute to more costly facilities services compared to a planned campus style facility grouping. We lose productivity through commute times by having staff spread across multiple locations, and we lose efficiency and effectiveness when our services cannot be located more centrally. Our older facilities have higher utility and environmental costs. Because our available space is insufficient, we have costly leased space where we have less impact on expenditure growth related to these facilities. A comprehensive solution to our many facility issues is needed for long-term cost containment. Funding is set aside in the FY16 budget to move toward the implementation of our Facilities Master Plan.

Long-Term Budget Planning

Given the revised long-term revenue baseline forecast, looming additional State budget impacts, and mission critical needs, we realized a major budget realignment across all of our funds is needed to balance our budget in the long-term. We have continued our three prong approach in FY16.

1. Expenditure (Service) Reduction
2. Use Limited Reserve
3. Develop Additional Revenue

In the long-term, we are using the three-prong approach, along with review of the history of all of our programs, and an evaluation of mandates to identify and prioritize our mission critical needs and align our budget with our strategic priorities. This will be a continual effort that could result in significant budget changes, including program elimination. We must also look at the revenue part of our three-prong approach to determine if services should have costs offset by the implementation or increase in the fees charged to users.

STRATEGIC PLANNING

Strategic Budget Process

In FY2010 Coconino County built on its history of success with long-term financial planning by implementing a Strategic Budget Process. This process has been expanded on in each budgeting year. The goal of the County through the Strategic Budget Process is to direct our limited resources to the services that mean the most to the citizens.

What is the Strategic Budget Process?

- ⇒ Also known as “budgeting for outcomes” or “BFO”, the Coconino County Strategic Budget Process has been designed to create a government that works better and costs less. It is an outcomes-based budget process that focuses on best practices in performance management and budgeting.
- ⇒ It focuses on results, strategies, and priorities. The process shifts from paying for costs to funding results. The goal is to align the County’s programs and services with its strategic priority areas and objectives.
- ⇒ It puts the priorities of citizens first to improve their lives in Coconino County.
- ⇒ It emphasizes accountability, innovation, and partnerships.

Why are We Doing It?

- ⇒ Past practices of spending down reserves, freezing employee wages, and holding vacant positions open are no longer viable.
- ⇒ The Coconino County strategic budget process better aligns services delivered with what matter most to our community.

How Does it Work?

- ⇒ Utilizing feedback from stakeholder focus groups, citizen surveys, employee forums, and County leadership, the Board of Supervisors adopted strategic priority areas representing critical results for Coconino County.
- ⇒ Departments submit Program Reports for board review and discussion. This report provides information on each County program including outcome-based performance measures.
- ⇒ During the budget process programs are evaluated on how they meet the strategic priority areas and how well they address the needs that matter most to citizens.
- ⇒ Programs that address key citizens needs and County strategies receive higher priority for limited funding.
- ⇒ The final output is a budget that better reflects citizen priorities and works towards the most efficient and effective delivery of services.
- ⇒ In FY2016, departments also completed an annual work plan to define successes they are looking to accomplish in the current year as well as obstacles they may come across.

STRATEGIC PLANNING

Strategic Budget Process

FY2016 Strategic Planning and Budget Timeline

TASKS	KEY DATES
Budget Kickoff: FY16 training on FTE lists, FY15 estimates, and FY15 "base budgets". Financial Management System is opened for entry.	January 7th
DEADLINE: Program Reports Due	January 21st
DEADLINE: FTE Lists Due to Budget	January 23rd
DEADLINE: FY15 Estimate Entry and FY16 Base Budget with Temporary Wages Due	February 6th
DEADLINE: Service Improvement Request Forms Due to Budget	February 6th
DEADLINE: Carryover Requests and Unawarded Grants Form Due	March 5th
DEADLINE: Annual Work Plans Due	March 5th
County Manager Meetings with Departments	March - April
Board of Supervisors Worksessions: Financial Planning Update	April 27th
Board of Supervisors Worksessions: Budget Meetings with Individual Departments	April - May

ADOPTION DATES	
Board of Supervisors Meeting: Adopt Tentative FY16 Budget	June 2nd
Board of Supervisors Meeting: Adopt Final Budget for FY16	June 23rd
Board of Supervisors Meeting: Adopt 2016 Tax Rates	August 11th

STRATEGIC PLANNING

Strategic Budget Process

Presentation of Financial Information

The financial information for each department is presented following this section. The bullets below provide an explanation of what is included for each department:

- ⇒ A brief description of the department
- ⇒ A list of programs with the corresponding primary Strategic Priority Area and description for each program
- ⇒ FY16 goals and objectives
- ⇒ FY16 opportunities and challenges
- ⇒ A brief financial summary of budget variances with summary pie charts showing revenues by source type, expenditures by program, expenditures by category, and expenditures by Strategic Priority Area
- ⇒ A financial statement for each department is provided categorizing revenues and expenditures over a three-year time period
- ⇒ A summarized financial statement for each program within the department
- ⇒ Performance measures are also included for each program
- ⇒ A list of FTEs by position for the three most recent budget years

Strategic Priority Areas

Coconino County leadership uses six Strategic Priority Areas to focus their resources and evaluate the effectiveness of County programs and services. While these areas were identified by County leadership, teams of employees further defined the outcomes for each area and presented maps showing all causal factors influencing each area to County leadership. Using these maps and the suggestions of the employee teams, County leadership adopted the following statements of the desired outcome for that area and measurable indicators of progress to demonstrate to citizens what is influencing our ability to achieve those outcomes in Coconino County. For each area County leadership also adopted strategies where the County could seek to have the greatest influence to provide services and resources in the FY16 Coconino County budget.

For FY16 County leadership considered the key trends and needs of citizens in each of the six strategic priority areas.

The following pages include the updated outcome statements, strategies, and indicators of progress for each Strategic Priority Area as developed by the employee teams and adopted by the Board of Supervisors for the FY16 budget process.

For the purpose of this document, abbreviations for the strategic priority areas have been incorporated into the financial information. The abbreviations are as follows:

- ⇒ Community Vitality: CV
- ⇒ Cultural and Natural Resources: C&NR
- ⇒ Economic Vitality and Development: EV&D
- ⇒ Organizational and Fiscal Health: O&FH
- ⇒ Public Health: PH
- ⇒ Public Safety: PS

STRATEGIC PLANNING

Strategic Budget Process

Community Vitality (CV)

Outcome Statement: Coconino County supports citizens in taking responsibility for themselves, their families, their neighbors and their communities. Government and citizens collaborate for care for the most vulnerable populations and to nurture the healthy development of youth and families. All citizens live in communities where they are valued, connected to others, and their diversity and uniqueness are respected.

Strategies:

- ⇒ Create and maintain resources for programs that provide a safety net for vulnerable populations.
- ⇒ Increase efficiencies and reduce redundancies by pooling resources through internal and external partnerships to improve service delivery.
- ⇒ Create and facilitates opportunities for citizens to become empowered and engaged in order to strengthen communities.
- ⇒ Support programs, services, activities and events that enrich, enhance, and celebrate diversity and quality of life for all citizens.
- ⇒ Create the service delivery infrastructure and technology to connect employees and citizens to resources provided by the County.

Cultural and Natural Resources (C&NR)

Outcome Statement: Coconino County provides visionary leadership celebrating, enhancing and sustaining cultural and natural resources. Coconino County is committed to active stewardship, preservation and conservation practices that seek to ensure Coconino County's cultural heritage and natural assets now and for future generations.

Strategies:

- ⇒ Does the program support initiatives, practices and positions that promote clean air, clean water and the stewardship of County resources, healthy landscapes and wildlife habitat within the County?
- ⇒ Does the program consider diverse needs and foster collaborative partnerships to address, develop and promote cultural and/or natural resource objectives?
- ⇒ Does the program support initiatives that celebrate, protect and engage the public in the County's regional cultural and natural heritage?

STRATEGIC PLANNING

Strategic Budget Process

Economic Vitality and Development (EV&D)

Outcome Statement: Coconino County facilitates and will assist in the creation of support systems, tools, resource and policies to help achieve the County Economic Vitality vision and define and continually assess the County Economic Vitality and Development vision to create a dynamic response toward the achievement of the County vision.

Strategies:

- ⇒ Does the venture fit the distinctive elements of the community or region?
- ⇒ Does the venture align with the local established plans such as Small Area plans, Comprehensive Land use or Transportation Plans?
- ⇒ Is there a changing condition that can be capitalized upon to take advantage of an opportunity, or avoid a negative economic impact, and requires focus and resources?
- ⇒ Does the venture support or undermine elements of the County EVD Vision?
- ⇒ Business Development Retention
 - Does the program help business fit the regional economy and be sustainable?
 - Who else is providing the same or similar service?
 - Is there an opportunity for partnership and collaboration?
 - Does the program foster entrepreneurialism?
 - Is the program helping to make County policies more flexible or provide incentives to businesses to locate or remain in Coconino County?
 - How does the program contribute to rural economic development?
- ⇒ Workforce Training
 - Provides support for training and workforce skill development.
 - Is it youth oriented?
 - Does it involve partners with not for profits and others?
 - Does it provide training in a green economy?
 - Does it improve financial and business literacy?
- ⇒ Education
 - Does the program improve financial literacy?
 - Does the program educate the workforce to meet regional workforce needs?
 - Does the program educate business owners on government policies, procedures?

STRATEGIC PLANNING

Strategic Budget Process

Organizational & Fiscal Health (O&FH)

Outcome Statement: Coconino County implements sound financial and organizational management to achieve responsible governance, thus anticipating and meeting the dynamic and evolving needs of the residents. Citizens experience operational accountability, transparency, seamless accessibility to service and excellent customer service by dedicated employees.

Strategies:

- ⇒ As employees are our number one asset, continue a commitment to their success by allocating funds and resources toward continued education, professional development, career progression and competitive compensation.
- ⇒ Develop an organizational culture where every employee understands how they each contribute positively through alignment with the County's mission, vision, values and strategic priorities.
- ⇒ Encourage transparency and clarity at all levels and between all levels of the organization.
- ⇒ Align and implement planning efforts to balance revenues and expenditures, create and maintain mission crucial infrastructure and processes; and develop accountability around the County's programs and service evaluation process and strategic priority area outcomes.
- ⇒ Recruit, train and retain a qualified and diverse workforce.
- ⇒ Continue to position Coconino County as a leader and role model for responsible and effective government.
- ⇒ Engage citizens and community and governmental partners in planning, identifying priorities, addressing challenges and expanding the understanding of the value of County services.
- ⇒ Maintain our long-term conservative budget strategy while identifying appropriate revenue sources to maintain or increase critical services.
- ⇒ Encourage departmental efficiencies.
- ⇒ Ensure and enhance the statutory foundation of county governance to protect and maintain a fair and equitable community structure.

STRATEGIC PLANNING

Strategic Budget Process

Public Health (PH)

Outcome Statement: Individuals in Coconino County enjoy an optimal quality of life in clean, healthy communities. Prevention, education and health care are accessible for all, contributing to long healthy, lives. Everyone works together to prevent or respond to disease, accidents, and public health emergencies.

Strategies:

- ⇒ Be a resource for access to available services in the community in all areas of the County.
- ⇒ Use County trends to understand needs not currently being met or voiced.
- ⇒ Prioritize primary prevention strategies that prevent disease or conditions that contribute to disease from occurring.
- ⇒ Focus on homeless, mental health, detoxification centers that have the most leverage of current resources.
- ⇒ Seek to be consistent with the Logical Decisions Process and review of health conditions, program standards and administrative standards to determine priorities.

Public Safety (PS)

Outcome Statement: In partnership with the community, Coconino County proactively and responsively manages situations that threaten safety and welfare. Public Safety improves quality of life for people in the community through preparedness, education, prevention and corrective actions to ensure justice, provide avenues for reform, and to create a community where people feel safe at home, work or play.

Strategies:

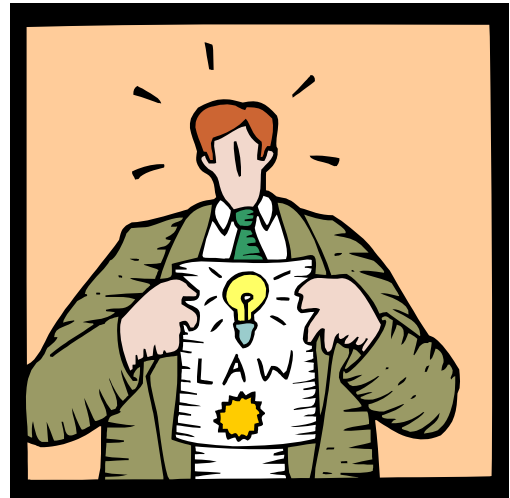
Criminal Justice

- ⇒ Prioritize programs based on long-term cost reduction strategies such as prevention, rehabilitation and education.
- ⇒ Prioritize programs that are most effectively addressed by public safety entities.
- ⇒ Prioritize programs based on achieving public safety outcomes such as reduced recidivism, reduced building safety risks, reduced accidents and increased emergency response.
- ⇒ Prioritize programs that reinvest/re-direct resources to create capacity to address system demands.
- ⇒ Prioritize programs that utilize collaboration efforts to identify common goals and improve system efficiencies and public safety outcomes such as CJCC and FMPO.
- ⇒ Prioritize programs that invest in professional development and recruitments and training to increase competency with evidence based practices.

Safe & Well Planned Communities

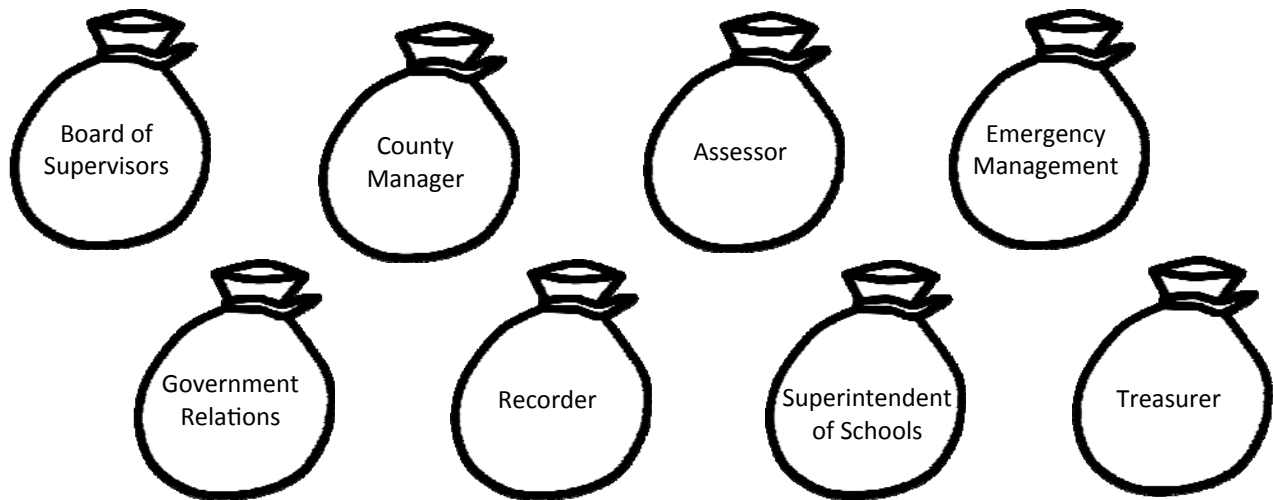
- ⇒ Ensure strong emergency preparedness plans are in place to protect Coconino County citizens and communities.
- ⇒ Coordinated activities among all development services and public safety divisions.
- ⇒ Ensure all aspects of public health, safety and welfare are considered with public and private development.
- ⇒ Be prepared to meet needs resulting from emergency situations putting communities at risk (preparedness).

General Government



GENERAL GOVERNMENT

Service Area Summary



Description of Services

The General Government service area's shared purpose is to build and improve a caring government that serves and protects all citizens' rights. These departments help create an environment where all citizens are afforded the opportunity to participate responsibly. The primary functions of these departments include: governing all aspects of the County in accordance with the State Constitution, implementing policies to support the decisions of the Board of Supervisors, determining local property values, collecting all real and personal property taxes, responding to natural and human-caused emergencies, seeking legislative solutions to County issues, creating an accessible record of all public documents, administrating and managing all aspects of elections, and assisting and advising County school districts on all budgetary and school board matters.

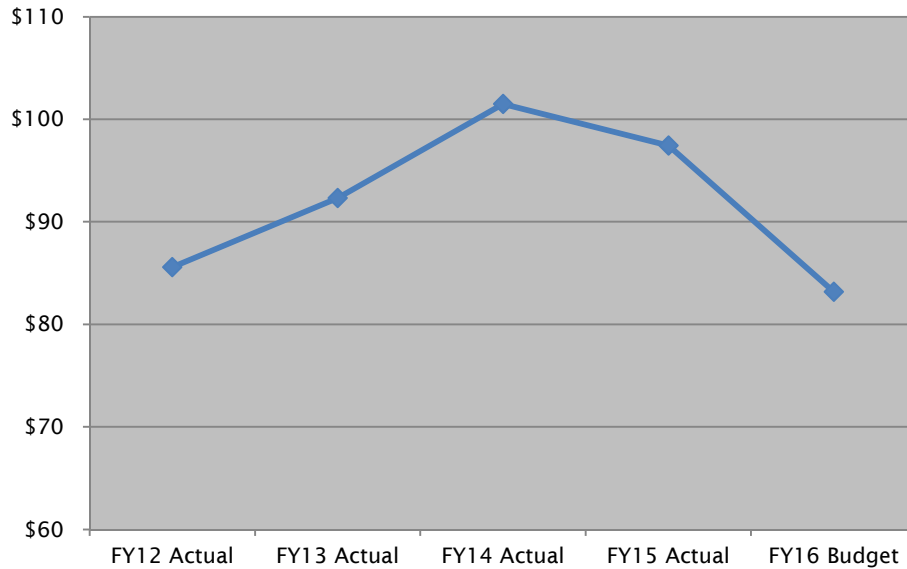
Per Capita Costs

Over the last five years, the per capita cost for services provided by departments within the General Government service area peaked in FY14 and have been decreasing. The largest increases have been seen in the Assessor's budget, which reflect the FY15 initiation (and FY16 continuation) of an aerial imaging project to augment the department's appraisal capability. The Board of Supervisors' cost per capita has also increased, due to unspent Community Initiative funds that have been carried over into FY16, as well as due to one-time CREC funds that were budgeted to each district for land and water conservation projects in FY15 but remained mostly unspent. The sharp decline in per capita expenditures from FY15 to FY16 will be caused by the loss of National Forest Fee funding to the Superintendent of Schools, resulting in a significant reduction in grants to other agencies. It also should be noted that Emergency Management and Government Relations were separated from the County Manager's office for FY15, resulting in a decrease in the County Manager's per capita costs.

The chart on the next page shows a five year history of the per capita cost of services for the General Government service area.

GENERAL GOVERNMENT

Service Area Summary



The table below shows a three year history of the per capita cost of services for departments within the General Government service area.

<u>Department</u>	<u>FY14 Actuals</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>	<u>Change: FY15 to FY16</u>
Board of Supervisors	\$ 9.66	\$ 9.66	\$ 11.18	15.75%
County Manager	9.93	6.49	6.47	-0.26%
Assessor	12.97	12.18	14.42	18.45%
Emergency Management	-	2.47	2.43	-1.35%
Government Relations	-	2.87	3.05	6.37%
Recorder	12.46	14.03	14.87	5.97%
Superintendent of Schools	51.89	45.28	26.08	-42.41%
Treasurer	4.59	4.47	4.67	4.54%
Total	\$ 101.50	\$ 97.44	\$ 83.18	-14.63%

GENERAL GOVERNMENT

Board of Supervisors (BOS)

219 E. Cherry Avenue, Flagstaff, AZ 86001 (928) 679-7144
Wendy Escoffier, Clerk of the Board

The Coconino County Board of Supervisors (BOS) consists of five members, elected by district to four-year terms. The Board establishes administrative policy and direction for the County and has budgetary oversight over all County departmental budgets to ensure County revenues are expended within established guidelines. The duties, responsibilities, and authority of the Board of Supervisors are expressly provided in the Constitution and/or laws of the State.

Program	SPA	Description
Clerk of the Board	O&FH	The Clerk of the Board is an Officer of the County, who serves as the administrator for the BOS. The Clerk is responsible for assuring the statutory duties of the Board of Supervisors are performed within the time lines and requirements provided in state law.
Community Grants	CV	Each District Supervisor may appropriate grants to community agencies and groups, which may be used for a variety of purposes.
Elected Board of Supervisors	O&FH	The Board of Supervisors (BOS) has ultimate fiduciary and policy responsibility for all County departments. In addition, the BOS has governance authority in the unincorporated areas of the County.

Goals and Objectives

The primary FY16 objectives for the department are:

- The Board will continue to meet quarterly with the Flagstaff City Council, will conduct one Board meeting in Page, and will meet with the Page City Council and the Williams City Council.
- Individual District Supervisors will continue outreach programs to provide opportunities for County and community leaders to meet with constituents to educate them on County and community services. This activity provides a forum for all County departments, programs, and elected officials. Example of events include Neighborhood Block Watch, Park Watch, back to school events, community picnics, and coffees.
- Essential Records training increased in FY15, with a visit from the Arizona Library, Archives, Public Records division for an afternoon of training that consisted of seven records management presentations. It is anticipated that additional training for special districts will be required in FY16.

Long-term goals for the Board of Supervisors include:

- Providing financial stability to County programs and services by protecting existing funding and securing new sources of funding.
- Protecting citizens and visitors by reviewing existing ordinances for changes and considering new ordinances. Examples would be updates to the County Comprehensive Plan and sections of the County's zoning ordinance, as well as review of the County's sign, lighting and vacation rental ordinances.

GENERAL GOVERNMENT

Board of Supervisors (BOS)

Opportunities and Challenges

- The Elected Board of Supervisors program is funded from the General Fund. In the past, Board efforts to educate State and Federal lawmakers has had a positive impact to the County budget by securing up to \$6 million in Secure Rural Schools and Payment in Lieu of Taxes funding.
- Increases in work sessions due to issues identified by the Board.
- Continuation of unfunded mandates.
- Threat of continued budget reductions from State and Federal funds.
- Decreases in the number of property valuation appeal leading to an increase in the number of taxpayer notice of claims filed.
- Although the electronic agenda review and agenda packet creation software has created efficiencies for both the Clerk's Office and the departments submitting agenda items, one area that does not show an improved efficiency is in the amount of staff time related to Board meetings. Staff is following a parallel process for the agenda packet creation; an electronic packet and a paper packet. In addition, turn over in experienced staff has resulted in a loss of staff capacity which translates to a temporary loss of efficiency.

GENERAL GOVERNMENT

Board of Supervisors (BOS)

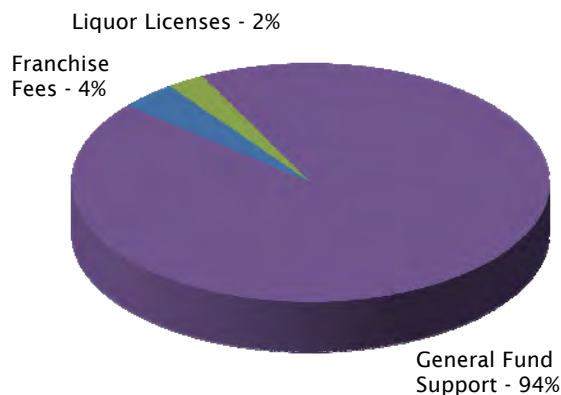
Financial Summary

The Board of Supervisors two main sources of revenue are cable television franchise fees and liquor license sales, with the remainder of their funding coming from General Fund support. The department ended FY15 17% ahead of its revenue budget, due to a significant increase in franchise fee revenue. Despite the forecast that these fees will continue to increase in FY16, overall revenue for the department is expected to decline 59%. This is due to a one-time transfer of Coconino Rural Environment Corps (CREC) fund balance to the Board in FY15, for conservation service programs on public land. CREC was formerly a program in the Community Services Department, but was merged with a private company in FY14.

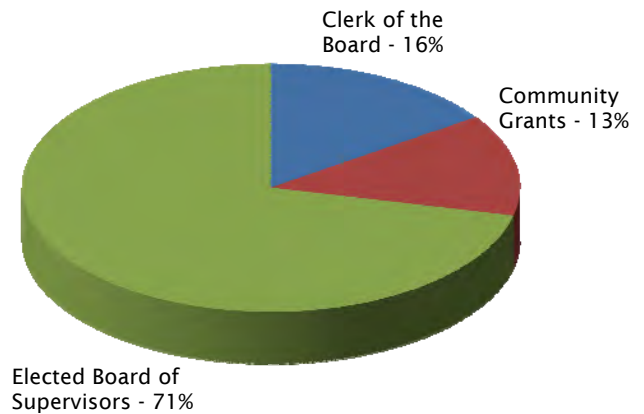
For FY15, the Board of Supervisors finished 18% under their revised expenditure budget of \$1,646,782. This variance is due to unspent Community Grants funds in all districts, as well as the budgeted expense of the one-time revenue mentioned above. The CREC funds were allocated to each district equally to be used towards land and water conservation, but a significant portion will be carried over into FY16. FY16 expenditures are budgeted to decrease by 5% compared to FY15, due to these one-time funds.

The following charts illustrate the Board's revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area. All expenditure charts exclude unawarded grants.

Revenue by Source Type



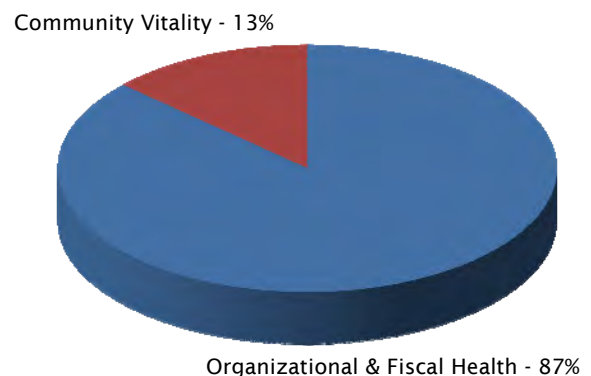
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



GENERAL GOVERNMENT

Board of Supervisors (BOS)

Department-Wide Financial Statement

	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Revenues and Other Sources					
Franchise Fees	\$ 35,000	\$ 58,608	\$ 37,000	\$ 94,022	\$ 60,000
Liquor Licenses	50,000	52,636	40,000	55,898	40,000
Charges for Services	-	-	-	233	-
Other	30	77	35	601	35
Transfers from Other Funds	-	-	166,775	134,574	-
General Fund Support	1,363,716	1,235,642	1,402,972	1,065,116	1,463,073
Total Funding Sources	\$ 1,448,746	\$ 1,346,963	\$ 1,646,782	\$ 1,350,444	\$ 1,563,108
Expenditures and Other Uses					
Salary/ERE	\$ 1,032,509	\$ 1,024,920	\$ 1,039,487	\$ 1,010,035	\$ 1,047,036
Operations	344,023	275,434	541,013	278,880	451,048
Travel	72,214	46,610	66,282	61,529	65,024
Total Uses of Funds	\$ 1,448,746	\$ 1,346,963	\$ 1,646,782	\$ 1,350,444	\$ 1,563,108
Net Indirect Support	9,537	9,537	3,601	3,601	3,047
Total	\$ 1,458,283	\$ 1,356,500	\$ 1,650,383	\$ 1,354,045	\$ 1,566,155
General Fund Support					
Program Revenue	\$ 85,030	\$ 111,321	\$ 77,035	\$ 150,754	\$ 100,035
Transfers in from Other Funds	-	-	166,775	134,574	-
Program Expenditures	(1,448,746)	(1,346,963)	(1,646,782)	(1,350,444)	(1,563,108)
GF Transfers to Other Funds	-	-	-	-	-
Total Direct Support	\$(1,363,716)	\$(1,235,642)	\$(1,402,972)	\$(1,065,116)	\$(1,463,073)
Net Indirect Support	(9,537)	(9,537)	(3,601)	(3,601)	(3,047)
Total County Support	\$(1,373,253)	\$(1,245,179)	\$(1,406,573)	\$(1,068,717)	\$(1,466,120)

FY16 Financial Statement by Program

Program Name	FY16 Program Revenue	FY16 General Fund Support	FY16 Use of Fund Balance	FY16 Program Budget	FY16 Net Indirect Support
Clerk of the Board	\$ -	\$ 240,392	\$ -	\$ 240,392	\$ -
Community Grants	-	206,935	-	206,935	3,047
Elected Board of Supervisors	100,035	1,015,746	-	1,115,781	-
Total	\$ 100,035	\$ 1,463,073	\$ -	\$ 1,563,108	\$ 3,047

GENERAL GOVERNMENT

Board of Supervisors (BOS)

Performance Measures by Program

Clerk of the Board	FY14	FY15	FY16
Number of agendas posted within the ARS time requirements, as a percentage of the total number of agendas	100%	100%	100%
Number of BOE petitions responded to within the ARS timeline as a percentage of the total number of petitions received	100%	100%	100%
Staff hours per meeting	25	35	30
Staff hours per Board of Equalization petition	5.5	5.5	6
Number of County-sponsored trainings for special districts, boards, and commissions	2	6	10
Number of trainings provided to County departments	3	4	4

Community Grants	FY14	FY15	FY16
Level of funding provided in agency/program grants versus total available	40%	40%	40%
Number of Outreach programs/events sponsored	55	60	60
Number of citizens participating in sponsored programs	6,000	6,500	6,500

Elected Board of Supervisors	FY14	FY15	FY16
Secure Rural Schools (SRS) funding protected	\$4,000,000	\$3,900,000	\$3,900,000
Payment in Lieu of Taxes (PILT) funding protected	\$1,700,000	\$1,700,000	\$1,700,000
Amount of additional Sales Tax	N/A	\$3,500,000	7,800,000
Number of work sessions related to financial issues of specific programs/departments	8	12	6
Number of work sessions to review existing ordinances	13	11	8
Number of amended or new ordinances approved	3	2	2
Number of meetings attended at National level and for National issues	20	20	20
Number of meetings attended at State level and for State issues	45	45	45
Number of meetings attended at local level and for local issues	90	105	90

Department Staffing (Full Time Equivalents)

Positions by Title	FY14	FY15	FY16
Administrative Specialist II	1.00	1.00	1.00
Administrative Specialist III	1.00	1.00	1.00
Administrative Support II*	1.50	1.50	1.50
Clerk of the Board	1.00	1.00	1.00
Elected Official	5.00	5.00	5.00
Executive Assistant to BOS	5.00	5.00	5.00
Total Positions	14.50	14.50	14.50

* The Administrative Support II (1.0 FTE) is a limited term position authorized through FY16.

GENERAL GOVERNMENT

County Manager

219 E. Cherry Avenue, Flagstaff, AZ 86001 (928) 679-7130
Cynthia Seelhammer, County Manager

The County Manager is responsible for the daily management of County government and is accountable to the Board of Supervisors.

Program	SPA	Description
Criminal Justice Coordinating Council (CJCC)	PS	The focus of the CJCC is to improve the efficiency and effectiveness of the criminal justice system, which is crucial to cost containment of this large segment of the County's budget.
Executive Management	O&FH	The staff in the County Manager's office contribute to recommendations and the operational implementation of policies to support the elected Board of Supervisors.

Goals and Objectives

The department has the following primary objectives for FY16:

- Continue the "Connect the Dots" program with existing Dots rotating assignments every four months and new Dot recruitment in November 2015.
- Complete onboarding of new Government Relations Director, Human Resources Director and Deputy County Manager.
- Manage the County through the new fiscal budget reality for FY16 with the many new State cost shifts and unfunded mandates.
- Finalize the County's zoning ordinance updates and ensure the updates are consistent with planning best practices.
- The CJCC will implement the Systems Interrelations Tool and begin the ongoing effort to expand recidivism measurements.

Long-term goals for the County Manager's Office include:

- Assessment of new County budget impacts from new State budget for FY17.
- Enhance criminal justice system "data mining" and establish data-driven decision support systems.
- Continue working towards aligning Information Technology functions with the organization's strategies and objectives. Several existing entity-wide systems are in need of upgrade.
- Work with the Public Health Services District towards obtaining a balanced budget with minimal disruption of important programs and services that benefit the health and quality of life of County citizens.
- Ensure County essential operations are not disrupted in the event of an extreme emergency situation by establishing well-known protocols and procedures through Continuity of Operations Planning.
- The CJCC aims to improve diversion of cases that are primarily mental health treatment issues rather than criminal.

Opportunities and Challenges

- If State costs shifts continue to impact County funding, service reductions may be required and staff compensation plans may be pushed back.
- Due to a still-pending resolution on an education funding lawsuit and the end of a 1% sales tax levy, the State's budget is facing significant deficits in the next several years. The deficit could ultimately result in State impacts to local budgets and services over the next several years.
- The County Manager's Office is also facing a rapidly changing Leadership Team resulting from retirements of long-term tenured department directors in addition to an aging workforce with upcoming retirements in many other positions.

GENERAL GOVERNMENT

County Manager

Financial Summary

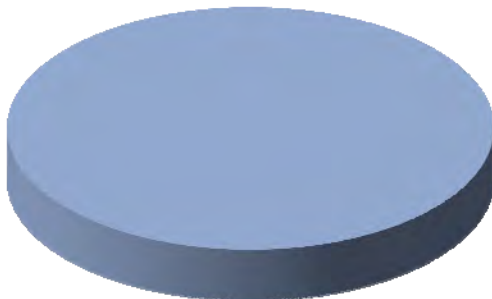
Beginning in FY15, the County Manager's Office became fully funded through the General Fund. In prior years, Emergency Management was a program within the County Manager's Office, and relied heavily on State and Federal grants. For FY15, Emergency Management was established as its own department so there are no longer any outside revenue sources included in the County Manager's Office.

The County Manager's Office is estimated to be 1% over their revised FY15 expenditure budget of \$894,628. This overage is primarily due to temporary wages within the Executive Management program. Their FY16 adopted expenditure budget of \$905,088 is 1% higher than in FY15. This slight increase is due to merit increases for most staff members.

The following charts illustrate the County Manager's revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

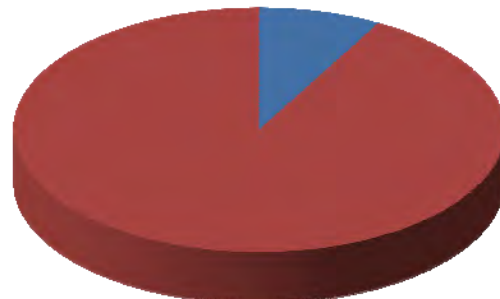
Revenue by Source Type

General Fund Support - 100%



Expenditures by Program

CJCC - 8%

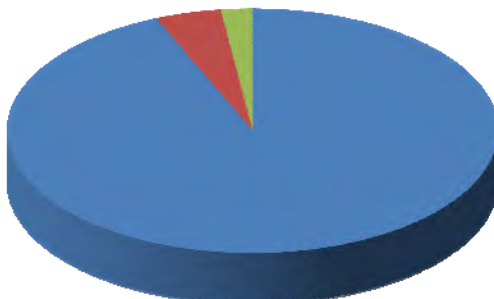


Executive Management - 92%

Expenditures by Category

Operations - 4%

Travel - 2%



Salary/ERE - 94%

Expenditures by Strategic Priority Area

Public Safety - 8%



Organizational & Fiscal Health - 92%

GENERAL GOVERNMENT

County Manager

Department-Wide Financial Statement

	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Revenues and Other Sources					
Federal and State Grants	\$ 198,424	\$ 97,388	\$ -	\$ 15,692	\$ -
Investment Income	-	93	-	47	-
Use of (Increase In) Fund Balance	51,436	75,493	-	(8,383)	-
General Fund Support	1,242,358	1,211,629	894,628	900,102	905,088
Total Funding Sources	\$ 1,492,218	\$ 1,384,602	\$ 894,628	\$ 907,458	\$ 905,088
Expenditures and Other Uses					
Salary/ERE	\$ 1,269,356	\$ 1,250,621	\$ 836,382	\$ 848,549	\$ 846,842
Operations	175,262	95,781	37,646	35,082	39,446
Travel	47,600	38,199	20,600	23,827	18,800
Total Uses of Funds	\$ 1,492,218	\$ 1,384,602	\$ 894,628	\$ 907,458	\$ 905,088
Net Indirect Support	10,220	10,220	-	-	-
Total	\$ 1,502,438	\$ 1,394,822	\$ 894,628	\$ 907,458	\$ 905,088
General Fund Support					
Program Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	(1,135,989)	(1,111,170)	(894,628)	(900,102)	(905,088)
GF Transfers to Other Funds	(106,369)	(100,459)	-	-	-
Total Direct Support	\$(1,242,358)	\$(1,211,629)	\$ (894,628)	\$ (900,102)	\$ (905,088)
Net Indirect Support	(10,220)	(10,220)	-	-	-
Total County Support	\$(1,252,578)	\$(1,221,849)	\$ (894,628)	\$ (900,102)	\$ (905,088)

FY16 Financial Statement by Program

Program Name	FY16 Program Revenue	FY16 General Fund Support	FY16 Use of Fund Balance	FY16 Program Budget	FY16 Net Indirect Support
Criminal justice Coordinating Council (CJCC)	\$ -	\$ 73,373	\$ -	\$ 73,373	\$ -
Executive Management	-	831,715	-	831,715	-
Total	\$ -	\$ 905,088	\$ -	\$ 905,088	\$ -

GENERAL GOVERNMENT

County Manager

Performance Measures by Program

Criminal Justice Coordinating Council (CJCC)	FY14	FY15	FY16
Negotiated agreements with the Department of Public Safety permitting ongoing access to ACCH data for County use	N/A	100%	100%
Implementation of quarterly dashboard tool that has been designed by the CJCC systems performance subcommittee	N/A	100%	100%
Improve operation and caseflow into non-justice system alternatives that handle behavioral health issues	N/A	100%	100%

Executive Management	FY14	FY15	FY16
Advance workforce diversity	N/A	50%	60%
Maintain core services within a balanced budget	N/A	100%	100%
Provide for emergency preparedness	N/A	100%	100%
Provide training programs	N/A	90%	90%
Update County Comprehensive Plan	N/A	80%	100%
Rewrite County Zoning Ordinance	N/A	100%	100%
Complete CPOS ballot projects	N/A	65%	100%

Department Staffing (Full Time Equivalents)

Positions by Title	FY14	FY15	FY16
Administrative Specialist I	1.00	1.00	1.00
Administrative Specialist II	1.22	1.00	1.00
Administrative Specialist III*	1.00	-	-
County Emergency Manager*	1.00	-	-
County Manager	1.00	1.00	1.00
Deputy County Manager	2.00	2.00	2.00
Director-Government Relations*	1.00	-	-
Executive Assistant to County Manager	1.00	1.00	1.00
Grants Writer*	0.25	-	-
Management Assistant*	1.00	-	-
Program Manager I	1.00	1.00	1.00
Public Information Officer*	1.00	-	-
Total Positions	12.47	7.00	7.00

* In FY15 Emergency Management and Government Relations became separate departments, and their FTEs are now located in their respective department financial statements.

GENERAL GOVERNMENT

Assessor

110 East Cherry Avenue, Flagstaff, AZ 86001 (928) 679-7962
Christine Mazon, Coconino County Assessor

The Assessor's Office creates the tax roll annually by identifying, locating and valuing all property subject to ad valorem taxes in Coconino County.

Program	SPA	Description
Administration	O&FH	The Administration division provides the vision to support employees of the department so they can achieve their departmental missions. This includes human resource activity, procurement, budget, legislative tracking, and intergovernmental communication. For FY16, the department has combined their Cartography and Customer Service programs into their Administration Program.
Appraisal	O&FH	The mandate of the Assessor's Office is to locate, list, and identify all taxable property within Coconino County. This provides the taxing authorities their tax base to provide services to our communities. Our mission is to provide property owners with a fair and equitable value.
Storage and Retrieval	O&FH	Established in January of 2002, this fund allows the Assessor to create, update, and enhance systems within the office.

Goals and Objectives

- In FY16, the Assessor will complete the First and Final Primary Residences Notifications as required by ARS 42-12052. Department staff have greatly reduced the number of notices required to be sent by continually reviewing properties with the Primary Residence legal class.
- The Assessor will continue to conduct community outreach in FY16 to inform taxpayers about changes in property valuation and expand the presentations for the Senior Valuation Protection Option and individual property valuation exemptions.
- In FY15, the Assessor introduced E-Notifications. This allows taxpayers the option to receive their Annual Notice of Value electronically. The department's goal is to inform more taxpayers about this option and expand this program for FY16.
- Beginning in FY16, the appraisal staff will begin a county-wide canvass utilizing oblique aerial imagery in addition to field inspections. The project to review all 75,000 county parcels will be completed by the end of FY18.
- As a longer-term goal, the department will focus on leadership and succession planning. The Assessor will continue to provide training and professional growth opportunities for staff. Expanding the office knowledge base and preparing staff for advancement is critical as more staff reach retirement in the coming years.

Opportunities and Challenges

- The First and Final mailing has been reduced from approximately 17,000 notifications to 7,000. This has greatly reduced the cost for this notification process.
- Printing and mailing continues to be one of the biggest expenses to the Assessor. We can reduce this cost by continuing to grow the E-Notification program. Savings in this program will allow the Assessor to allocate more funds to staff training and professional development.
- The Assessor requested and received approval to make the Business Application Specialist a permanent position for FY16. This position provides critical backup to the Software Implementation Specialist and provides a path for succession planning.

GENERAL GOVERNMENT

Assessor

Financial Summary

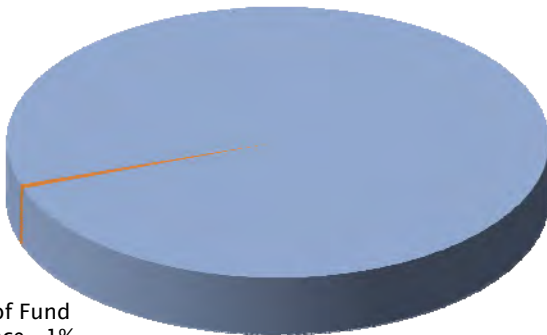
The majority of the Assessor's revenue is provided through General Fund support. The department's FY15 revenue ended the fiscal year 83% above budget, due to an additional software support IGA that was signed with Apache County. This IGA, as well as a similar one with La Paz County, is not expected to continue into FY16, leading to a decrease in budgeted revenue of 85%.

For FY15, the Assessor's office finished 23% under its revised expenditure budget of \$2,212,128. Half of this variance was due to salary savings from unfilled positions. The remainder was due to a \$290,000 pictometry contract that was budgeted but barely started in FY15. The remainder has been carried over into FY16. Even with this carryover, FY16 expenditures are slated to decrease by 9%, due to the removal of one unfilled administrative position. The department's Business Applications Specialist, which was previously a limited-term position, was made permanent by the Board for FY16.

The following charts illustrate the Assessor's revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

Revenue by Source Type

General Fund Support - 99%

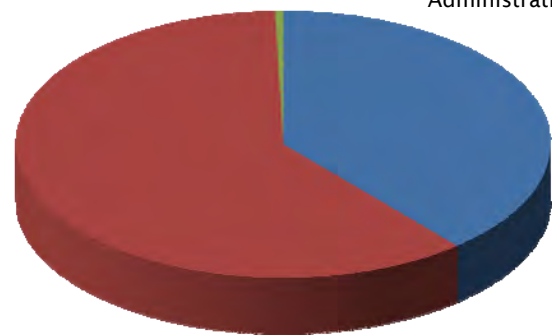


Use of Fund Balance - 1%

Expenditures by Program

Storage & Retrieval - .5%

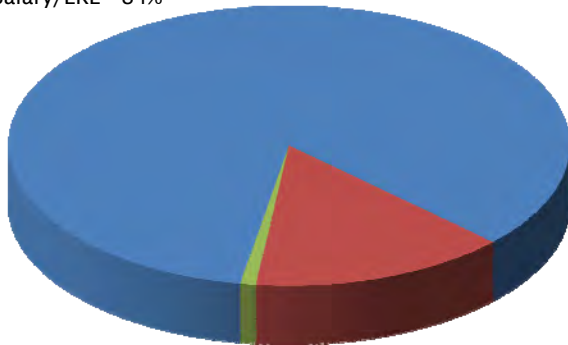
Administration - 38.7%



Appraisal - 60.8%

Expenditures by Category

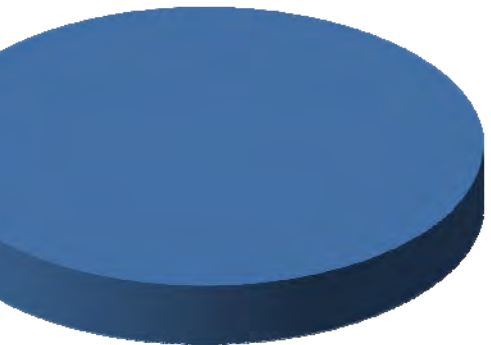
Salary/ERE - 84%



Travel - 1%

Operations - 15%

Expenditures by Strategic Priority Area



Organizational & Fiscal Health - 100%

GENERAL GOVERNMENT

Assessor

Department-Wide Financial Statement

Revenues and Other Sources	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Other Intergovernmental	\$ 44,800	\$ 44,800	\$ 44,800	\$ 89,600	\$ -
Charges for Services	4,000	627	4,000	541	1,000
Other	4,000	5,980	4,000	6,284	7,000
Use of (Increase In) Fund Balance	27,555	10,258	17,296	7,667	9,912
General Fund Support	1,817,324	1,746,061	2,142,032	1,598,264	1,998,550
Total Funding Sources	\$ 1,897,679	\$ 1,807,726	\$ 2,212,128	\$ 1,702,356	\$ 2,016,462

Expenditures and Other Uses	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Salary/ERE	\$ 1,734,009	\$ 1,670,458	\$ 1,707,913	\$ 1,473,596	\$ 1,699,761
Operations	100,530	80,323	445,470	187,801	298,691
Travel	63,140	56,945	48,745	40,960	18,010
Capital	-	-	10,000	-	-
Total Uses of Funds	\$ 1,897,679	\$ 1,807,726	\$ 2,212,128	\$ 1,702,356	\$ 2,016,462

Net Indirect Support	580,889	580,889	535,902	535,902	531,137
Total	\$ 2,478,568	\$ 2,388,615	\$ 2,748,030	\$ 2,238,258	\$ 2,547,599

General Fund Support	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Program Revenue	\$ 52,800	\$ 51,407	\$ 52,800	\$ 96,425	\$ 8,000
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	(1,870,124)	(1,797,467)	(2,194,832)	(1,694,689)	(2,006,550)
GF Transfers to Other Funds	-	-	-	-	-
Total Direct Support	\$(1,817,324)	\$(1,746,061)	\$(2,142,032)	\$(1,598,264)	\$(1,998,550)
Net Indirect Support	(580,889)	(580,889)	(535,902)	(535,902)	(531,137)
Total County Support	\$(2,398,213)	\$(2,326,950)	\$(2,677,934)	\$(2,134,166)	\$(2,529,687)

FY16 Financial Statement by Program

Program Name	FY16 Program Revenue	FY16 General Fund Support	FY16 Use of Fund Balance	FY16 Program Budget	FY16 Net Indirect Support
Administration	\$ 8,000	\$ 773,452	\$ -	\$ 781,452	\$ 235,505
Appraisal	-	1,225,098	-	1,225,098	295,632
Storage and Retrieval	-	-	9,912	9,912	-
Total	\$ 8,000	\$ 1,998,550	\$ 9,912	\$ 2,016,462	\$ 531,137

GENERAL GOVERNMENT

Assessor

Performance Measures by Program

Administration	FY14	FY15	FY16
Visits to Assessor Website	510,000	515,000	520,000
Primary Residence Affidavit Mailing	0	4,000	0
Training Hours per Employee	0	20	30
Documents Processed by Cartography	1,752	1,786	1,850
New Parcels	399	407	450
Total Parcels Processed for Annexation	186	90	100
Ownership and Address Changes	18,436	18,000	18,250
Incoming Phone Calls	7,494	6,494	6,500
Assisting Customers at Front Counter	2,491	2,500	2,500

Appraisal	FY14	FY15	FY16
Appeals	440	370	350
Building Permits	1,408	1,500	1,700
Canvass/Pictometry	0	9,020	17,500

Department Staffing (Full Time Equivalents)

Positions by Title	FY14	FY15	FY16
Administrative Specialist I*	5.00	4.00	3.00
Administrative Specialist II	-	1.00	1.00
Administrative Supervisor	1.00	1.00	1.00
Appraisal Manager	1.00	1.00	1.00
Appraiser I	5.00	4.00	4.00
Appraiser II	7.00	8.00	8.00
Appraiser, Senior	3.00	3.00	3.00
Business Applications Specialist	1.00	1.00	1.00
Cartographer	1.00	1.00	1.00
Chief Deputy Assessor	1.00	1.00	1.00
Elected Official	1.00	1.00	1.00
Software Implementation Specialist	1.00	1.00	1.00
Total Positions	27.00	27.00	26.00

*The Business Applications Specialist was a limited-term position scheduled to end in FY15. The Department elected to keep this position and eliminate an Administrative Specialist I position for FY16.

GENERAL GOVERNMENT

Emergency Management

219 East Cherry Avenue, Flagstaff, AZ 86001 (928) 679-8310
Robert Rowley, Emergency Manager

Emergency Management provides capability for local governments, businesses, organizations, and individuals to prepare for, respond to, recover from, and mitigate the effects of any natural or human-caused emergency or disaster.

Program	SPA	Description
Emergency Management	CV	Emergency Management provides capability for local governments, businesses, organizations, and individuals to prepare for, respond to, recover from, and mitigate the effects of any natural or human-caused emergency or disaster.

Goals and Objectives

The primary FY16 objectives for the department are:

- Maintain FEMA approval for the Coconino County Multi-Jurisdictional Hazard Mitigation Plan (CCMJHMP). A state- and FEMA-approved CCMJHMP is necessary for jurisdictions to be eligible for the Hazard Mitigation Grant Program, Pre-Disaster Mitigation Grant Program, and the Flood Mitigation Assistance Program. To maintain state and FEMA approval, the CCMJHMP must undergo a complete review every 5 years. Additional planning and review meetings will be held as necessary with a completion date of October 2015.
- The County's Hazardous Materials Emergency Response Plan is updated throughout the year and exercised every other year. The next exercise will be in the spring of 2016.
- Emergency Management will be applying for a Hazardous Materials Emergency Planning (HMEP) Grant to create worst case scenario modeling for the top 100 Tier II commercial facilities as well as Bakken crude oil rail shipments. Funding is expected by early 2016 and modeling is estimated to be complete by April 2016.

Longer-term goals for the Emergency Management department include:

- The CodeRED contract will automatically renew on July 1 2016 (FY17). Emergency Management is currently negotiating IGAs with Camp Navajo, and the Cities of Williams and Flagstaff. Plans are to have IGAs in place with these jurisdictions by the end of FY16, which will reduce the cost of CodeRED to the County by \$12,000 annually.
- Continue outreach efforts through CERT with the communities including our Tribal communities in the area of disaster resiliency.
- Continue to seek grant funding opportunities to supplement County and local emergency agencies with mitigation, preparedness, and response to local disasters.

Opportunities and Challenges

- Coconino County Emergency Management training and exercise activities are currently fully funded through the State Homeland Security Grant Program (SHSP). SHSP funding has been secured through FY16.
- In anticipation of Bakken crude oil rail shipments traversing Coconino County in the near future, Emergency Management will be adding worst case scenario planning for train derailments near population centers.

GENERAL GOVERNMENT

Emergency Management

Financial Summary

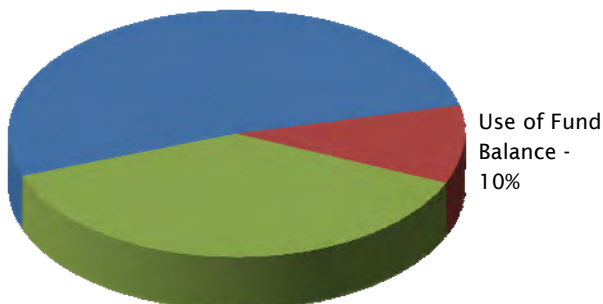
The Emergency Management department is funded primarily by Federal and State grants that require a 50% match from the County's General Fund. Due to recent reductions in Title III funding, the General Fund transfer to the department has increased to offset program costs previously funded through Title III. For FY15, the department's revenue finished 69% less than budgeted, due to a lag in grant reimbursements. FY16 revenue is budgeted 27% lower than in FY15, due to continued declines in grant revenue. The department continues to look for partners to secure further funding and reduce General Fund support.

For FY15, Emergency Management ended the year 15% over their revised expenditure budget (excluding contingency funds) of \$300,358. This overage was due to contracted work on an emergency operations plan for Oak Creek Canyon. The department's FY16 adopted expenditure budget of \$340,293 is 4% lower than in FY15, due to less contingency funds. The department requested and received a \$17,500 one-time budget increase to maintain their Code Red public alert and warning system.

The following charts illustrate the Emergency Management Department's revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area. Expenditure charts exclude unawarded grants.

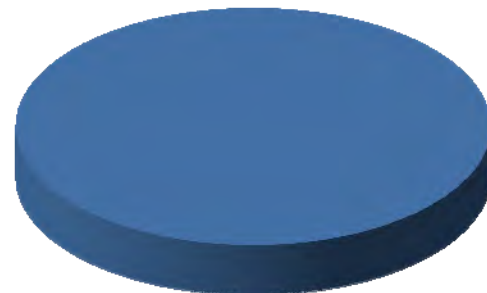
Revenue by Source Type

Federal & State Grants - 52%



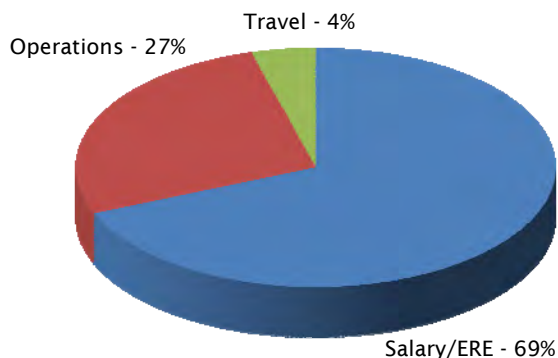
General Fund Support - 38%

Expenditures by Program



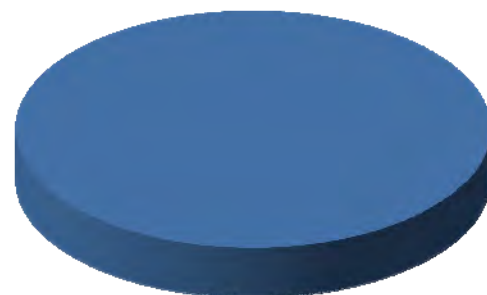
Emergency Management - 100%

Expenditures by Category



Salary/ERE - 69%

Expenditures by Strategic Priority Area



Community Vitality - 100%

GENERAL GOVERNMENT

Emergency Management

Department-Wide Financial Statement

	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Revenues and Other Sources					
Federal and State Grants	\$ -	\$ -	\$ 241,808	\$ 74,998	\$ 176,531
Other	-	-	-	804	-
Use of (Increase In) Fund Balance	-	-	(15,574)	141,763	34,794
General Fund Support	-	-	127,388	127,388	128,968
Total Funding Sources	\$ -	\$ -	\$ 353,622	\$ 344,953	\$ 340,293
Expenditures and Other Uses					
Salary/ERE	\$ -	\$ -	\$ 228,027	\$ 233,584	\$ 233,844
Operations	-	-	110,845	102,164	91,699
Travel	-	-	14,750	9,205	14,750
Total Uses of Funds	\$ -	\$ -	\$ 353,622	\$ 344,953	\$ 340,293
Net Indirect Support	-	-	15,510	15,510	54,357
Total	\$ -	\$ -	\$ 369,132	\$ 360,463	\$ 394,650
General Fund Support					
Program Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	-	-	-	-	-
GF Transfers to Other Funds	-	-	(127,388)	(127,388)	(128,968)
Total Direct Support	\$ -	\$ -	\$ (127,388)	\$ (127,388)	\$ (128,968)
Net Indirect Support	-	-	(15,510)	(15,510)	(54,357)
Total County Support	\$ -	\$ -	\$ (142,898)	\$ (142,898)	\$ (183,325)

FY16 Financial Statement by Program

Program Name	FY16 Program Revenue	FY16 General Fund Support	FY16 Use of Fund Balance	FY16 Program Budget	FY16 Net Indirect Support
Emergency Management	\$ 176,531	\$ 128,968	\$ 34,794	\$ 340,293	\$ 54,357
Total	\$ 176,531	\$ 128,968	\$ 34,794	\$ 340,293	\$ 54,357

GENERAL GOVERNMENT

Emergency Management

Performance Measures by Program

Emergency Management	FY14	FY15	FY16
Conduct emergency management training and exercises each year based on first responder agency and EOC Team needs	10 trainings hosted or supported and 6 exercises conducted or participated in	12 trainings have been or will be hosted or supported and 3 exercises have been or will be conducted or participated in	On-going
The CodeRED emergency notification system is maintained and ready to use 24/7	CodeRED was selected as the replacement system. CodeRED was heavily utilized during the Slide Fire and post fire flood planning. CodeRED currently has over 3 times the citizen enrollment that CityWatch had.	Currently, cost sharing IGA's for CodeRED are being explored with Camp Navajo, Grand Canyon National Park, and the City of Flagstaff, with hopes that IGA's will be in place with two of them by the beginning of FY16.	On-going
Response to real world events	KEW Flash Flooding, North Peaks-McCann-Schultz flash flooding, Yarnell Hill Fire, Fisher Fire, Slide Fire, Junipine Fire	East Flagstaff Flash Flooding and 4.7 earthquake	On-going
CCMJHMP annual reviews conducted	Completed	Completed	On-going
5-Year CCMJHMO annual review completed	Not Required	In process and estimated completion by October 2015	On-going
The EOP is current, approved, and exercised	Plan Exercised	Plan Exercised	On-going
The LEPC meets regularly on a quarterly basis	4 Meetings Held	4 Meetings held	On-going
The LEPC HazMat Plan is current, approved, and exercised	Plan Exercised	Plan Exercised	On-going

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Administrative Specialist III	-	1.00	1.00
County Emergency Manager	-	1.00	1.00
Program Coordinator	-	1.00	1.00
Total Positions	-	3.00	3.00

* Emergency Management was a program within the County Manager's Office in FY14.

GENERAL GOVERNMENT

Government Relations

219 E. Cherry Avenue, Flagstaff, AZ 86001 (928) 679-7134
Todd Madeksza, Director

The Government Relations Department improves County service levels across all departments by seeking legislative solutions, protecting revenue sources, and generating new funding opportunities for County programs.

Program	SPA	Description
Government Relations	O&FH	The Government Relations Department coordinates all government relations, public outreach, and grant writing for Coconino County.

Goals and Objectives

The primary FY16 objectives for the department are:

- Continuing to work on a communication plan for Coconino County, which will include a social media policy.
- Continuing the publication of the bi-annual Report to Citizens.
- Expanding communication efforts through the use of videos distributed through social media.
- Increasing revenue generated through grants.

Longer-term goals for the Government Relations Department include:

- On the State level, the Government Relations Department will continue to work on key transportation funding, including Highway User Revenue Funds (HURF), as well as ensuring the County is not burdened with additional unfunded mandates.
- The Department will continue to expand its use of social media and expand the distribution of the newly created E-Newsletter.

Opportunities and Challenges

- The Government Relations Department has seen an increase in the use of the Department's services for legislative tracking, legislation advocacy and public information. The Department has increased the amount of departments who are using grant services to explore grant opportunities.
- One of the biggest challenges for the Department is keeping up with the latest technology. Technology is constantly changing and, as a result, the County must change the way we communicate. Ensuring the Department has an adequate budget for training is key to continuing to learn industry best practices.

GENERAL GOVERNMENT

Government Relations

Financial Summary

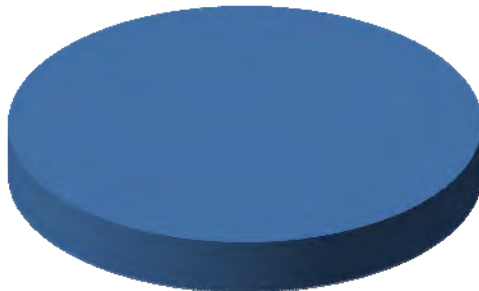
The Government Relations Department is fully funded by the General Fund and has no other revenue sources.

Prior to FY15, Government Relations was a program within the County Manager's Office and the direct costs associated with the program only included salary and benefits. In FY15, Government Relations was established as a new department with operating costs, which include printing and mailing the Coconino County Report to the Citizens as well as travel costs for staff. The Department ended FY15 5% under its expenditure budget of \$420,813, due to salary savings from staff turnover and reduced postage expenses. The Department's FY16 approved expenditure budget of \$427,064 represents a 1% increase over FY15, due to merit increases for qualifying staff.

The following charts illustrate the Government Relations Department revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

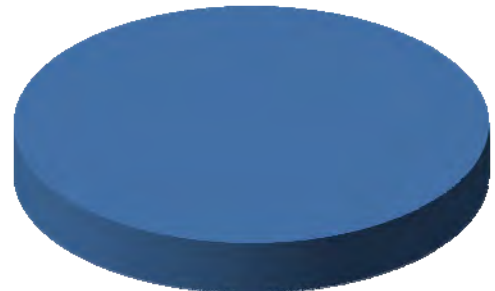
Revenue by Source Type

General Fund Support - 100%

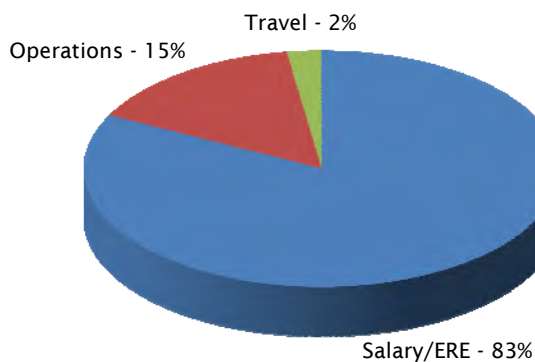


Expenditures by Program

Government Relations - 100%

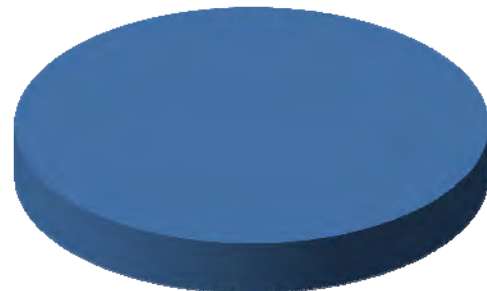


Expenditures by Category



Expenditures by Strategic Priority Area

Organizational & Fiscal Health - 100%



GENERAL GOVERNMENT

Government Relations

Department-Wide Financial Statement

<u>Revenues and Other Sources</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
General Fund Support	\$ -	\$ -	\$ 420,813	\$ 401,473	\$ 427,064
Total Funding Sources	\$ -	\$ -	\$ 420,813	\$ 401,473	\$ 427,064
<u>Expenditures and Other Uses</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Salary/ERE	\$ -	\$ -	\$ 345,813	\$ 335,182	\$ 352,064
Operations	-	-	65,000	57,223	65,000
Travel	-	-	10,000	9,069	10,000
Total Uses of Funds	\$ -	\$ -	\$ 420,813	\$ 401,473	\$ 427,064
Net Indirect Support	-	-	-	-	-
Total	\$ -	\$ -	\$ 420,813	\$ 401,473	\$ 427,064
<u>General Fund Support</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Program Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	-	-	(420,813)	(401,473)	(427,064)
GF Transfers to Other Funds	-	-	-	-	-
Total Direct Support	\$ -	\$ -	\$ (420,813)	\$ (401,473)	\$ (427,064)
Net Indirect Support	-	-	-	-	-
Total County Support	\$ -	\$ -	\$ (420,813)	\$ (401,473)	\$ (427,064)

FY16 Financial Statement by Program

<u>Program Name</u>	<u>FY16 Program Revenue</u>	<u>FY16 General Fund Support</u>	<u>FY16 Use of Fund Balance</u>	<u>FY16 Program Budget</u>	<u>FY16 Net Indirect Support</u>
Government Relations	\$ -	\$ 427,064	\$ -	\$ 427,064	\$ -
Total	\$ -	\$ 427,064	\$ -	\$ 427,064	\$ -

GENERAL GOVERNMENT

Government Relations

Performance Measures by Program

Government Relations	FY14	FY15	FY16
Number of County residents receiving the Annual Report to Citizens	N/A	70,000	135,000
Number of news and Internet articles involving the County and/or its programs	N/A	N/A	50
Number of press releases generated during the fiscal year	N/A	180	165
Increase in the number of social media followers	N/A	1,400	500
Dollars in State revenue protected and secured	N/A	\$800,000	\$900,000
Dollars in Federal revenue protected and secured	N/A	\$2,500,000	\$5,000,000
Number of grant applications submitted	N/A	10	10
Number of successful grant applications	N/A	4	5
Amount of revenue generated from successful grant applications	N/A	\$20,800	\$100,000
Number of successful award applications	N/A	5	5

Department Staffing (Full Time Equivalents)

Positions by Title	FY14	FY15	FY16
Director-Government Relations	-	1.00	1.00
Grants Writer	-	1.00	1.00
Management Assistant	-	1.00	1.00
Public Information Officer	-	1.00	1.00
Total Positions	-	4.00	4.00

* Government Relations was a program within the County Manager's Office in FY14.

GENERAL GOVERNMENT

Recorder

110 E. Cherry Avenue, Flagstaff, AZ 86001 (928) 679-7850
Patty Hansen, Recorder

The Recorder's Office responsibilities include processing and creating a public record of all documents received in a timely manner, to ensure that all records are easily accessible to the public and to conduct all aspects of elections, including voter management, outreach, and the election process.

Program	SPA	Description
County Mail Center	O&FH	The County Mail Center is responsible for processing the County inbound and outbound U.S. Postal Services, FedEx, and UPS letters and parcels.
Elections	O&FH	The Elections Program is responsible for maintaining high public confidence in the electoral process by conducting local, State and Federal Elections in Coconino County with the highest level of professional election standards, integrity, <u>fairness, security and accuracy.</u>
Recording	CV	The mission of the Recorder's Office is to maintain a public record consisting of all documents accepted for recording.
Voter Registration	CV	This program is responsible for maintaining the official registry of registered voters for Coconino County.

Goals and Objectives

Departmental objectives for FY16 include:

- Completion of the electronic index for document images that have been uploaded for the years of 1981 and 1982.
- Implementation of G2G (Government to Government) eRecording.
- Conducting two possible elections in FY16: the Presidential Preference Election (PPE) and a possible City of Flagstaff Special Election. There is the possibility that the Legislature may cancel the PPE election entirely because of the current fiscal situation in the state.
- The City of Flagstaff has told our office that they may have the County conduct a vote-by-mail special election in May, 2016.

A long-term goal for the department is working towards a two week turn-around time to process all documents submitted to the office for recording. When the division has all four employees working they are able to meet this goal, but if one employee is gone because of illness, meetings or vacation the two week turn-around time is not met.

Opportunities and Challenges

- G2G eRecording would eliminate the need for other governmental agencies to mail or deliver in person, documents for recordings. They would be able to submit them via a secure internet connection. This eliminates the need for Recording staff to scan and mail back the documents to these agencies and the agencies receive quicker service.
- The Secretary of State's office is implementing a centralized platform for our existing Voter Registration Arizona (VRAZ) statewide voter registration system. All voter registration data will be stored in a centralized location at the state level instead of with local servers in each county. The VRAS program will be accessible online instead of using software that needs to be loaded on local computers. The new system will provide real-time data flow and allow staff to access the voter registration system from anywhere with internet access.

GENERAL GOVERNMENT

Recorder

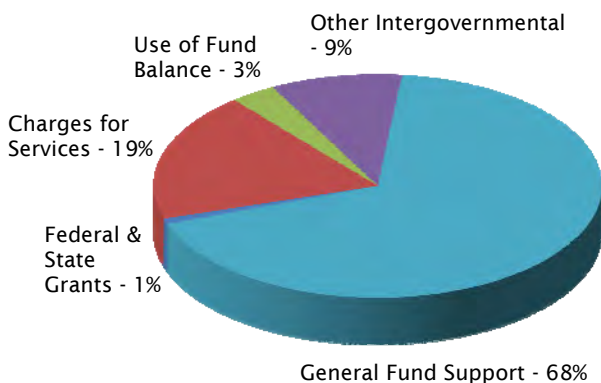
Financial Summary

The primary revenue source for the Recorder's Office is General Fund support. In addition, the Recorder's Office receives revenue from other municipalities for election costs, as well as fees for services revenue in the Recording division. The fees for recording services are estimated to be 4% under the FY15 budget. Intergovernmental revenue for election charges is estimated to be 95% above the FY15 budget, due to recent legislative changes that require all elections to occur on the November ballot and causing all revenue to be realized in the fall of 2015.

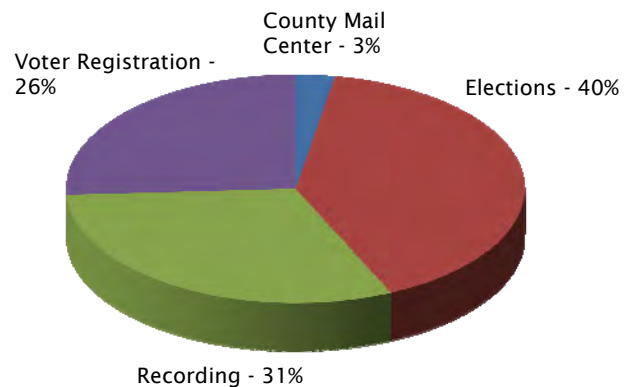
The Recorder's Office is estimated to be 9% under their revised FY15 expenditure budget of \$2,212,482. This variance is primarily due to savings on computer lease payments in the Recording division. The FY16 adopted expenditure budget of \$2,078,165 is 6% under the FY15 budget. This variance is due to decreases in temporary and overtime wages related to elections which are cyclical in nature. The department requested and received a total of \$441,700 in one-time funding for FY16 mailings and special election costs.

The following charts illustrate the Recorder's revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

Revenue by Source Type



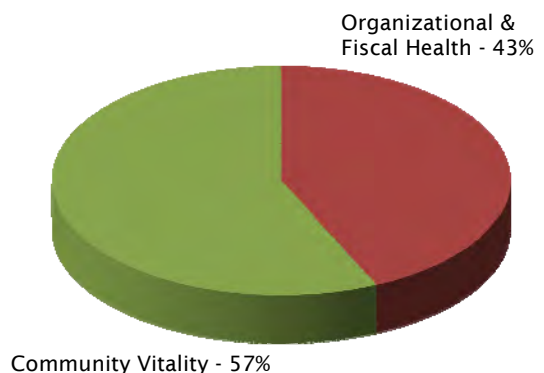
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



GENERAL GOVERNMENT

Recorder

Department-Wide Financial Statement

Revenues and Other Sources	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Federal and State Grants	\$ 36,665	\$ 13,635	\$ 16,665	\$ 3,030	\$ 16,665
Other Intergovernmental	478,220	365,497	212,000	412,413	197,500
Charges for Services	388,000	352,348	388,000	372,476	388,000
Investment Income	2,400	6,487	400	2,469	900
Other	2,000	1,604	2,000	2,782	2,000
Use of (Increase In) Fund Balance	87,437	123,761	58,004	(89,092)	68,412
General Fund Support	1,094,486	921,975	1,535,413	1,306,423	1,404,688
Total Funding Sources	\$ 2,089,208	\$ 1,785,307	\$ 2,212,482	\$ 2,010,502	\$ 2,078,165
Expenditures and Other Uses	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Salary/ERE	\$ 1,106,911	\$ 1,057,273	\$ 1,205,812	\$ 1,179,246	\$ 1,123,047
Operations	862,358	624,993	901,131	744,214	898,923
Travel	61,095	45,191	56,195	37,698	56,195
Capital	9,500	8,507	-	-	-
Transfers to Other Funds	49,344	49,344	49,344	49,344	-
Total Uses of Funds	\$ 2,089,208	\$ 1,785,307	\$ 2,212,482	\$ 2,010,502	\$ 2,078,165
Net Indirect Support	311,849	311,849	305,779	305,779	338,169
Total	\$ 2,401,057	\$ 2,097,156	\$ 2,518,261	\$ 2,316,281	\$ 2,416,334
General Fund Support	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Program Revenue	\$ 672,220	\$ 558,770	\$ 440,000	\$ 580,960	\$ 422,500
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	(1,665,006)	(1,404,062)	(1,873,713)	(1,813,545)	(1,725,488)
GF Transfers to Other Funds	(101,700)	(76,683)	(101,700)	(73,838)	(101,700)
Total Direct Support	\$(1,094,486)	\$(921,975)	\$(1,535,413)	\$(1,306,423)	\$(1,404,688)
Net Indirect Support	(311,849)	(311,849)	(305,779)	(305,779)	(338,169)
Total County Support	\$(1,406,335)	\$(1,233,824)	\$(1,841,192)	\$(1,612,202)	\$(1,742,857)

GENERAL GOVERNMENT

Recorder

FY16 Financial Statement by Program

Program Name	FY16 Program Revenue	FY16 General Fund Support	FY16 Use of Fund Balance	FY16 Program Budget	FY16 Net Indirect Support
County Mail Center	\$ -	\$ 57,148	\$ -	\$ 57,148	\$ 10,621
Elections	216,665	656,178	(32,505)	840,338	126,741
Recording	388,400	153,751	100,917	643,068	108,923
Voter Registration	-	537,611	-	537,611	91,884
Total	\$ 605,065	\$ 1,404,688	\$ 68,412	\$ 2,078,165	\$ 338,169

Performance Measures by Program

County Mail Center	FY14	FY15	FY16
Business reply mail	29,292	32,000	34,000
U.S. Mail outbound	233,121	230,000	232,000
FedEx and UPS outbound	177	214	220
Business reply mail	\$16,573	\$24,155	\$25,675
U.S. Mail outbound	\$143,556	\$153,074	\$154,414
Courier outbound: FedEx and UPS	\$3,289	\$4,079	\$4,200
Number of departments utilizing the folder/inserter	6	8	6

Elections	FY14	FY15	FY16
Polling place elections conducted	1	2	1
Vote by mail elections conducted	1	1	1
Percent of polls	100%	100%	100%
Voter equipment problems	N/A	N/A	0

Recording	FY14	FY15	FY16
Number of recorded documents	28,741	35,000	35,000
Percentage of e-recordings	48%	55%	55%
Dates of documents created	N/A	Project Completion	Completed in FY15
Number of maps that have been updated	1,154	2,447	5,196
Date range of maps updated	01/14/1891- 12/31/1974	12/31/1974- 12/31/1999	Through 2005

Voter Registration	FY14	FY15	FY16
Active registered voters	66,260	72,000	70,000
Active registered voters on the Permanent Early Voting List (PEVL)	34,004	38,000	40,000
Percentage of active registered voters on PEVL	51%	53%	57%
Petition verifications completed by statutory deadline	100%	100%	100
Provisional ballots processed	313	3,346	1,000
Provisional ballots processed by statutory deadline	100%	100%	100%

GENERAL GOVERNMENT

Recorder

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Administrative Manager, Senior	1.00	1.00	1.00
Administrative Specialist I	5.50	4.50	4.50
Administrative Specialist II	-	1.00	1.00
Administrative Specialist III	2.00	2.00	2.00
Administrative Support II	1.00	1.00	1.00
Business Manager	1.00	1.00	1.00
Chief Deputy Recorder	1.00	1.00	1.00
Elected Official	1.00	1.00	1.00
Elections Administrator	1.00	1.00	1.00
Elections Outreach Coordinator	1.00	1.00	1.00
Elections Outreach Worker	1.00	1.00	1.00
Elections Training and Communications Coordinator	1.00	1.00	1.00
Technical Specialist III	1.00	1.00	1.00
Total Positions	17.50	17.50	17.50

*Please note that there are no staffing changes for Facilities Management for FY16.

GENERAL GOVERNMENT

Superintendent of Schools

2384 N. Steves Boulevard, Flagstaff, AZ 86001 (928) 679-8077
Risha VanderWey, Superintendent of Schools

The mission of the Coconino County Superintendent of Schools Education Service Agency is to ensure every student in Coconino County has an exemplary education and that our tax dollars for education are used effectively.

Program	SPA	Description
Accommodation School District	CV	The Coconino County Regional Accommodation School District #99 (CCRASD) encompasses two accommodation high schools, juvenile detention, and jail education.
Fiscal and Election Division	CV	The purpose of this program is to facilitate the fiscal efficiencies of school districts by providing a central location of financial assistance and oversight to all the school districts in Coconino County.
Innovation and Development (I&D)	CV	The Office of Innovation and Development provides technical assistance and professional development services to County and regional educators to meet State and Federal mandates and improve instructional quality.
Transformative Learning Center (TLC)	CV	The Transformative Learning Center is a parent-child strategy to redefine early education. The initiative empowers families with knowledge, connects community support networks, and supports universal access to quality preschools in Coconino

Goals and Objectives

The primary FY16 objectives for the department are:

- The County School Superintendent's office would like to assist schools with providing high quality/cost-effective special education and related services for all children with disabilities by forming a cadre of highly qualified specialists who will contract with the CCESA to provide services to schools in need. To meet this need, the Innovation and Development Program will expand services by providing Special Education Services (SPED) to schools who cannot recruit and hire SPED service personnel.
- This spring Coconino County Juvenile Detention Education is proudly hosting its own AdvancEd/NCA accreditation team. We are preparing for the visit and hope to be accredited sometime in early summer.
- Increase the number of credits earned by students who are incarcerated in the Coconino County Juvenile Detention Center and Jail Education program.

Longer-term goals for this department include:

- The Superintendent of Schools will continue evaluation of their Parenting College, a 40-60 hour family development curriculum facilitated by the Transformative Learning Center. Our curriculum uses hands on experiences and reflection to explore early brain development, relationships, discipline, health and safety, financial literacy, and quality education.
- In order to become self-sustaining, the Transformative Learning Center (TLC) will establish a donation system to support program capacity and our "Early Learning Scholarship" fund. Our Advisory Council will support identification of key stakeholders and large donors.

GENERAL GOVERNMENT

Superintendent of Schools

Opportunities and Challenges

- Our office reconciles district's warrants and cash balances to the Treasurer's Office on a monthly basis. Our two offices have requested, for the past two years, that Visions (IVEE, the school district accounting software) and Eagle Tyler (ET, the treasurer's warrant system) systems interface. Tyler Tech did not realize the challenge this request would be for their staff. They are still currently working on writing a seamless interface between ET and IVEE County GL.
- The SPED program will increase the fee for service revenue. If the program expands and becomes self-sustaining, a Program Coordinator and a part-time Account Technician position will be required to maintain quality services. Until the program becomes self-sustaining, the Business Manager and Associate Superintendent will be adding duties to their workload.

GENERAL GOVERNMENT

Superintendent of Schools

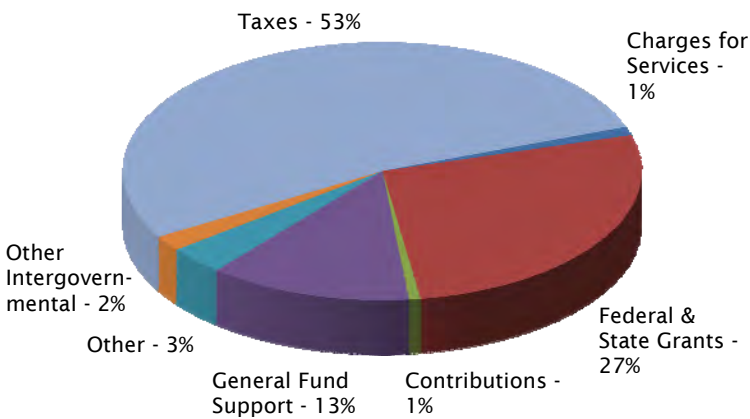
Financial Summary

The Superintendent of Schools office relies heavily on school equalization tax revenue, State and Federal grants, and National Forest Fee revenue, which results in large variances in budget to actuals from year to year. Due to the potential loss of Secure Rural Schools funding in FY16, the Fiscal and Election Division will become fully funded by General Fund support. The department received unbudgeted National Forest Fee income in late FY15, leaving them 14% over their revenue budget.

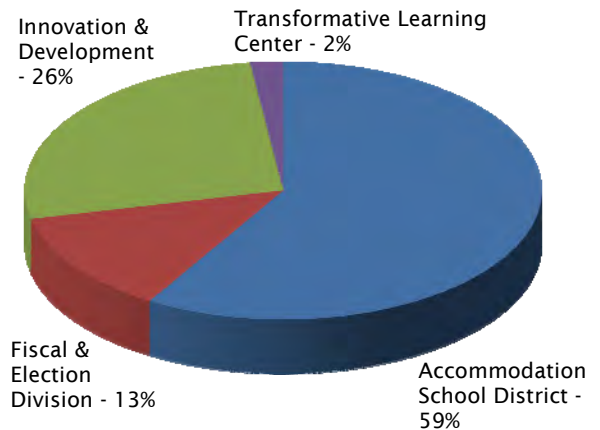
For FY15, the Superintendent of Schools is estimated to be 10% over their revised expenditure budget of \$5,743,131. This variance is due entirely to Grants to Other Agencies that were not budgeted in FY15 but were made possible through the reception of National Forest Fee Revenue. The FY16 adopted expenditure budget of \$3,645,469 is 37% under the FY15 budget. This variance is due to a reduction in Federal and State grant funding, lower expected tax revenue, and a loss of National Forest Fee revenue.

The following charts illustrate the Superintendent of School’s revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

Revenue by Source Type



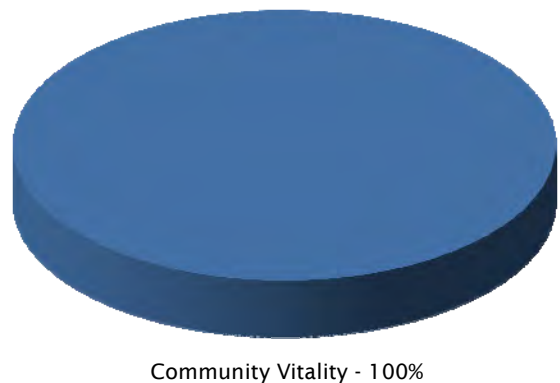
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



GENERAL GOVERNMENT

Superintendent of Schools

Department-Wide Financial Statement

<u>Revenues and Other Sources</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Federal and State Grants	\$ 2,934,158	\$ 2,029,239	\$ 2,470,228	\$ 1,771,018	\$ 1,150,439
Taxes	2,239,919	3,183,976	2,708,375	2,245,085	2,245,085
Other Intergovernmental	61,920	10,517	82,000	17,381	82,000
Charges for Services	100,114	67,464	40,000	43,346	45,000
National Forest Fees	2,052,529	2,072,529	-	1,977,892	-
Investment Income	379	33,905	1,029	20,865	1,029
Contributions	33,000	32,900	50,000	47,600	30,000
Other	152,696	143,711	74,000	38,530	150,000
Use of (Increase In) Fund Balance	155,438	(344,219)	(198,729)	136,175	(595,972)
General Fund Support	57,875	1,542	516,228	31,611	537,888
Total Funding Sources	\$ 7,788,028	\$ 7,231,564	\$ 5,743,131	\$ 6,329,503	\$ 3,645,469
<u>Expenditures and Other Uses</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Salary/ERE	\$ 1,173,861	\$ 687,817	\$ 984,282	\$ 765,360	\$ 834,106
Operations	6,384,102	6,464,908	4,594,862	5,447,928	2,787,854
Travel	230,065	78,839	163,987	102,037	23,509
Capital	-	-	-	14,178	-
Total Uses of Funds	\$ 7,788,028	\$ 7,231,564	\$ 5,743,131	\$ 6,329,503	\$ 3,645,469
Net Indirect Support	189,298	189,298	152,746	152,746	215,252
Total	\$ 7,977,326	\$ 7,420,862	\$ 5,895,877	\$ 6,482,249	\$ 3,860,721
<u>General Fund Support</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Program Revenue	\$ 475,160	\$ 475,160	\$ -	\$ 467,217	\$ -
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	(533,035)	(476,702)	(453,716)	(450,298)	(467,217)
GF Transfers to Other Funds	-	-	(62,512)	(48,530)	(70,671)
Total Direct Support	\$ (57,875)	\$ (1,542)	\$ (516,228)	\$ (31,611)	\$ (537,888)
Net Indirect Support	(189,298)	(189,298)	(152,746)	(152,746)	(215,252)
Total County Support	\$ (247,173)	\$ (190,840)	\$ (668,974)	\$ (184,357)	\$ (753,140)

GENERAL GOVERNMENT

Superintendent of Schools

FY16 Financial Statement by Program

Program Name	FY16 Program Revenue	FY16 General Fund Support	FY16 Use of Fund Balance	FY16 Program Budget	FY16 Net Indirect Support
Accommodation School District	\$ 3,007,378	\$ -	\$ (869,878)	\$ 2,137,500	\$ -
Fiscal and Election Division	-	467,217	-	467,217	96,543
Innovation and Development	691,175	-	274,606	965,781	100,633
Transformative Learning Center	5,000	70,671	(700)	74,971	18,076
Total	\$ 3,703,553	\$ 537,888	\$ (595,972)	\$ 3,645,469	\$ 215,252

Performance Measures by Program

Fiscal and Election Division

	FY14	FY15	FY16
Overall rating of satisfaction with the processing of payroll school vouchers based on survey	100%	100%	100%
Overall rating of satisfaction with the processing of accounts payable school vouchers based on survey	100%	100%	100%
Overall rating of satisfaction with our offices process of calculating the annual tax levy based on survey	100%	100%	100%
Overall rating of satisfaction with the processing of revenues based on survey	100%	100%	100%
Overall rating of satisfaction with the timeliness and accuracy with the monthly cash reconciliation based on survey	100%	100%	100%
Overall rating of satisfaction with the School Finance Support Group and other trainings offered by this office based on survey	100%	100%	100%
Number of School Board appointments	N/A	2	2

Innovation and Development (I&D)

	FY14	FY15	FY16
By acting as a fiscal and program planning service, the ESA provided access to funds that small district and charters cannot by law receive as individual awards	5	5	4
Number of grants awarded	5	5	4
Number of school districts, charter, private schools and BIA schools requesting and receiving SPED services	2	10	10
Overall special education quality based on evaluation feedback	N/A	80%	80%
Number of educators that participate in ESA training opportunities annually	2,904	1,000	1,000
School district, charter, private schools and BIA-contracted schools receiving services	44	20	20
Overall professional development quality based on evaluation feedback	96%	90%	90%
Number of on-line professional development activities provided to district, charter, private schools and BIA schools requesting and receiving SPED services	N/A	5	5
Number of educators participating in on-line professional development opportunities	N/A	100	200
Overall rating of relevance of professional development based on participant feedback	71%	80%	90%
Overall rating of relevance of professional development based on participant feedback	96%	90%	90%

GENERAL GOVERNMENT

Superintendent of Schools

Performance Measures by Program

Transformative Learning Center (TLC)	FY14	FY15	FY16
Offer Parenting College to teens and community parents in Coconino County, particularly those enrolled in high school, GED, community college and/or workforce development programs	18	25	30
Maintain partnerships with Killip, TAPP, Summit High School, and Coconino Community College	4	4	4
90% of PC graduates will demonstrate increased knowledge of healthy family dynamics and early brain development, use research-based best practices explored in class, and engage in experiences that prepare their children for kindergarten	N/A	90% of PC graduates (as evidenced by pre-post surveys, focus groups and annual surveys)	On-going
100% of PC graduates will demonstrate increased knowledge of local family support services and use at least one new community resource before graduating	N/A	100% of PC graduates (as evidenced by pre-post surveys, focus groups and annual surveys)	On-going
80% of teen graduates will graduate high school and attend a post-secondary educational institution or trade school		80% of teens will graduate high school (as evidenced by graduation records)	On-going
90% of children of PC graduates will be kindergarten-ready		90% of children (of PC graduates) entering kindergarten will score "ready" as evidenced by FUSD Kindergarten Developmental Assessment (KDA)	On-going
Establish a "donation home" for tuition scholarship fund donations	TLC account established	In process	Donation home in place
Obtain funds from various sources including large donors (community, business) and grants.	1 award	2 awards	3 awards
Collaborate with local educational advocacy groups to increase business and government investments in early childhood education	2 advocacy groups	3 advocacy groups	N/A
Maintain partnership with Killip Elementary and Flagstaff Cooperative Preschool	\$5,000 annual contribution	\$5,000 annual contribution	On-going

GENERAL GOVERNMENT

Superintendent of Schools

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Accounting Technician II	1.00	1.00	1.00
Accounting Technician III	-	1.00	1.00
Administrative Specialist II	-	0.50	0.63
Administrative Specialist III	1.00	1.00	1.00
Associate Superintendent of Schools	1.00	1.00	1.00
Business Manager	1.00	1.00	1.00
Chief Deputy Superintendent of Schools	1.00	1.00	1.00
Elected Official	1.00	1.00	1.00
ESA Program Coordinator	-	1.50	1.83
Program Coordinator	4.83	1.00	0.50
Program Supervisor	-	-	0.75
School Finance Technician	1.00	-	-
Total Positions	11.83	10.00	10.71

* The Superintendent of Schools Office is heavily grant funded, which results in large fluctuations in FTEs.

GENERAL GOVERNMENT

Treasurer

110 E. Cherry Avenue, Flagstaff, AZ 86001 (928) 679-8188
Sarah Benatar, Treasurer

The Treasurer is a constitutional office for County governments within the State of Arizona. The Coconino County Treasurer is the ex-officio tax collector for 48 taxing jurisdictions and the custodian of public funds for 36 public entities.

Program	SPA	Description
Administration	O&FH	The Administrative Program has the primary responsibility to provide leadership, fiscal oversight, strategic planning, supervision, training and scheduling, and visioning for the Treasurer's Office.
Financial Operations	O&FH	This program performs the following functions for Coconino County accounts, school districts, fire and special districts, State Courts, and Coconino Community College: daily cash receipting, posting general ledger transactions, banking, investment of all public funds on deposit, and paying and
Taxes	O&FH	This program encompasses the processes to verify and load the property tax levy, bill and collect taxes, distribute taxes, and make corrections to the roll. It also includes the annual tax lien sale to collect delinquent taxes.

Goals and Objectives

The primary FY16 objectives for the department are:

- Begin planning and funding personal and professional development and advancement for all staff in the department at all levels. Additionally, the management team will work with the IT department to enhance the use of current technology for budget planning, the annual Tax Lien Sale, and customer service to citizens.
- Implement training for all staff on OnBase and GIS for addressing citizen needs and requests.
- Successful implementation and use of current e-commerce payment solutions.
- Successful implementation and usage of new scanner software Creditron.
- Development and utilization of GIS technology for the evaluation of the annual Tax Lien Sale, and to support department budgeting by end of FY16.
- Development of tools and procedures to assist in the collection of delinquent mobile homes.

Longer-term goals for the Treasurer's Office include:

- Further utilization of OnBase as a mechanism for records retention.
- Usage of GIS for budget planning.
- Increased usage of GIS for annual Tax Lien Sale.
- The Treasurer will continue to work with other Treasurers across the State, other departments, and districts to track legislation impacting the level of services provided by their programs. For example, the Treasurer's Office is currently working with school districts, the Coconino County Superintendent of Schools, other county Treasurers, and Wells Fargo in tracking a bill that would allow electronic transfers as a payment option to vendors, which would result in a need to provide an additional level of service to school districts.

GENERAL GOVERNMENT

Treasurer

Opportunities and Challenges

- As approximately 55% of annual taxes are collected and processed during the fall, the hiring of temporary staff is required in October and November. Over the years we have been able to reduce the temporary staff from eight to two employees.
- Through the use of technology and e-commerce solutions there is a potential for savings in temporary wages, currently budgeted at \$10,000. In addition, the department will be able to provide citizens with payment options based on their requests and provide County management and departments with visuals and analysis of tax liens and tax collections trends.
- The banking functions that are administered by the Administration program have grown exponentially with the implementation of positive pay on all warrants. Direct deposit payroll for fire and special districts has also grown tremendously, requiring two staff to handle the tasks involved in transferring ACH direct deposit files and to trouble-shoot banking related issues on a daily basis.

GENERAL GOVERNMENT

Treasurer

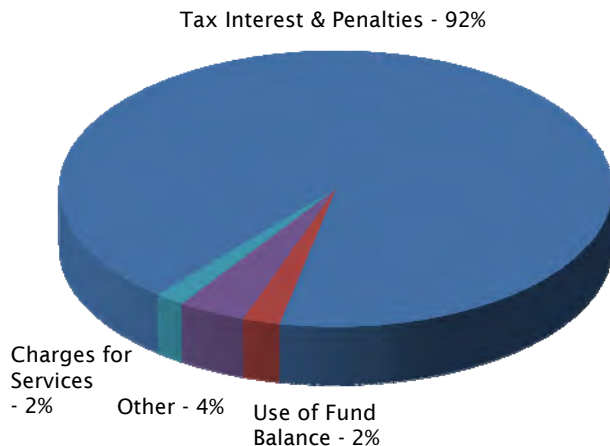
Financial Summary

The primary revenue source for the Treasurer's Office is property taxes. As the ex-officio tax collector, the Treasurer collects the delinquent tax interest for Coconino County. For FY15, delinquent tax interest is estimated to be 16% under the FY15 budget. This variance is due to a decrease in property tax payments on delinquent properties. The FY16 revenue projection is budgeted to be flat at FY15 levels.

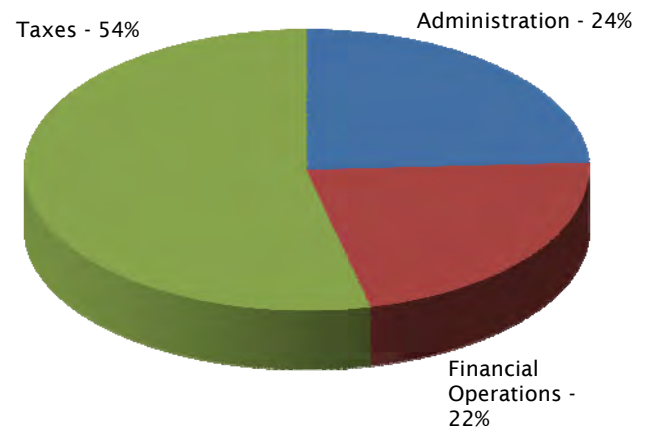
The Treasurer's Office is estimated to be 11% under their revised FY15 expenditure budget of \$700,790. This variance is due to salary savings across all programs and operational savings in the Taxes program. The department's FY16 adopted expenditure budget of \$653,281 is 7% below the budget for FY15. This variance is primarily due to a one-time FY15 increase to purchase a new check scanning system.

The following charts illustrate the Treasurer's revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

Revenue by Source Type



Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



GENERAL GOVERNMENT

Treasurer

Department-Wide Financial Statement

	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Revenues and Other Sources					
Tax Interest and Penalties	\$ 600,000	\$ 733,166	\$ 700,000	\$ 588,607	\$ 700,000
Charges for Services	17,870	15,201	16,500	13,757	16,500
Investment Income	1,073	1,398	1,250	620	1,250
Other	48,134	34,697	30,000	33,507	30,000
Use of (Increase In) Fund Balance	10,057	8,389	13,250	(2,977)	13,250
General Fund Support	1,938	(153,599)	(60,210)	(8,606)	(107,719)
Total Funding Sources	\$ 679,072	\$ 639,253	\$ 700,790	\$ 624,908	\$ 653,281
Expenditures and Other Uses					
Salary/ERE	\$ 477,426	\$ 463,185	\$ 452,969	\$ 431,709	\$ 486,089
Operations	139,072	116,240	175,859	146,985	134,230
Travel	8,170	8,187	10,010	6,683	10,010
Capital	54,404	51,642	61,952	39,531	22,952
Total Uses of Funds	\$ 679,072	\$ 639,253	\$ 700,790	\$ 624,908	\$ 653,281
Net Indirect Support	283,051	283,051	348,071	348,071	300,507
Total	\$ 962,123	\$ 922,304	\$ 1,048,861	\$ 972,979	\$ 953,788
General Fund Support					
Program Revenue	\$ 648,134	\$ 767,863	\$ 730,000	\$ 622,114	\$ 730,000
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	(650,072)	(614,265)	(669,790)	(613,508)	(622,281)
GF Transfers to Other Funds	-	-	-	-	-
Total Direct Support	\$ (1,938)	\$ 153,599	\$ 60,210	\$ 8,606	\$ 107,719
Net Indirect Support	(283,051)	(283,051)	(348,071)	(348,071)	(300,507)
Total County Support	\$ (284,989)	\$ (129,452)	\$ (287,861)	\$ (339,465)	\$ (192,788)

FY16 Financial Statement by Program

Program Name	FY16 Program Revenue	FY16 General Fund Support	FY16 Use of Fund Balance	FY16 Program Budget	FY16 Net Indirect Support
Administration	\$ -	\$ 146,994	\$ 11,000	\$ 157,994	\$ 80,800
Financial Operations	-	140,048	5,000	145,048	81,053
Taxes	747,750	(394,761)	(2,750)	350,239	138,654
Total	\$ 747,750	\$ (107,719)	\$ 13,250	\$ 653,281	\$ 300,507

GENERAL GOVERNMENT

Treasurer

Performance Measures by Program

Administration	FY14	FY15	FY16
Tax collection rates for Coconino County (for Tax Year)	97.82%	97.00%	97.00%
Tax distribution rates	97.82%	97.00%	97.00%
Return on investment in County Treasurers Portfolio/Local Government Investment Pool 5 at Arizona State Treasurer's Office	0.76/0.12	0.75/0.09	0.70/0.08
Comparing County Treasurer's portfolio yield/to 24-month moving average of the 2-year Treasury	0.91/0.31	0.90/0.30	0.90/0.30

Financial Operations	FY14	FY15	FY16
Number of Treasurer Receipts	4,442	4,150	4,100
Dollar amount of Treasurer receipts processed	\$196,865,776	\$225,000,000	\$230,000,000
Warrant count	48,205	49,000	49,000
Dollar amount of warrants cleared per annum	\$240,835,745	\$256,000,000	\$260,000,000
Sufficient funds to meet cash flow needs	Yes	Yes	Yes
Total checks imaged and deposited with Wausau and/or Creditron, by number of checks	N/A	60,000	63,000
Total checks imaged and deposited with Wausau and/or Creditron, by dollar amount	\$213,450,178	\$160,000,000	\$170,000,000
Dollar amount of warrants cleared per annum	\$240,835,745	\$250,000,000	\$260,000,000

Taxes	FY14	FY15	FY16
Tax collection rates for Coconino County (for Tax Year)	97.82%	97.00%	97.00%
Tax distribution rates	97.82%	97.00%	97.00%
Total number of tax payments via credit/debit card	7,689	7,500	7,500
Credit card payments auto posted into Tyler	5,690	6,000	6,000
Credit card payments hand posted into Tyler	1,999	1,500	1,500
Dollar amount of taxes paid via credit/debit	\$7,628,068	\$7,300,000	\$7,400,000

Department Staffing (Full Time Equivalents)

Positions by Title	FY14	FY15	FY16
Administrative Operations Manager	-	1.00	1.00
Administrative Specialist I	3.00	1.00	1.00
Administrative Specialist II*	-	2.00	2.00
Administrative Specialist III	1.00	1.00	1.00
Administrative Supervisor	1.00	-	-
Business Manager	1.00	1.00	1.00
Chief Deputy Treasurer	1.00	1.00	1.00
Elected Official	1.00	1.00	1.00
Total Positions	8.00	8.00	8.00

* Two Administrative Specialist I FTEs were reclassified to Administrative Specialist II in FY15.

GENERAL GOVERNMENT

Non-Departmental

Coconino County Administrative Services
219 E. Cherry Avenue, Flagstaff, AZ 86001

The Non-Departmental budget is used to account for all activity that is not directly related to one department. This budget includes the Title III fund under the Secure Rural Schools Act, State budget impacts, the Assessor/Treasurer system maintenance budget, annual maintenance of the Permit Tracking System, County partner funding, and contingency budgets. It is also used to account for many of the County's General Fund revenues, including property and sales tax.

With the loss of the Arizona Department of Revenue (DOR) property tax and appraisal system effective September 2012, the Assessor's Office had to find a business application to support their operations including the mandated service to identify, locate and list all real and personal property within Coconino County for ad valorem taxation purposes. In July 2010, the Board of Supervisor's approved a request from the Assessor's Office to purchase a Computer Assisted Mass Appraisal (CAMA) System. In conjunction, it was more efficient to also purchase a business application from the same vendor to replace the Treasurer's property tax system that no longer had vendor support. The five-year implementation of this interdepartmental project has completed and the on-going software maintenance costs remain within the Non-Departmental budget.

Another multi-departmental project that is contained within the Non-Departmental budget is for the County's permit tracking software. This program was previously contained in four separate department budgets: Public Works, Community Development, Information Technology, and the Public Health Services District. The County has implemented a software to track a variety of permits that are approved by multiple County departments within one application.

Also included in this budget is a vacation sellback program. This program was piloted in FY13 and allows employees to exchange a limited amount of their accrued vacation time for cash. Any salary expenditures due to this program will be paid from Non-Departmental accounts.

Non-Departmental expenditures are estimated to finish 61% under the revised FY15 expenditure budget of \$33,316,254. A variance this size is not unusual and is due to unspent contingency funds. The County budgets an operating contingency for the General Fund equal to 15% of General Fund revenues. Transfers to other funds are generally under budget due to budget savings in those funds from turnover and operational savings. The FY16 Adopted Budget of \$35,635,656 is 7% more than the FY15 budget. This variance is primarily due to an increase in transfers out that were budgeted in FY16 to replenish capital repair and replacement funds in Facilities Management.

Because Non-Departmental is mainly used to track contingency items, and the budget variance is anticipated to be high every year, budgeted revenue types, expenditures, and budget by Strategic Priority Area are not presented. There are also no budgeted FTEs in Non-Departmental.

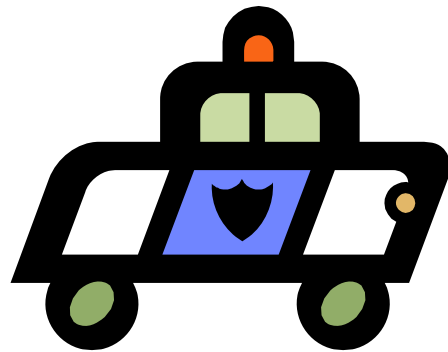
GENERAL GOVERNMENT

Non-Departmental

Department-Wide Financial Statement

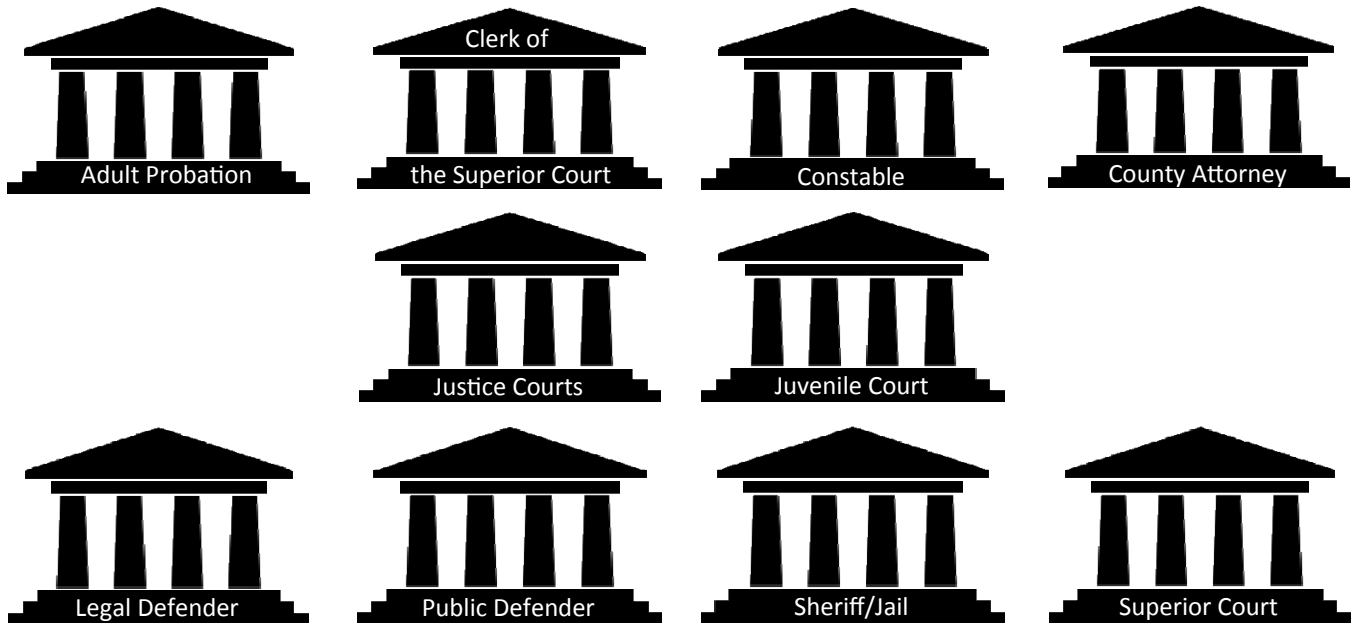
<u>Revenues and Other Sources</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Federal and State Grants	\$ 403,779	\$ (571,622)	\$ 299,475	\$ 261,746	\$ 294,671
Taxes	24,460,215	23,838,633	24,612,872	25,276,695	25,312,630
Other Intergovernmental	20,749,888	21,347,970	21,914,682	22,152,683	22,881,548
Charges for Services	3,337,841	3,511,210	2,986,354	2,979,614	3,089,441
National Forest Fees	298,659	298,659	-	284,823	-
Investment Income	188,200	460,370	186,700	165,438	103,700
Contributions	130,150	185,406	130,150	185,737	205,000
Other	-	396,290	-	14,578	-
Transfers from Other Funds	120,344	53,709	121,350	97,556	36,471
Use of (Increase In) Fund Balance	1,524,106	56,478	1,375,785	(280,845)	(180,879)
General Fund Support	(12,340,750)	(34,362,126)	(18,311,114)	(38,274,173)	(16,106,926)
Total Funding Sources	\$38,872,432	\$15,214,978	\$33,316,254	\$12,863,853	\$35,635,656
<u>Expenditures and Other Uses</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Salary/ERE	\$ 550,000	\$ 172,969	\$ 200,000	\$ 226,741	\$ 25,000
Operations	24,097,247	1,315,498	23,135,185	2,134,530	23,031,578
Travel	3,500	19,548	-	28,982	-
Capital	-	102,608	-	-	-
Transfers to Other Funds	14,221,685	13,604,356	9,981,069	10,473,600	12,579,078
Total Uses of Funds	\$38,872,432	\$15,214,978	\$33,316,254	\$12,863,853	\$35,635,656
Net Indirect Support	-	-	-	-	-
Total	\$38,872,432	\$15,214,978	\$33,316,254	\$12,863,853	\$35,635,656
<u>General Fund Support</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Program Revenue	\$ 49,187,873	\$ 49,033,904	\$ 50,049,533	\$ 50,968,915	\$ 51,843,290
Transfers in from Other Funds	120,344	53,709	121,350	97,556	36,471
Program Expenditures	(23,108,108)	(1,437,653)	(22,425,880)	(2,196,287)	(23,031,578)
GF Transfers to Other Funds	(13,859,359)	(13,287,834)	(9,433,889)	(10,596,011)	(12,741,257)
Total Direct Support	\$12,340,750	\$34,362,126	\$18,311,114	\$38,274,173	\$16,106,926
Net Indirect Support	-	-	-	-	-
Total County Support	\$12,340,750	\$34,362,126	\$18,311,114	\$38,274,173	\$16,106,926

Justice System



JUSTICE SYSTEM

Service Area Summary



Description of Services

The Justice System service area's focus is promoting public safety and judicial accountability through a variety of means, supervising a wide range of court clients (both adult and juvenile), receiving, distributing and preserving official court documents, providing criminal and civil courts, prosecuting felonies and misdemeanor cases, providing civil legal advice to County departments and special districts, prosecuting and defending all civil litigation involving the County and its officers, adjudicating traffic, misdemeanor and felony offenses, resolving small claims courts matters, supervising delinquent minors, providing quality and cost-efficient legal representation to indigent persons, providing law enforcement and patrol service to citizens, operating the County jail, and conducting search and rescue operations throughout the County.

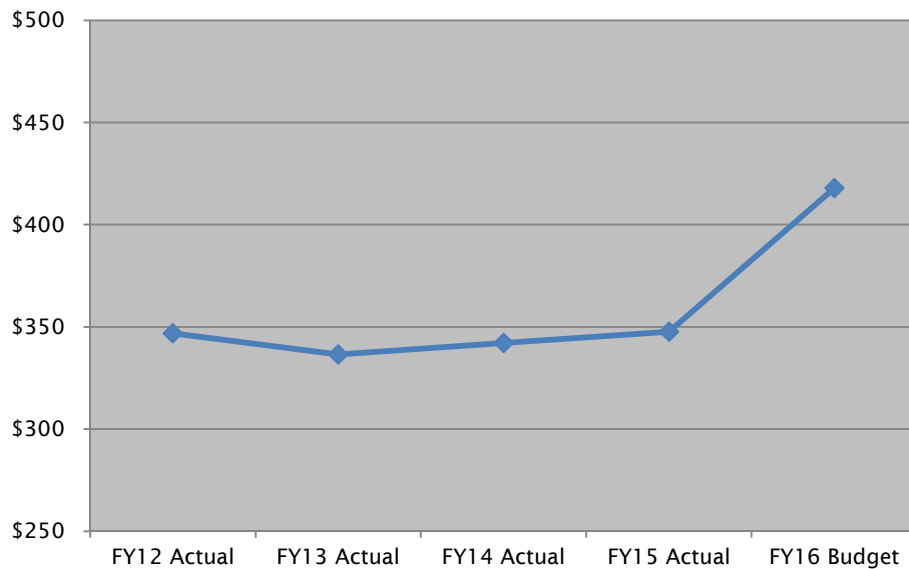
Per Capita Costs

Over the past five years, the cost per capita of Justice System services has increased only marginally, with the exception of the significant increase in the FY16 budget. The majority of the FY16 increase is due to the addition of a \$3 million Jail District project to construct transitional housing for inmates. Juvenile Court's FY16 increase is due to the department budgeting the entirety of their special revenue fund balance every year, regardless of proposed usage. The charts do not reflect approximately \$3.9 million in unawarded grant capacity for the Justice System departments in FY16. The trend of steadily increasing Justice System costs is anticipated to continue until the Criminal Justice Coordinating Council (CJCC) is able to implement additional strategies to lower the recidivism rates and combat the need for cost increases.

The chart on the next page shows a five year history of the per capita cost of services for the Justice System service area.

JUSTICE SYSTEM

Service Area Summary



The table below shows a three year history of the per capita cost of services for departments within the Justice System service area.

<u>Department</u>	<u>FY14 Actuals</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>	<u>Change: FY15 to FY16</u>
Adult Probation	\$ 29.82	\$ 31.35	\$ 34.69	10.66%
Clerk of the Superior Court	8.73	8.88	9.90	11.53%
Constable	0.69	0.68	0.69	1.53%
County Attorney	31.05	30.89	35.58	15.19%
Jail District	98.59	99.06	139.20	40.52%
Justice Courts	16.76	16.77	18.12	8.09%
Juvenile Court Services	34.52	34.19	43.52	27.30%
Legal Defender	6.97	8.34	7.38	-11.50%
Public Defender	15.70	15.88	16.66	4.93%
Sheriff	73.66	75.19	84.73	12.69%
Superior Court	25.68	26.46	27.39	3.52%
Total	\$ 342.15	\$ 347.68	\$ 417.87	20.19%

JUSTICE SYSTEM

Adult Probation

222 East Birch Avenue, Flagstaff, AZ 86001 (928) 679-8400
Cindy Winn, Chief Probation Officer

The Coconino County Adult Probation Department is a full-service community corrections organization consisting of pretrial services and adult probation.

Program	SPA	Description
Administration	PS	The purpose of the Administration program is to uphold the departmental vision while providing the leadership, strategic direction, and administrative support to the employees of the department so they can produce the results necessary to achieve their departmental mission.
Presentence Division	PS	The purpose of the Presentence Division is to provide timely reports to Superior Court judges which will assist them in making sentencing decisions.
Pretrial Services	PS	The purpose of the Pretrial Services program is to provide timely information to Coconino County Courts to assist judges in making release decisions and to supervise any clients released to Pretrial Services.
Supervision	PS	The purpose of this program is to provide supervision services to offenders so they can be held accountable, restore victims, and be productive members of the community.

Goals and Objectives

The primary FY16 objectives for the department are:

- To implement the training program Effective Practices in Correctional Settings- II (EPICS-II)
- Collaborate with the County Manager’s Office and CJCC to advance the Recidivism Workgroup project
- Review and implement any findings from the Operational Review conducted by the Administrative Office of the Courts
- Continue to implement the Coconino Online Probation Education (COPE) grant
- Create a new probationer running club called Change Of Pace Running Club
- Provide training to presentence report writers on administering the Offender Screening Tool (OST), the statewide risk/needs instrument.
- Implement a new pretrial assessment instrument (Public Safety Assessment), and expand its use to include Limited Jurisdiction Courts as well as the Superior Court.

Longer-term departmental goals:

- The long-term goal of the Recidivism Workgroup Project is a significant return on investment, should the project advance as it has been envisioned. Data about criminal justice will assist the department with making informed decisions as a community about the best use of justice system funding. Proper allocation of funding focused on evidence-based programing can improve outcomes, reduce the cost of the system and improve safety for the community.
- The long-term goal of the new pretrial screening assessments will be to provide information, via a validated assessment tool, to the Courts to assist them in making reasonable and appropriate release decisions. This should result in the reduction of the number of jail bed days used and related inmate costs by individuals who can be released to the community.

JUSTICE SYSTEM

Adult Probation

Opportunities and Challenges

- The Recidivism project has the opportunity to provide significant return on investment, should the project advance as it has been envisioned. Data about criminal justice will assist the department with making informed decisions about the best use of justice system funding. A current challenge is that the project has unknown costs at this time. Much work has been done to attempt to secure research assistance for a free or reduced cost.
- The EPICS-II project, once implemented, should result in higher probationer success rates and greater officer satisfaction.
- The Change Of Pace Running Club will lead to improved health and structured time for probation clients, which will in turn lead to better outcomes. Probationers participating in the club will have healthy, pro-social events to attend.
- The new pretrial assessment instrument will provide the Courts with tools to assist them in making reasonable and appropriate release decisions. This will likely result in the reduction of the number of jail bed days used and related inmate costs by individuals who can be released to the community.

JUSTICE SYSTEM

Adult Probation

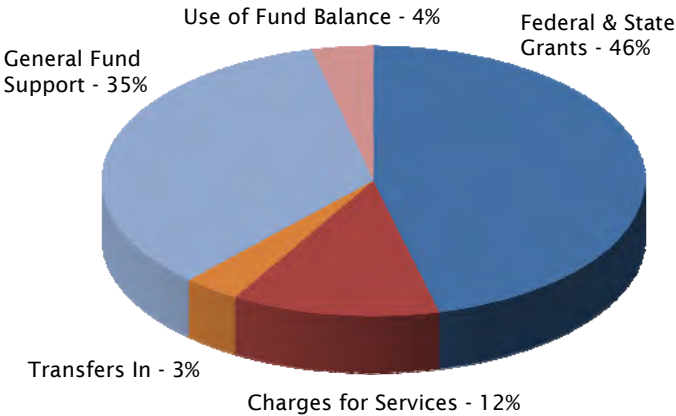
Financial Summary

Adult Probation’s main sources of revenue are Federal and State grants and General Fund support. The department fell 3% short of its FY15 revenue budget, due to lower-than-expected grant funding. Adult Probation’s adopted FY16 revenue budget of \$3,003,648 is 3% higher than their FY15 budget, due to a \$164,000 transfer from the Jail District to help defray expenses in Adult Probation’s Pretrial Services program.

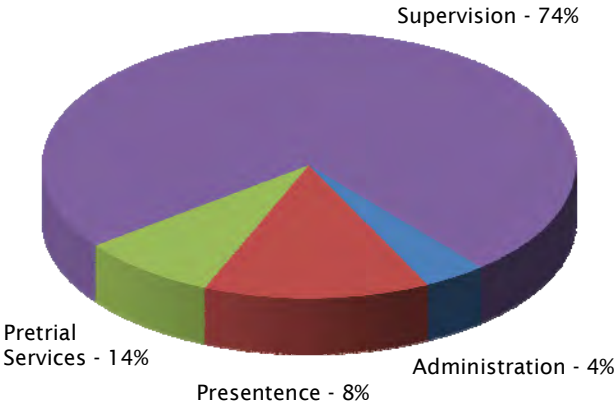
For FY15 Adult Probation finished 7% under their revised expenditure budget of \$4,697,218. This variance is due to salary savings from unfilled positions as well as operational savings in the Supervision program. Their FY16 adopted expenditure budget of \$4,850,255 is 3% higher than their FY15 budget. This is due to increased pass-through grants to other agencies within their Supervision Program. The department requested that 1.5 FTEs historically funded by Special Revenue Funds be moved permanently to the General Fund, due to dwindling Special Revenue Fund balances. The Board approved one-time funding of these FTEs from the Jail District, as this fund service impacts the jail.

The following charts illustrate Adult Probation’s revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area. All expenditure charts exclude unawarded grants.

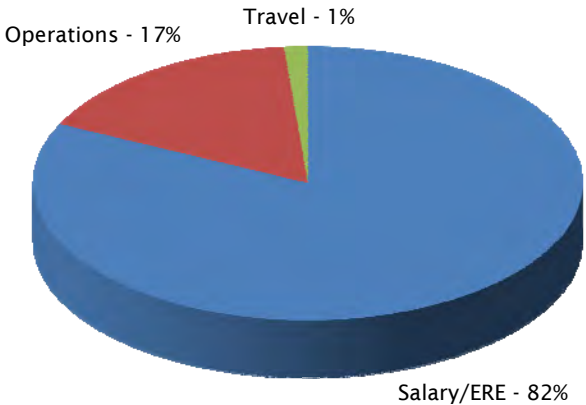
Revenue by Source Type



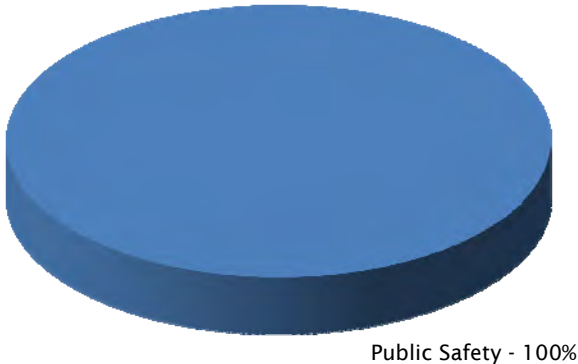
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



JUSTICE SYSTEM

Adult Probation

Department-Wide Financial Statement

Revenues and Other Sources	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Federal and State Grants	\$ 2,123,169	\$ 2,102,736	\$ 2,336,876	\$ 2,217,602	\$ 2,234,649
Charges for Services	559,500	602,920	582,000	619,187	600,000
Investment Income	12,400	13,268	11,350	6,668	5,050
Other	-	40	-	-	-
Transfers from Other Funds	-	-	-	-	163,949
Use of (Increase In) Fund Balance	379,073	376	274,421	44,313	177,602
General Fund Support	1,532,524	1,436,559	1,492,571	1,495,250	1,669,005
Total Funding Sources	\$ 4,606,666	\$ 4,155,899	\$ 4,697,218	\$ 4,383,020	\$ 4,850,255

Expenditures and Other Uses	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Salary/ERE	\$ 3,862,705	\$ 3,663,749	\$ 3,926,402	\$ 3,798,860	\$ 3,981,165
Operations	620,111	385,453	642,074	530,176	801,900
Travel	123,850	106,696	128,742	43,048	67,190
Capital	-	-	-	10,935	-
Total Uses of Funds	\$ 4,606,666	\$ 4,155,899	\$ 4,697,218	\$ 4,383,020	\$ 4,850,255

Net Indirect Support	390,848	390,848	375,938	375,938	445,309
Total	\$ 4,997,514	\$ 4,546,747	\$ 5,073,156	\$ 4,758,958	\$ 5,295,564

General Fund Support	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Program Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in from Other Funds	-	-	-	-	134,769
Program Expenditures	(1,471,600)	(1,420,691)	(1,492,571)	(1,492,826)	(1,549,886)
GF Transfers to Other Funds	(60,924)	(15,868)	-	(2,424)	(253,888)
Total Direct Support	\$(1,532,524)	\$(1,436,559)	\$(1,492,571)	\$(1,495,250)	\$(1,669,005)

Net Indirect Support	(390,848)	(390,848)	(375,938)	(375,938)	(445,309)
Total County Support	\$(1,923,372)	\$(1,827,407)	\$(1,868,509)	\$(1,871,188)	\$(2,114,314)

FY16 Financial Statement by Program

Program Name	FY16 Program Revenue	FY16 General Fund Support	FY16 Use of Fund Balance	FY16 Program Budget	FY16 Net Indirect Support
Administration	\$ -	\$ 184,040	\$ -	\$ 184,040	\$ 12,800
Presentence Division	-	95,818	308,519	404,337	45,028
Pretrial Services	163,949	485,132	15,518	664,599	70,436
Supervision	2,839,699	904,015	(146,435)	3,597,279	317,045
Total	\$ 3,003,648	\$ 1,669,005	\$ 177,602	\$ 4,850,255	\$ 445,309

JUSTICE SYSTEM

Adult Probation

Performance Measures by Program

Administration	FY14	FY15	FY16
Total number of new felony convictions committed by probationers	20	17	20
Percentage of reduction in new felony convictions committed by probationers (compared to baseline year of FY08)	-68%	-73%	-70%
Total number of revocations to prison for violations of probation	100	125	125
Percentage of reduction of prison revocation rates (compared to baseline year of FY08)	-55%	-43%	-43%

Presentence Division	FY14	FY15	FY16
Percentage of reports filed with a Word Recognition Aptitude Test (WRAT) completed per policy	100%	100%	100%
Percentage of probation-eligible clients with an Offender Screening Tool (OST) assessment done per policy	100%	100%	100%

Pretrial Services	FY14	FY15	FY16
Appearance Rate (formally referred to as Failure to Appear rate)	92%	92%	92%
Safety Rate (percentage of defendants who complete Pretrial with no new charges)	91%	91%	91%
Number of jail bed-days saved	59,970	59,500	59,500
Dollars saved in jail bed-days	\$5,131,633	\$5,100,000	\$5,100,000

JUSTICE SYSTEM

Adult Probation

Performance Measures by Program

Supervision	FY14	FY15	FY16
Average monthly percentage of IPS clients not convicted of a new offense (misdemeanor and felony)	99.3%	99.0%	99.0%
Average monthly percentage of Standard Probation clients not convicted of a new offense (misdemeanor and felony)	99.9%	99.0%	99.0%
Percentage of successful clients completing deferred prosecution	73.7%	75.0%	75.0%
Average quarterly percentage of clients (Standard and IPS) not testing positive (individuals)	70.5%	70.0%	70.0%
Average quarterly percentage (Standard and IPS) of negative urinalysis tests collected (tests)	87%	90%	90%
Average monthly percentage of employment-eligible IPS clients that are employed (full or part time)	53%	70%	70%
Average monthly percentage of employment-eligible Standard Probation clients that are employed (full or part time)	67%	70%	70%
Income taxes paid by IPS probationers	\$8,221	\$15,000	\$15,000
Amount of victim restitution collected	\$188,773	\$190,000	\$190,000
Probation fines and fees collected	\$189,241	\$200,000	\$200,000
Probation Supervision fees collected	\$419,614	\$400,000	\$400,000
Value of Community Service work performed by the work crew specific to Coconino County departments (calculated at minimum wage)	\$2,773	\$5,000	\$5,000
Value of Community Service work performed by the work crew specific to non-profit and other governmental (state, city and tribal) entities (calculated at minimum wage)	\$21,859	\$22,000	\$22,000
Community Restitution hours performed	23,745	25,000	25,000

JUSTICE SYSTEM

Adult Probation

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Accounting Technician II	1.00	1.00	1.00
Administrative Manager, Senior	1.00	1.00	1.00
Administrative Specialist I	1.00	1.00	1.00
Administrative Specialist II	4.00	4.00	4.00
Administrative Specialist III	1.00	1.00	1.00
Administrative Supervisor	1.00	1.00	1.00
Administrative Support II	1.00	1.00	1.00
Chief Adult Probation Officer	1.00	1.00	1.00
Community Restitution Coordinator	1.00	1.00	1.00
Deputy Chief Adult Probation Officer	1.00	1.00	1.00
Pretrial Services Officer	1.00	1.00	1.00
Probation Division Manager	1.00	1.00	1.00
Probation Officer II	26.00	25.00	25.00
Probation Officer, Lead	5.00	6.00	6.00
Probation Safety/Training Officer	1.00	1.00	1.00
Probation Supervisor	5.00	5.00	5.00
Probation Work Crew Supervisor	1.00	1.00	1.00
Program Manager I*	-	1.00	1.00
Surveillance Officer	2.80	2.80	2.80
Technical Specialist I	1.00	1.00	1.00
Total Positions	56.80	57.80	57.80

*The Program manager I position was added mid-year FY15.

JUSTICE SYSTEM

Clerk of the Superior Court

200 North San Francisco Street, Flagstaff, AZ 86001 (928) 679-7600
Valerie Wyant, Clerk of the Superior Court

The Clerk of the Superior Court's Office, which was established by the Arizona Constitution as one of several elected offices with specific and special duties, serves as the official record keeper and financial officer for the Superior Court.

Program	SPA	Description
Administration	O&FH	Administration is necessary to cover salaries, travel, telephones, memberships and other administrative functions of the office.
Court Services	PS	Clerk's Office staff attend court hearing and trials and produce minute entries that summarize the court proceedings.
Customer Service/Court Recordkeeping	O&FH	The Customer Service/Court Recordkeeping program includes case file set up, maintenance and preservation such as microfilming, and EDMS. They also issue passports, marriage licenses, and the Clerk acts as the Probate Registrar and Jury Commissioner.
Fiduciary Duties	O&FH	Fiduciary duties include the collection and distribution of filing fees, fines, and restitution.

Goals and Objectives

Departmental objectives for FY16 include:

- Instituting a new partially grant-funded position via DES no later than October 1, 2015
- Developing a functioning and effective Court Technician rotation to provide adequate coverage of court proceedings while reducing work load
- Increasing the number of clients that are placed in the FARE & TIP programs by 25%
- Improving the collection of outstanding filing fees by 50% at the end of FY16.
- Increasing the quality assurance of data accuracy to 97% by end of FY16 and data reporting capabilities to State Agencies (e.g. DPS, Secretary of State)

A longer-term goal of the Clerk of the Court is to bring the department closer to staffing standards found in the National Center for State Courts studies (~1.5 Court Technicians per Judicial Officer). This would allow the Clerk's office to develop an effective rotation of Court Technicians throughout the divisions, improve the consistency of minute entries, and relieve pressure on staff to improve morale. Another goal for the intermediate future is better utilization of the office's automation. This will entail revisions of the current work flow and coordinating these changes with other agencies in the County. In the end, it will allow the office to perform its duties much more efficiently.

Opportunities and Challenges

- Currently a new process is being developed by the AOC and DPS to accurately provide disposition information to DPS for their criminal history database. As this is implemented it will eliminate the need for the Clerk's office to send paper dispositions to DPS. The AOC anticipates this functionality being in the Court by December 2015.
- By using our case management system (AJACS) to generate and distribute documents there will be a savings in postage. Attorneys and county agencies will receive their Minute Entries and Clerk issued documents via email. The efficiency of using this automation will allow the office to work "smarter" instead of harder which should reduce our turnover rate.
- As the median age of the County population increases, the Clerk anticipates an increase in Court Accountant fees.

JUSTICE SYSTEM

Clerk of the Superior Court

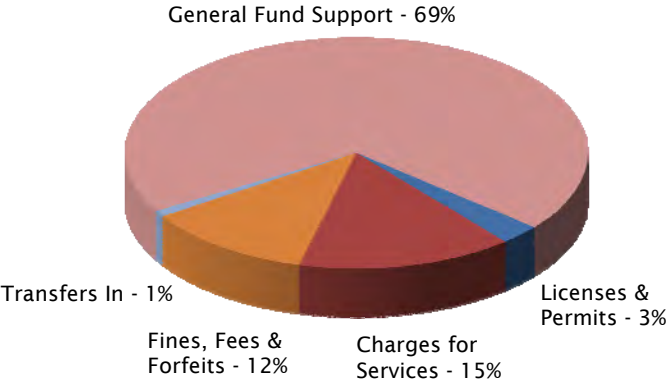
Financial Summary

The main source of revenue for the Clerk of the Superior Court is General Fund support, with other revenue coming from fines, fees and bond forfeitures as well as charges for services. The department finished FY15 14% below their revenue budget due to significantly lower bond forfeiture revenue being collected for the year. This lack of forfeiture revenue is not expected to continue, however, and the FY16 revenue budget (net of unawarded grants) is remaining flat compared to FY15.

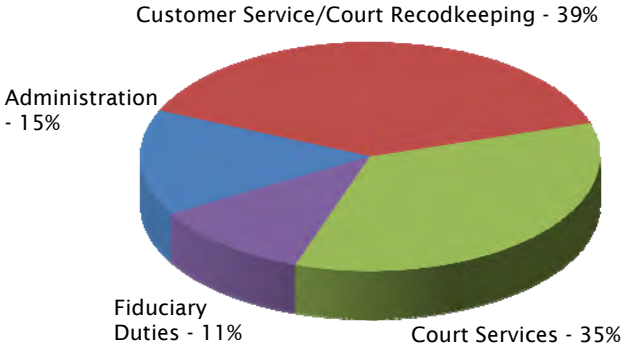
For FY15 the Clerk of the Superior Court ended 10% under their revised expenditure budget of \$1,377,764. This variance is due mainly to salary savings from employee turnover. The department's FY16 adopted expenditure budget of \$1,384,639 (net of unawarded grants) is 1% higher than in FY15, due to an approved SIR that upgrades three Court Technician I positions to Court Technician IIs. The department also received approval to apply for grant funding to cover 66% of two additional FTEs, with the department's special revenue funds covering the remainder.

The following charts illustrate the Clerk of the Superior Court's revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

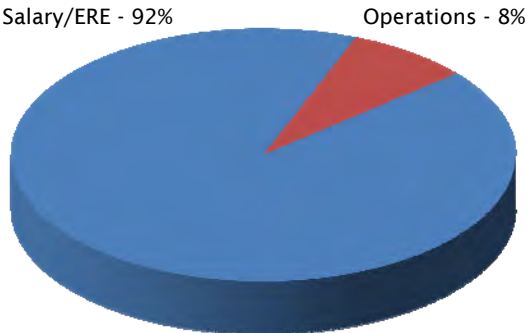
Revenue by Source Type



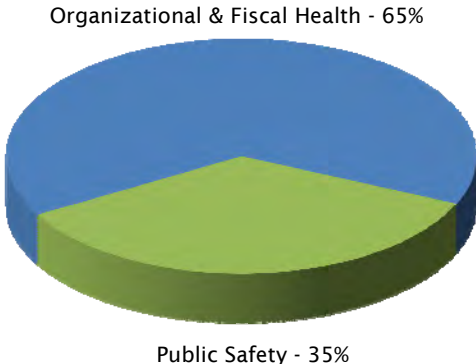
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



JUSTICE SYSTEM

Clerk of the Superior Court

Department-Wide Financial Statement

<u>Revenues and Other Sources</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Licenses & Permits	\$ 40,000	\$ 40,757	\$ 41,000	\$ 38,374	\$ 41,000
Charges for Services	217,300	247,164	218,100	244,500	220,300
Fines, Fees, & Forfeits	172,000	69,172	172,000	90,645	172,000
Unawarded Grants	-	-	-	-	102,180
Investment Income	7,000	9,979	7,000	189,827	2,400
Transfers from Other Funds	13,309	2,764	14,300	6,409	12,581
Use of (Increase In) Fund Balance	(67,580)	(53,499)	(66,972)	(66,409)	(78,740)
General Fund Support	964,204	900,234	992,336	738,192	1,015,098
Total Funding Sources	\$ 1,346,233	\$ 1,216,571	\$ 1,377,764	\$1,241,539	\$ 1,486,819
<u>Expenditures and Other Uses</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Salary/ERE	\$ 1,237,046	\$ 1,135,577	\$ 1,262,577	\$ 1,151,559	\$ 1,371,632
Operations	102,587	79,956	108,587	87,896	108,587
Travel	6,600	1,039	6,600	2,084	6,600
Total Uses of Funds	\$ 1,346,233	\$ 1,216,571	\$ 1,377,764	\$1,241,539	\$ 1,486,819
Net Indirect Support	335,871	335,871	244,211	244,211	277,887
Total	\$ 1,682,104	\$ 1,552,442	\$ 1,621,975	\$1,485,750	\$ 1,764,706
<u>General Fund Support</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Program Revenue	\$ 175,000	\$ 196,054	\$ 181,000	\$ 386,741	\$ 181,000
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	(1,139,204)	(1,096,288)	(1,173,336)	(1,124,933)	(1,196,098)
GF Transfers to Other Funds	-	-	-	-	-
Total Direct Support	\$ (964,204)	\$ (900,234)	\$ (992,336)	\$ (738,192)	\$(1,015,098)
Net Indirect Support	(335,871)	(335,871)	(244,211)	(244,211)	(277,887)
Total County Support	\$(1,300,075)	\$(1,236,105)	\$(1,236,547)	\$ (982,403)	\$(1,292,985)

JUSTICE SYSTEM

Clerk of the Superior Court

FY16 Financial Statement by Program

<u>Program Name</u>	<u>FY16 Program Revenue</u>	<u>FY16 General Fund Support</u>	<u>FY16 Use of Fund Balance</u>	<u>FY16 Program Budget</u>	<u>FY16 Net Indirect Support</u>
Administration	\$ -	\$ 196,301	\$ 10,000	\$ 206,301	\$ 38,584
Court Services	102,180	467,318	17,341	586,839	103,304
Customer Service/Court Recordkeeping	341,100	228,635	(33,481)	536,254	99,337
Fiduciary Duties	107,181	122,844	(72,600)	157,425	36,663
Total	\$ 550,461	\$ 1,015,098	\$ (78,740)	\$ 1,486,819	\$ 277,887

Performance Measures by Program

Administration	FY14	FY15	FY16
Customer Surveys	1,250	1,290	1,340

Court Services	FY14	FY15	FY16
Minute entries produced	17,760	18,900	20,000
Jury trials held	16	32	38

Customer Service/Court Recordkeeping	FY14	FY15	FY16
Passports issued	1,375	1,450	1,500
Marriage licenses issued	915	1,000	1,075
New cases filed (all types)	3,975	4,300	4,650

Fiduciary Duties	FY14	FY15	FY16
FARE collections project	\$2,061	\$25,000	\$25,000
Restitution collections	\$274,361	\$285,000	\$285,000

JUSTICE SYSTEM

Clerk of the Superior Court

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Accountant	0.60	0.60	0.60
Accounting Technician II	1.00	1.00	1.00
Administrative Specialist I**	8.00	7.00	4.00
Administrative Specialist II***	-	1.00	5.00
Administrative Supervisor	1.00	1.00	1.00
Administrative Support II	1.00	1.00	1.00
Business Manager	1.00	1.00	1.00
Chief Deputy Clerk of the Superior Court	1.00	1.00	1.00
Court Technician I*	5.00	2.00	2.00
Court Technician II***	3.00	6.00	7.00
Court Technician Supervisor	1.00	1.00	1.00
Elected Official	1.00	1.00	1.00
Total Positions	23.60	23.60	25.60

*For FY15, the Department was approved to convert three Court Technician I's into Court Technician II's.

**As a recommended FY16 SIR, the department converted three Administrative Specialist I's into Administrative Specialist II's, using the Clerk's forfeiture funds.

***As a recommended FY16 SIR, the department is entering into an IGA with the Arizona Department of Economic Security for one Administrative Specialist II and one Court Technician II, to be funded 66% through grant funds and 34% through the Clerk's forfeiture funds.

JUSTICE SYSTEM

Constable

Coconino County Courthouse, 200 N. San Francisco Street, Flagstaff, AZ 86001 (928) 679-7530
Darrin Womble, Constable

The Constable is elected to a four-year term and is an officer of the Justice Court and a Peace Officer, according to State law. This office is required by Arizona State Statute and there are no other agencies to cover the services provided.

Program	SPA	Description
Constable	PS	The Constable serves judicial process for the lower courts. Services include summons, subpoenas, writs of execution, writs of restitution, writs of garnishment, orders of protection, injunctions against harassment, court orders, and the execution of arrest warrants. The Constable attends both civil and criminal Justice Court hearings when requested to do so and also provides security for Justice Court.

Goals and Objectives

The primary FY16 objectives for the department are:

- Continued escalation of the warrant program to increase revenue
- To facilitate the service of City Court injunctions by developing a process with the Flagstaff Municipal Court to notify the Constable’s Office when they have a fee injunction for service

Longer-term goals for the Constable’s office include:

- Increasing the part-time position to include bookkeeping duties which would satisfy an outside auditor’s request for better checks and balances within the department
- The Constable has been researching available office space and would like to relocate to a larger office with easier public access in the next one to three years.

Opportunities and Challenges

- The Constable’s warrant program helps to reduce the backlog of outstanding warrants which is managed by Court Administration, which in turn adds funding to the County General fund. The payments on Failure to Comply warrants also makes victims whole and allows the offenders to satisfy their responsibilities to the courts and society.
- Mileage and payroll costs related to warrant service attempts can be reduced when the Constable is allowed to serve processes at the time of the defendant’s hearing.
- The department is seeing an increased volume of warrants as well as increased evictions

JUSTICE SYSTEM

Constable

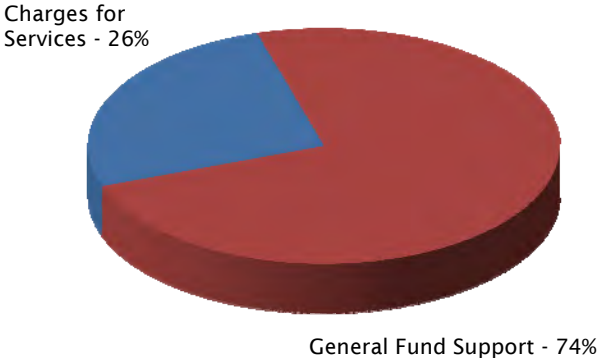
Financial Summary

The Constable's primary source of revenue is General Fund support. In addition, the Constable collects fees for service revenue. For FY15 the Constable's fees for services are estimated to be 4% over the FY15 budget due to increased collections in the warrant program. For FY16 the budgeted fees for service revenue remains flat at the FY15 level.

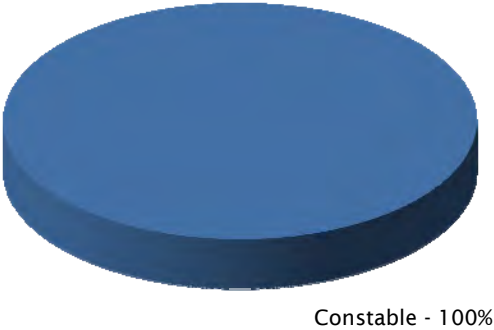
The Constable's Office is estimated to be 7% under the FY15 expenditure budget of \$101,804. This variance is due to health insurance ERE savings. The FY16 adopted expenditure budget of \$96,237 is 5% lower than in FY15. This variance is also due to a decrease in insurance coverage for the new Constable.

The following charts illustrate the Constable's revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

Revenue by Source Type



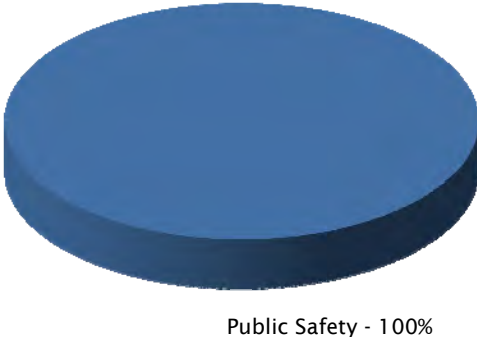
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



JUSTICE SYSTEM

Constable

Department-Wide Financial Statement

<u>Revenues and Other Sources</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Federal and State Grants	\$ -	\$ -	\$ -	\$ 2,399	\$ -
Other Intergovernmental	-	152	-	-	-
Charges for Services	25,000	27,907	25,000	25,948	25,000
General Fund Support	76,172	67,427	76,804	66,444	71,237
Total Funding Sources	\$ 101,172	\$ 95,486	\$ 101,804	\$ 94,791	\$ 96,237

<u>Expenditures and Other Uses</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Salary/ERE	\$ 100,612	\$ 92,692	\$ 100,011	\$ 94,171	\$ 95,677
Operations	1,260	3,774	1,260	8,568	1,260
Travel	4,300	5,928	5,533	164	4,300
Expense Reimbursement	(5,000)	(6,908)	(5,000)	(8,111)	(5,000)
Total Uses of Funds	\$ 101,172	\$ 95,486	\$ 101,804	\$ 94,791	\$ 96,237

Net Indirect Support	12,233	12,233	12,817	12,817	15,087
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Total	\$ 113,405	\$ 107,719	\$ 114,621	\$ 107,608	\$ 111,324
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<u>General Fund Support</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Program Revenue	\$ 25,000	\$ 28,059	\$ 25,000	\$ 28,347	\$ 25,000
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	(101,172)	(95,486)	(101,804)	(94,791)	(96,237)
GF Transfers to Other Funds	-	-	-	-	-
Total Direct Support	\$ (76,172)	\$ (67,427)	\$ (76,804)	\$ (66,444)	\$ (71,237)

Net Indirect Support	(12,233)	(12,233)	(12,817)	(12,817)	(15,087)
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Total County Support	\$ (88,405)	\$ (79,660)	\$ (89,621)	\$ (79,261)	\$ (86,324)
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FY16 Financial Statement by Program

<u>Program Name</u>	<u>FY16 Program Revenue</u>	<u>FY16 General Fund Support</u>	<u>FY16 Use of Fund Balance</u>	<u>FY16 Program Budget</u>	<u>FY16 Net Indirect Support</u>
Constable	\$ 25,000	\$ 71,237	\$ -	\$ 96,237	\$ -
Total	\$ 25,000	\$ 71,237	\$ -	\$ 96,237	\$ -

JUSTICE SYSTEM

Constable

Performance Measures by Program

Constable	FY14	FY15	FY16
Amount of letters sent	736	960	1,080
Increased collection of fees	\$21,118	\$22,000	\$22,500

Department Staffing (Full Time Equivalents)

Positions by Title	FY14	FY15	FY16
Elected Official	1.00	1.00	1.00
Total Positions	1.00	1.00	1.00

*Please note that there are no staffing changes for the Constable's office for FY16.

JUSTICE SYSTEM

County Attorney

110 East Cherry Avenue, Flagstaff, AZ 86001 (928) 679-8200
David Rozema, County Attorney

The Coconino County Attorney's Office is dedicated to the vigorous and fair prosecution of crime throughout Coconino County, protection of the rights of crime victims, and effective legal representation of the County and many County special districts.

Program	SPA	Description
Administrative Services	PS	The County Attorney, Chief Deputy and administrative management personnel provide the leadership and support to attorneys and staff through policy direction, mentoring, training, long and short range strategic planning and daily operational management of the criminal and civil divisions.
Charging	PS	The lawyers in the Charging program review police reports and evidence, and then decide whether to seek felony charges; and, if so, what felony charges to seek against whom.
Civil Legal Services	O&FH	The Civil Legal Services program (CLSP) provides legal counsel to the BOS, County Manager, County departments and special districts to avoid or minimize financial losses and to ensure sound policy decision making.
Felony Prosecution	PS	The Felony Prosecution program prosecutes cases processed through the Charging program.
Juvenile Justice	PS	The Juvenile Justice Program reviews referrals from Juvenile Probation and makes decisions regarding whether to charge youth with delinquency or to defer prosecution.
Misdemeanor Prosecution	PS	The Misdemeanor Prosecution program prosecutes every misdemeanor citation issued by the Coconino Sheriff's Department, Game and Fish, Fredonia Marshall's Office, Northern Arizona University Police Department, Sedona Police Department, Arizona Parks Service, National Park Service, Coconino National Forest Service, Page Police Department, Williams Police Department, Department of Public Safety, Animal Control, Registrar of Contractors, and Arizona Liquor License and Control.
Victim Service and Citizen Outreach	PS	The Victim Services and Citizen Outreach program supports the Public Safety strategic priority area by proactively providing mandated notification and services to crime victims, while collaborating with other agencies to ensure that victims' rights are upheld.

JUSTICE SYSTEM

County Attorney

Goals and Objectives

The primary departmental objectives for FY16 include:

- Using the JWorks software to migrate the current case management system (DAMION), along with all existing data, templates and documents to a browser-based solution, giving us the ability to update and maintain web applications without distributing and installing software on individual computers in addition to the inherent support for cross-platform compatibility.
- Continue community outreach through the “Live Drug Free” poster contest, which provides numerous prevention and education opportunities with the primary goal of deterring children from drug and alcohol abuse. In FY16, the County Attorney’s Office will conduct its seventh annual “Live Drug Free” poster contest.
- Continue the Citizen’s Prosecutor Academy, with the goal of educating and engaging the public in understanding how the County Attorney’s Office serves the public and provides for public safety. At least one Academy will be hosted in an outlying County community.

Longer-term goals for the department include:

- Ensuring manageable workloads with the appropriate level of staffing.
- Working to increase our ability to analyze and assess the effectiveness of misdemeanor prosecution in areas such as DUI and domestic violence.
- The continued emphasis by the County Attorney and Chief Deputy on the Four Corners Recruitment and Retention strategy to bring in exceptional candidates for law clerk summer internships with the potential for becoming new hire lawyers with the office upon graduation from law school.

Opportunities and Challenges

- The recently completed Criminal Justice Integration Assessment, conducted by Pragmatica, identifies several key findings and recommendations that benefit not only the County Attorney’s Office, but all of the stakeholders in the CJ system.
- Our efforts with the Criminal Justice Records Improvement Project has positioned our county and our office as a leader and role model for strategic partnerships and sharing of information and maximizing resources specific to electronic document management and transfer/sharing of information. Continued work is needed in collaboration with the Information Technology department and other Criminal Justice partners to complete projects in process.
- Our in-house training academy continues to reduce costs associated with travel and training. In FY16 we will expand this by tapping our internal resources. This will provide opportunities for staff and attorney’s to learn from their peers, who have years of knowledge and expertise in numerous subject matters.
- As forecasted for the past several years, our reliance on the RICO Fund has resulted in the fund balance being nearly exhausted. The RICO Fund expenditures have been subject to increased demands from the METRO Board participating law enforcement agencies, for equipment, as well as the staffing costs of the METRO Unit; this is coupled by the unpredictable nature of forfeiture revenue.
- With the implementation and County funding of domestic violence strangulation exams in FY15, we are seeing initial benefits to victim safety and successful prosecution of dangerous offenders. Additionally, cost recovery in the form of restitution is being assessed in plea agreements and court ordered in sentencing proceedings.

JUSTICE SYSTEM

County Attorney

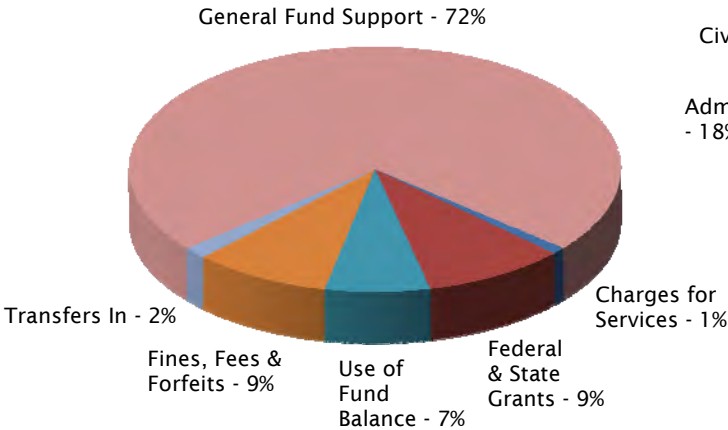
Financial Summary

The main source of revenue for the County Attorney is General Fund support. The department also receives revenue through Federal and State grants and by levying fines, fees and bond forfeitures. The County Attorney finished FY15 35% under their revenue budget, due to lower than expected Federal and State grants and much lower bond forfeitures. FY16 revenue is expected to decrease another 18% from FY15 levels, due to a continued decrease in bond forfeitures.

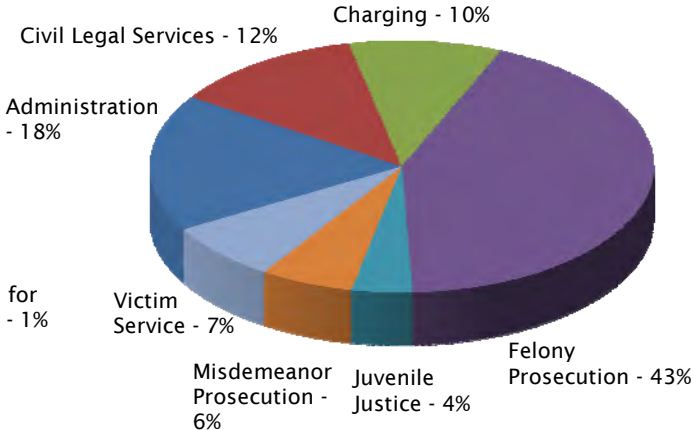
For FY15, the County Attorney’s Office will be 10% under their revised expenditure budget of \$5,103,481. This variance is due almost entirely to lower grants to other agencies. The County Attorney’s FY16 adopted expenditure budget of \$5,009,250 is 2% lower than in FY15, due to a slight increase in salary/ERE and a significant decrease in RICO funds transferred out to the Sheriff’s office. For FY16, the department requested and received \$60,000 in one-time funding for an upgrade to their case management system. The County Attorney is also receiving \$229,000 in additional General Fund support for salaries/EREs that their Special Revenue Funds will be unable to support in FY16.

The charts on the following page illustrate the County Attorney’s revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

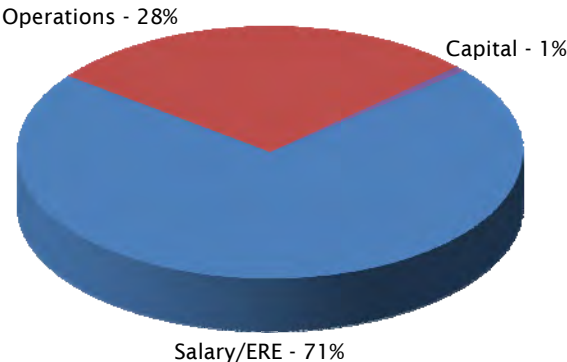
Revenue by Source Type



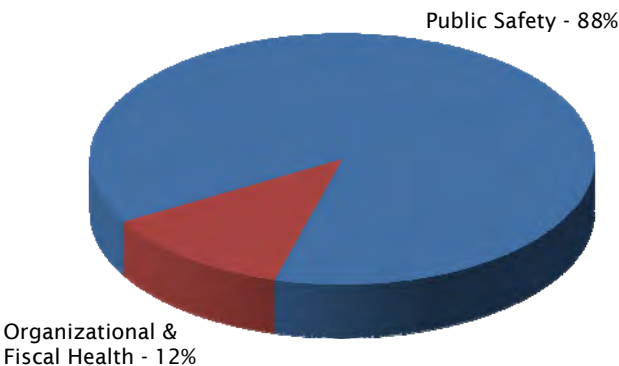
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



JUSTICE SYSTEM

County Attorney

Department-Wide Financial Statement

Revenues and Other Sources	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Federal and State Grants	\$ 508,537	\$ 485,547	\$ 463,555	\$ 420,228	\$ 469,008
Other Intergovernmental	13,395	-	13,395	-	-
Charges for Services	42,500	40,979	42,500	46,600	44,642
Fines, Fees, & Forfeits	650,000	689,407	650,000	269,970	450,000
Investment Income	46,750	29,780	15,450	3,469	7,250
Other	500	-	500	-	500
Transfers from Other Funds	124,420	85,914	87,243	93,078	77,972
Use of (Increase In) Fund Balance	474,923	(58,323)	566,639	504,120	345,452
General Fund Support	3,148,260	3,122,563	3,264,199	3,243,100	3,614,426
Total Funding Sources	\$ 5,009,285	\$ 4,395,867	\$ 5,103,481	\$ 4,580,565	\$ 5,009,250
Expenditures and Other Uses	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Salary/ERE	\$ 3,446,337	\$ 3,342,958	\$ 3,495,437	\$ 3,470,746	\$ 3,564,985
Operations	1,327,842	965,855	1,311,096	839,500	1,392,681
Travel	25,282	18,921	21,282	7,883	16,582
Transfers to Other Funds	209,824	68,132	275,666	262,436	35,002
Total Uses of Funds	\$ 5,009,285	\$ 4,395,867	\$ 5,103,481	\$ 4,580,565	\$ 5,009,250
Net Indirect Support	447,088	447,088	445,937	445,937	533,338
Total	\$ 5,456,373	\$ 4,842,955	\$ 5,549,418	\$ 5,026,502	\$ 5,542,588
General Fund Support	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Program Revenue	\$ 6,000	\$ 6,487	\$ 6,000	\$ 9,674	\$ 8,000
Transfers in from Other Funds	398	1,041	85	-	-
Program Expenditures	(3,067,656)	(3,081,591)	(3,257,993)	(3,247,762)	(3,613,523)
GF Transfers to Other Funds	(87,002)	(48,499)	(12,291)	(5,012)	(8,903)
Total Direct Support	\$(3,148,260)	\$(3,122,563)	\$(3,264,199)	\$(3,243,100)	\$(3,614,426)
Net Indirect Support	(447,088)	(447,088)	(445,937)	(445,937)	(533,338)
Total County Support	\$(3,595,348)	\$(3,569,651)	\$(3,710,136)	\$(3,689,037)	\$(4,147,764)

JUSTICE SYSTEM

County Attorney

FY16 Financial Statement by Program

<u>Program Name</u>	<u>FY16 Program Revenue</u>	<u>FY16 General Fund Support</u>	<u>FY16 Use of Fund Balance</u>	<u>FY16 Program Budget</u>	<u>FY16 Net Indirect Support</u>
Administrative Services	\$ 6,000	\$ 874,938	\$ -	\$ 880,938	\$ 86,191
Charging	-	419,281	73,026	492,307	73,418
Civil Legal Services	-	618,628	-	618,628	94,607
Felony Prosecution	811,230	1,083,323	254,426	2,148,979	198,671
Juvenile Justice	-	194,691	-	194,691	28,401
Misdemeanor Prosecution	-	299,662	-	299,662	43,805
Victim Service and Citizen Outreach	232,142	123,903	18,000	374,045	8,245
Total	\$ 1,049,372	\$ 3,614,426	\$ 345,452	\$ 5,009,250	\$ 533,338

Performance Measures by Program

Administration

	FY14	FY15	FY16
Criminal and civil attorneys comply with Continuing Legal Education and training requirements.	100%	100%	100%
Professional Development of Staff: Percentage of staff participating in professional development courses.	90%	95%	95%
Data entry is completed in the proper time frames as required by policies and funding agreements.	100%	100%	100%
Key management statistical reports are generated according to time lines.	100%	100%	100%
Financial audits and reports are completed and submitted as required by funding agencies.	100%	100%	100%

Charging

	FY14	FY15	FY16
Adult Charging Requests Received and Reviewed	1,920	1,800	1,800
Adult Felony Cases Charged	1,219	1,350	1,350
Adult Felony: percentage of cases charging decision made within 60 days of submittal	64%	65%	65%
Conviction Rate (percentage of cases charged resulting in a guilty plea/verdict)	92%	92%	92%

Civil Legal Services

	FY14	FY15	FY16
Civil Recurring Court Cases	252	300	300
Civil Claims and Litigation	146	145	145
Civil Legal Counsel	432	450	450
Agenda Item Review and Meetings	948	950	950

JUSTICE SYSTEM

County Attorney

Performance Measures by Program

Felony Prosecution	FY14	FY15	FY16
Felony Cases Charged	1,219	1,350	1,350
Conviction Rate	92%	92%	92%
Drug Court Cases	61	70	70
Veterans Court Cases	8	18	18
Mental Health Court Cases	12	16	16

Juvenile Justice	FY14	FY15	FY16
Juvenile Delinquency - Pre-Charging Referrals Reviewed	1,076	750	750
Juvenile Delinquency - Pre-Charging Final Decision Made	505	450	450
Juvenile Delinquency - Percentage of Petitions filed within 14 days of referral	92%	90%	90%
Juvenile Delinquency - Post Charging Review Hearings (in lieu of new petitions)	2,529	2,200	2,200
Juvenile Delinquency - Post Charging Delinquency Petitions Filed	469	390	390
Juvenile Truancy: Reduction in truancy through early, aggressive intervention. ATTEND program launched school calendar year 2010-2011. Target reduction rate of 75% or greater.	80%	80%	80%
ATTEND program satisfaction among participating schools	100%	100%	100%

Misdemeanor Prosecution	FY14	FY15	FY16
Adult misdemeanor cases prosecuted	2,828	2,800	2,800
Percentage of cases referred to diversion or deferred prosecution program	16%	18%	18%
Percentage of cases completing diversion or deferred prosecution program	95%	95%	95%

JUSTICE SYSTEM

County Attorney

Performance Measures by Program

Victim Service and Citizen Outreach	FY14	FY15	FY16
Victim Notification Services Provided	39,000	40,000	40,000
Victim Satisfaction - Number of surveys sent to victims	892	900	900
Victim Satisfaction - Percentage of Surveys Returned	15%	16%	16%
Victim Satisfaction - Percentage of Victims Satisfied with Services of Office	95%	95%	95%
Victim Witness Services - New victims receiving service	610	750	750
Victim Witness Services - New and continuing clients receiving criminal justice advocacy (CJA) services	2,573	3,000	3,000
Victim Witness Services - Number of CJA services provided	8,873	9,000	9,000
Victim Witness Services - Volunteer Hours	15,407	16,500	16,500
Victim Witness Services - Advocates providing direct service	6	9	9
Victim Witness Services - Percent of victims reporting satisfaction	95%	95%	95%
Victim Witness Services - Victim Compensation Claims approved	75	80	80
Victim Witness Services - Victim Compensation dollars distributed to crime victims	\$119,339	\$100,000	\$100,000
Bad Check Program - Victim Restitution Collected	\$17,579	\$10,000	\$10,000
Bad Check Program - Victim Fees Collected	\$1,322	\$1,200	\$1,200
Community Outreach - Number of impressions on citizens, students, teachers receiving the "Live Drug Free Message" Community meetings: Neighborhood Block Watches, Chapter House Meetings, Board Meetings, Civil Meetings, Education Groups, Citizen Initiatives/Training, Academy, Task forces, etc.	47,000	40,000	40,000
Community Outreach - Percentage of citizens reporting increased understanding of role of the County Attorney's Office	100%	100%	100%
Volunteer Program - Hours worked by volunteers	644	950	950

JUSTICE SYSTEM

County Attorney

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Administrative Manager, Senior	1.00	1.00	1.00
Administrative Specialist I	2.00	2.00	2.00
Administrative Support II	1.00	1.00	1.00
Attorney I	3.00	1.00	1.00
Attorney II	2.00	4.00	4.00
Attorney III	5.00	6.00	6.00
Attorney IV	5.00	4.00	4.00
Attorney V	3.00	3.00	3.00
Chief Deputy County Attorney	1.00	1.00	1.00
Elected Official	1.00	1.00	1.00
Legal Assistant	10.00	10.00	10.00
Legal Assistant, Executive	1.00	1.00	1.00
Legal Assistant, Senior	3.00	3.00	3.00
Paralegal	3.00	3.00	3.00
Senior Manager	1.00	1.00	1.00
Technical Specialist I	1.00	1.00	1.00
Total Positions	43.00	43.00	43.00

*Please note that there are no staffing changes for the County Attorney for FY16.

JUSTICE SYSTEM

Justice Courts

Flagstaff Justice Court: 200 North San Francisco Street, Flagstaff, AZ 86001 (928) 679-7650
Howard Grodman, Justice of the Peace

Fredonia Justice Court: 112 North Main Street, Fredonia, AZ 86022 (928) 643-7472
Mark Baron, Justice of the Peace

Page Justice Court: 547 Vista Avenue, Page, AZ 86040 (928) 645-8871
Donald Roberts, Justice of the Peace

Williams Justice Court: 700 West Railroad Avenue, Williams, AZ 86046 (928) 635-2691
Robert Krombeen, Justice of the Peace

The Coconino County Justice Courts are limited jurisdiction courts responsible for adjudicating traffic, misdemeanor and felony offenses, resolving civil disputes not exceeding \$5,000, small claims, landlord/tenant matters, and preserving public safety through the issuance of orders of protection, injunctions against harassment and search warrants.

Program	SPA	Description
Flagstaff Justice Court Case Processing	PS	Process all cases filed each year in Flagstaff Justice Court in a fair and timely manner.
Fredonia Justice Court Case Processing	PS	Process all cases filed each year in Fredonia Justice Court in a fair and timely manner.
Page Justice Court Case Processing	PS	Process all cases filed each year in Page Justice Court in a fair and timely manner.
Williams Justice Court Case Processing	PS	Process all cases filed each year in Williams Justice Court in a fair and timely manner.

Goals and Objectives

Departmental objectives for FY16 include:

- Begin planning and preparing for the upcoming Justice 2035 Strategic Planning Event for November 2015
- Expand services that are not available to veterans through the Veteran's Administration and provide services to more cases in Justice Court and Municipal Court
- Evaluate effectiveness of Home Detention Program
- Continue to participate in funding approval process for a remodeled court facility in Page
- Review current fee structure and explore increasing current fees and implement alternative fees
- Provide opportunities for Court Customers from the Town of Tusayan to participate in court hearings remotely from Tusayan

Longer-term goals for the Justice Courts include:

- Expansion of the e-citation program to include the NAU Police Department
- Exploration and implementation of modifications to the current collection practices to enhance efficiencies within collections
- Exploration of Evidence Based Sentencing (targeting services and sanctions more accurately based on the individual and not the offense)

JUSTICE SYSTEM

Justice Courts

Opportunities and Challenges

- Through the Justice 2035 long-range strategic planning process, the Courts work to proactively respond to the many trends that impact the system such as the increase in County population; increase in diverse minority populations; economic downturns; technology revolution; local, State and Federal policy changes; unfunded mandates; caseload trends; and complexity of cases.
- Expanded veteran services will require transportation for defendants, increased funding and coordination. These services will improve the quality of life for Coconino County veterans and will consolidate our number of cases.
- The Home Detention Program requires increased staffing and resources, but it improves the quality of life for detainees, saves jail beds, and provide better alternatives to traditional sentencing.

JUSTICE SYSTEM

Justice Courts

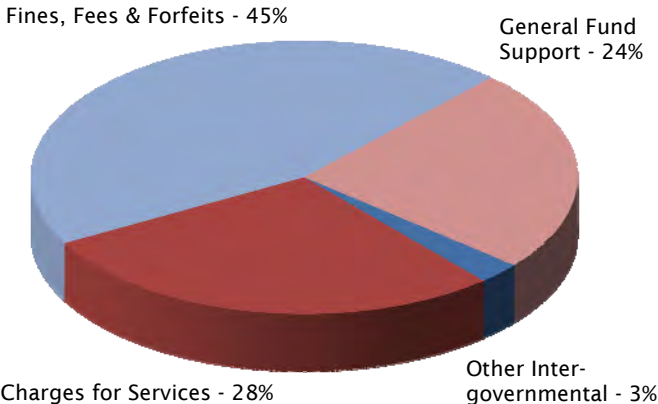
Financial Summary

The Justice Courts receive most of their revenue through the levying of fines, fees, and bond forfeitures. The Courts also receive revenue from charges for services and from General Fund support. For FY15, the department’s revenue finished 13% above budget, due to higher-than-anticipated fines, fees and forfeiture revenue as well as an increase in charges for services. The department’s FY16 revenue budget will also increase by 1%, due to continued increases in these revenues.

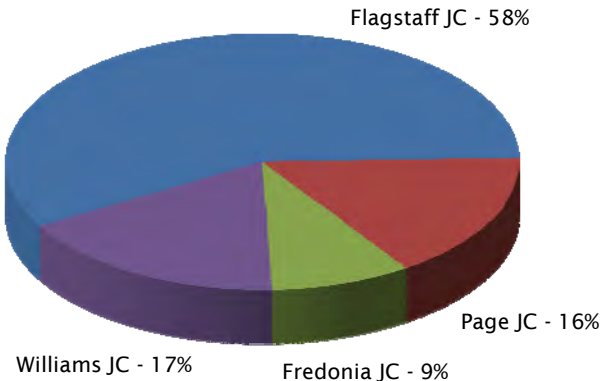
For FY15, the Justice Courts finished 6% under their revised expenditure budget of \$2,499,198. The majority of this variance is due to salary and operational savings at the Flagstaff Justice Court. The Justice Courts’ FY16 adopted expenditure budget of \$2,540,846 is 2% higher than their FY15 budget, due to merit increases for most personnel as well as an additional .25 FTE added to the Fredonia Justice Court. This was a Service Improvement Request approved by the Board for FY16.

The following charts illustrate the Justice Courts’ revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

Revenue by Source Type



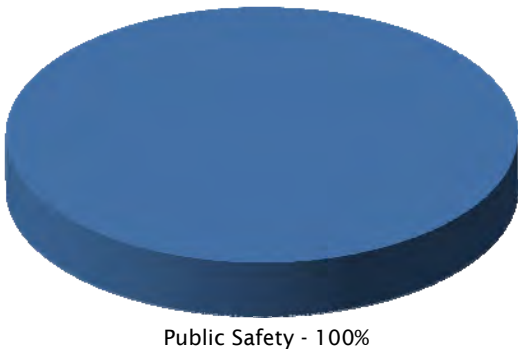
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



JUSTICE SYSTEM

Justice Courts

Department-Wide Financial Statement

Revenues and Other Sources	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Federal and State Grants	\$ 81,412	\$ 46,807	\$ 50,205	\$ 34,605	\$ -
Other Intergovernmental	63,160	69,200	63,160	50,549	64,198
Charges for Services	692,325	735,814	672,805	776,324	717,305
Fines, Fees, & Forfeits	1,117,550	1,185,857	1,106,450	1,281,521	1,138,450
Investment Income	8,400	11,671	10,170	5,233	4,550
Other	1,000	4,296	200	2,806	500
Transfers from Other Funds	7,073	7,073	7,073	7,073	7,073
Use of (Increase In) Fund Balance	71,644	(121,842)	(13,744)	(142,548)	(2,146)
General Fund Support	554,139	404,698	602,879	335,709	610,916
Total Funding Sources	\$ 2,596,703	\$ 2,343,575	\$ 2,499,198	\$ 2,351,273	\$ 2,540,846
Expenditures and Other Uses	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Salary/ERE	\$ 2,095,902	\$ 1,992,055	\$ 2,138,252	\$ 2,048,805	\$ 2,168,273
Operations	392,973	247,360	317,827	263,749	326,539
Travel	31,905	25,694	36,046	25,737	38,961
Capital	68,850	71,394	-	5,910	-
Transfers to Other Funds	7,073	7,073	7,073	7,073	7,073
Total Uses of Funds	\$ 2,596,703	\$ 2,343,575	\$ 2,499,198	\$ 2,351,273	\$ 2,540,846
Net Indirect Support	442,666	442,666	492,323	492,323	481,737
Total	\$ 3,039,369	\$ 2,786,241	\$ 2,991,521	\$ 2,843,596	\$ 3,022,583
General Fund Support	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Program Revenue	\$ 1,481,960	\$ 1,577,918	\$ 1,445,160	\$ 1,703,969	\$ 1,506,998
Transfers in from Other Funds	7,073	7,073	7,073	7,073	7,073
Program Expenditures	(2,043,172)	(1,989,689)	(2,055,112)	(2,046,751)	(2,124,987)
GF Transfers to Other Funds	-	-	-	-	-
Total Direct Support	\$ (554,139)	\$ (404,698)	\$ (602,879)	\$ (335,709)	\$ (610,916)
Net Indirect Support	(442,666)	(442,666)	(492,323)	(492,323)	(481,737)
Total County Support	\$ (996,805)	\$ (847,364)	\$ (1,095,202)	\$ (828,032)	\$ (1,092,653)

JUSTICE SYSTEM

Justice Courts

FY16 Financial Statement by Program

<u>Program Name</u>	<u>FY16 Program Revenue</u>	<u>FY16 General Fund Support</u>	<u>FY16 Use of Fund Balance</u>	<u>FY16 Program Budget</u>	<u>FY16 Net Indirect Support</u>
Flagstaff Justice Court	\$ 1,178,989	\$ 282,441	\$ 8,110	\$ 1,469,540	\$ 284,359
Fredonia Justice Court	136,177	87,355	1,507	225,039	56,067
Page Justice Court	253,856	167,325	(13,203)	407,978	35,513
Williams Justice Court	363,054	73,795	1,440	438,289	105,798
Total	\$ 1,932,076	\$ 610,916	\$ (2,146)	\$ 2,540,846	\$ 481,737

Performance Measures by Program

<u>Flagstaff Justice Court Case Processing</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Traffic Cases Filed	11,331	11,482	11,482
Traffic Cases Concluded/Terminated	12,287	12,034	12,034
Criminal Cases (Felony and Misdemeanors) Filed	2,076	1,949	1,949
Criminal Cases (Felony and Misdemeanors) Concluded/Terminated	3,333	2,500	2,500
Civil and Small Claims Filed	1,486	1,385	1,385
Civil and Small Claims Concluded/Terminated	1,484	1,694	1,694
Orders of Protection and Injunctions Against Harassment Cases Processed	404	396	396
Total Cases Filed	15,297	15,212	15,212
Total Cases Concluded/Terminated	17,104	16,228	16,228
Clearance Rate of Total Cases	112%	107%	107%
The court makes reasonable efforts to remove physical and language barriers to service	92%	94%	94%
I was able to get my court business done in a reasonable amount of time	88%	88%	88%
Court staff paid attention to my needs	93%	95%	95%
Court customers felt they were treated with courtesy and respect	94%	94%	94%
85% of all cases are disposed of within 120 days	57.6%	70.0%	70.0%
93% of all cases are disposed of within 180 days	75.6%	90.0%	90.0%

JUSTICE SYSTEM

Justice Courts

Performance Measures by Program

Fredonia Justice Court Case Processing	FY14	FY15	FY16
Traffic Cases Filed	1,606	1,881	1,881
Traffic Cases Concluded/Terminated	1,647	1,848	1,848
Criminal Cases (Felony and Misdemeanors) Filed	39	91	91
Criminal Cases (Felony and Misdemeanors) Concluded/Terminated	56	84	84
Civil and Small Claims Filed	12	14	14
Civil and Small Claims Concluded/Terminated	7	10	10
Orders of Protection and Injunctions Against Harassment Cases Processed	20	10	10
Total Cases Filed	1,677	1,996	1,996
Total Cases Concluded/Terminated	1,710	1,942	1,942
Clearance Rate of Total Cases	102%	97%	97%
The court makes reasonable efforts to remove physical and language barriers to service	80%	90%	90%
I was able to get my court business done in a reasonable amount of time	92%	95%	95%
Court staff paid attention to my needs	54%	80%	80%
Court customers felt they were treated with courtesy and respect	62%	80%	80%
85% of all cases are disposed of within 120 days	75%	85%	85%
93% of all cases are disposed of within 180 days	75%	90%	90%

Page Justice Court Case Processing	FY14	FY15	FY16
Traffic Cases Filed	1,918	2,767	2,767
Traffic Cases Concluded/Terminated	1,825	2,772	2,772
Criminal Cases (Felony and Misdemeanors) Filed	452	367	367
Criminal Cases (Felony and Misdemeanors) Concluded/Terminated	485	499	499
Civil and Small Claims Filed	285	185	185
Civil and Small Claims Concluded/Terminated	394	202	202
Orders of Protection and Injunctions Against Harassment Cases Processed	35	50	50
Total Cases Filed	2,655	3,369	3,369
Total Cases Concluded/Terminated	2,704	3,473	3,473
Clearance Rate of Total Cases	102%	103%	103%
The court makes reasonable efforts to remove physical and language barriers to service	78%	80%	80%
I was able to get my court business done in a reasonable amount of time	77%	80%	80%
Court staff paid attention to my needs	81%	85%	85%
Court customers felt they were treated with courtesy and respect	93%	95%	95%
85% of all cases are disposed of within 120 days	70.6%	85.0%	85.0%
93% of all cases are disposed of within 180 days	88.2%	93.0%	93.0%

JUSTICE SYSTEM

Justice Courts

Performance Measures by Program

Williams Justice Court Case Processing	FY14	FY15	FY16
Traffic Cases Filed	3,712	3,500	3,500
Traffic Cases Concluded/Terminated	3,691	3,500	3,500
Criminal Cases (Felony and Misdemeanors) Filed	421	400	400
Criminal Cases (Felony and Misdemeanors) Concluded/Terminated	501	400	400
Civil and Small Claims Filed	108	100	100
Civil and Small Claims Concluded/Terminated	59	120	120
Orders of Protection and Injunctions Against Harassment Cases Processed	92	96	96
Total Cases Filed	4,333	4,096	4,096
Total Cases Concluded/Terminated	4,251	4,020	4,020
Clearance Rate of Total Cases	98%	98%	98%
The court makes reasonable efforts to remove physical and language barriers to service	84%	90%	90%
I was able to get my court business done in a reasonable amount of time	85%	90%	90%
Court staff paid attention to my needs	90%	90%	90%
Court customers felt they were treated with courtesy and respect	93%	95%	95%
85% of all cases are disposed of within 120 days	63.6%	70.0%	70.0%
93% of all cases are disposed of within 180 days	75.8%	85.0%	85.0%

Department Staffing (Full Time Equivalents)

Positions by Title	FY14	FY15	FY16
Administrative Manager	1.00	1.00	1.00
Administrative Manager, Senior	1.00	1.00	1.00
Administrative Specialist I*	9.00	9.00	9.25
Administrative Supervisor	1.00	1.00	1.00
Elected Official	4.00	4.00	4.00
Justice Court Specialist	14.00	14.00	14.00
Justice Court Specialist, Senior	4.00	4.00	4.00
Justice of the Peace Pro Tem	1.00	1.00	1.00
Total Positions	35.00	35.00	35.25

*The Fredonia Justice Court's Administrative Specialist I position was increased from .50 to .75 FTE for FY16.

JUSTICE SYSTEM

Juvenile

1001 East Sawmill Road, Flagstaff, AZ 86001 (928) 226-5400
Bryon Matsuda, Director

The Juvenile Division of the Superior Court in Coconino County has jurisdiction of minors between the ages of eight and eighteen when considering incorrigible and delinquent acts.

Program	SPA	Description
Administration	PS	The Administration program for Juvenile Court provides leadership, strategic direction, and administrative support to the employees of the department.
Detention and Alternatives to Detention Services	PS	Detention Services provide temporary care for youth who are at risk of committing serious delinquent acts, who are a danger to themselves or others, or who may not appear for future hearings.
Juvenile Court	PS	To provide a just, timely, and impartial court setting for all juvenile matters involving delinquency, incorrigibility, dependency and adoptions.
Probation Services	PS	Probation Services works with delinquent youth to develop their pro-social life skills, behaviors, and beliefs.
Resource Services	PS	Resource Services provides programs, services and therapies that build youth beliefs, motivations and skills for pro-social behaviors.

Goals and Objectives

The department's FY16 objectives for low risk youth (Diversion) include:

- 60% of first-time referred youth are identified, receive the intervention they need and do not go to court (saves court/prosecutor/public defender time)
- 90% of these youth will not be re-referred within a year

The department's FY16 objectives for medium risk youth (Standard Probation Services) include:

- 90% of youth will not require placement into Intensive Step Up Probation
- 80% of parents/custodians will give feedback that services/program has helped them
- 100% of youth will be enrolled and attending educational services
- 90% of medium risk youth will not be on Coconino Adult Probation (within three years of turning 18 years of age, not including ADJC commitments)

The department's FY16 objectives for high risk youth (Juvenile Intensive Probation) include:

- 90% of high risk youth will not require placement into Arizona Department of Corrections
- 66% of parents/custodians will give feedback that services/program has helped them
- 90% of high risk youth will not be on Coconino Adult Probation (within three years of turning 18 years of age, not including ADJC commitments)

JUSTICE SYSTEM

Juvenile

Goals and Objectives (continued)

One longer-term goal for the department is reducing the number of youth the court needs to commit to the Arizona Department of Juvenile Corrections. A reduction of between 33% and 50% may be possible by shifting the utilization of Detention resources to work with other Juvenile Court services and providers to provide intensive services at a secure custody level.

Another departmental goal is to have fewer youth in secure lock up and more youth in alternatives. In order to prevent expansion of detention utilization we will initiate additional short term detention alternatives, weekend work crews and improve electronic monitoring utilization for accountability alternatives for the Court.

Opportunities and Challenges

- Juvenile Court Services is researching the impact of the Governor's proposed 25% Arizona Department of Juvenile Corrections (ADJC) cost shift (estimated at \$544,000) and is continuing our efforts to identify and deploy more resources on our highest risk and needs youth and families.
- The department is experiencing a significant increase in Dependency Filings. As of March 5, 2015, there have been 41 Dependency petition filings involving 63 children, which is higher than any of the last five years. At this rate, Dependencies could end the fiscal year 100% above the average of the last five years. Consequently, the department is requiring additional Court Appointed Special Advocates.
- The increase in judicial hearings is creating an extraordinary work demand on the Dependency Judges. So far, they are managing the demand within their workload.
- There are additional costs for Case Mediation for which the department does not have enough funds, but are asking the Administrative Office of the Courts for assistance.
- The department has closed one living unit and redeployed four staff into Intensive Skills Development Trainers in the home and community wrap-around services. This program, along with the Detention Intensive Skills Development Jump Start Program, will provide an alternative for some high risk/needs youth who would require residential placement or commitment to ADJC. This program was launched in January 2015 and will be evaluated at the end of the calendar year.

JUSTICE SYSTEM

Juvenile

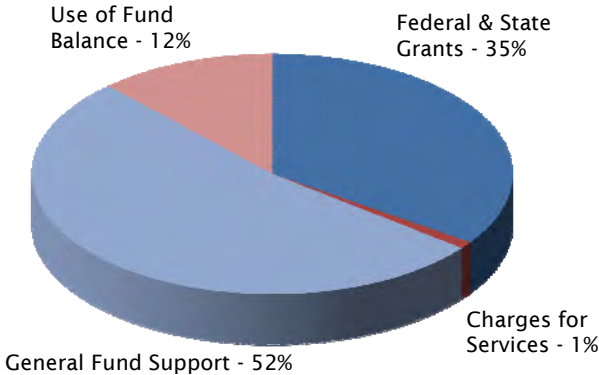
Financial Summary

Juvenile’s two main funding sources are General Fund support and Federal and State grants. The department ended FY15 1% above their budgeted revenue, due to higher-than-expected charges for services. The department’s FY16 revenue budget, net of unawarded grants, is expected to be almost identical to FY15.

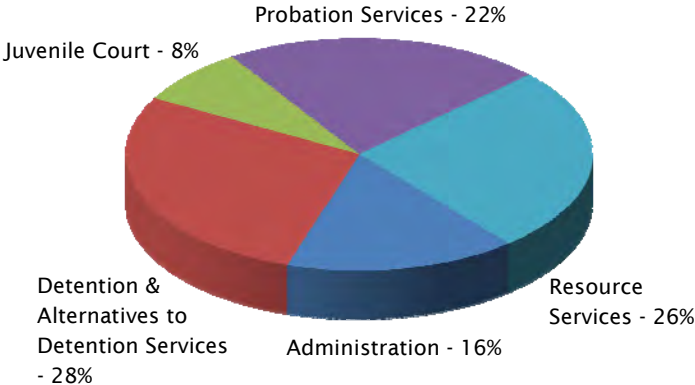
For FY15, Juvenile finished 18% under their revised expenditure budget of \$5,832,018. This variance is due to across-the-board savings, including salary savings from unfilled positions, savings in other professional services and travel savings. Juvenile’s FY16 adopted expenditure budget of \$6,084,280 (excluding unawarded grants) is 4% higher than their FY15 budget, due to merit increases to employee salaries and an approved one-time SIR for \$80,300 that will provide long-term shelter care for juvenile offenders.

The following charts illustrate Juvenile’s revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area. Expenditure charts exclude unawarded grants.

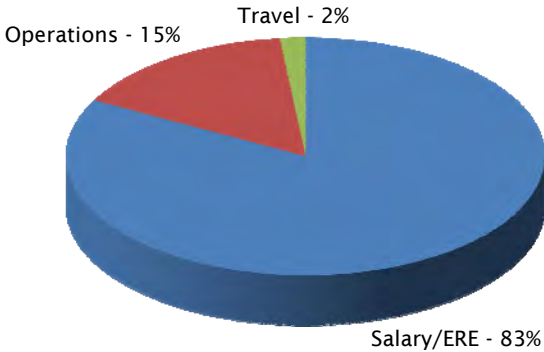
Revenue by Source Type



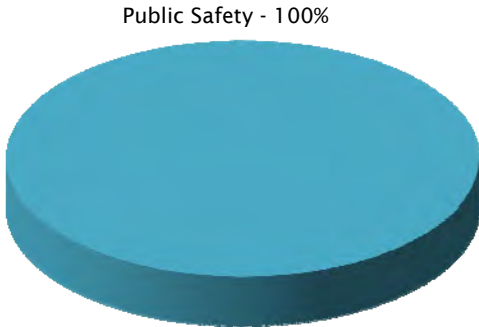
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



JUSTICE SYSTEM

Juvenile

Department-Wide Financial Statement

<u>Revenues and Other Sources</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Federal and State Grants	\$ 2,390,685	\$ 2,118,186	\$ 2,105,972	\$ 2,070,648	\$ 2,105,068
Charges for Services	88,800	116,950	57,810	108,335	57,810
Unawarded Grants	-	-	-	-	1,000,000
Investment Income	4,000	17,476	11,422	8,914	5,000
Other	-	790	-	13,256	-
Use of (Increase In) Fund Balance	685,252	(42,107)	726,245	31,301	726,833
General Fund Support	2,856,451	2,599,774	2,930,569	2,546,926	3,189,569
Total Funding Sources	\$ 6,025,188	\$ 4,811,068	\$ 5,832,018	\$ 4,779,379	\$ 7,084,280

<u>Expenditures and Other Uses</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Salary/ERE	\$ 4,698,564	\$ 4,251,003	\$ 4,778,997	\$ 4,275,865	\$ 5,036,990
Operations	1,176,954	500,186	933,514	462,185	1,941,725
Travel	149,670	59,879	119,507	41,330	105,565
Total Uses of Funds	\$ 6,025,188	\$ 4,811,068	\$ 5,832,018	\$ 4,779,379	\$ 7,084,280

Net Indirect Support	952,690	952,690	923,885	923,885	904,380
Total	\$ 6,977,878	\$ 5,763,758	\$ 6,755,903	\$ 5,703,264	\$ 7,988,660

<u>General Fund Support</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Program Revenue	\$ 6,500	\$ 23,249	\$ 6,500	\$ 43,313	\$ 6,500
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	(2,857,360)	(2,618,955)	(2,884,418)	(2,585,589)	(3,035,749)
GF Transfers to Other Funds	(5,591)	(4,068)	(52,651)	(4,651)	(160,320)
Total Direct Support	\$(2,856,451)	\$(2,599,774)	\$(2,930,569)	\$(2,546,926)	\$(3,189,569)

Net Indirect Support	(952,690)	(952,690)	(923,885)	(923,885)	(904,380)
Total County Support	\$(3,809,141)	\$(3,552,464)	\$(3,854,454)	\$(3,470,811)	\$(4,093,949)

FY16 Financial Statement by Program

<u>Program Name</u>	<u>FY16 Program Revenue</u>	<u>FY16 General Fund Support</u>	<u>FY16 Use of Fund Balance</u>	<u>FY16 Program Budget</u>	<u>FY16 Net Indirect Support</u>
Administration	\$ 448,130	\$ 341,359	\$ 188,420	\$ 977,909	\$ 134,239
Detention and Alternatives to Detention Services	45,726	1,657,017	3,239	1,705,982	268,612
Juvenile Court	103,596	373,013	-	476,609	80,965
Probation Services	855,077	255,312	237,981	1,348,370	191,273
Resource Services	1,715,349	562,868	297,193	2,575,410	229,291
Total	\$ 3,167,878	\$ 3,189,569	\$ 726,833	\$ 7,084,280	\$ 904,380

JUSTICE SYSTEM

Juvenile

Performance Measures by Program

Administration	FY14	FY15	FY16
Within County Budget	Yes	Yes	Yes
Within State Budget	Yes	Yes	Yes
Grants/Funding Received	JABG: \$22,155	JABG: \$8,839	JABG: \$9,000
	JCRF: \$69,609		
Other Funding	JVRIF: \$26,670	JVRIF: \$26,800	JVRIF: \$26,800
	USDA Food Grant: \$36,100	USDA Food Grant: \$37,635	USDA Food Grant: \$38,000
	Fees Collected: \$79,332	Fees Collected: \$60,000	Fees Collected: \$40,000
Big Brothers & Big Sisters of Northern AZ (Mentoring Probation Boys and Girls)	X	X	X
Coconino County Accommodation School District (Detention Education)	X	X	X
Coconino County Health Department/District Nursing Services	X	X	X
North County Health Services (Psychiatric Services)	X	X	X
Native Americans Community Action (Substance Abuse Intervention Services)	X	X	X
Sequoia Choice (Day School Educational Services)		X	X
Flagstaff Unified School District		X	X
All Full-time Staff Turnover	17.62%	11.34%	15.00%
Management Staff Turnover	N/A	N/A	10.00%
Administration Staff Turnover	0.00%	6.15%	5.00%
Court Staff Turnover	0.00%	9.76%	12.00%
Probation Staff Turnover	25.32%	14.01%	15.00%
Detention Staff Turnover	28.00%	17.39%	30.00%
Detention Leadership Staff Turnover	N/A	N/A	10.00%
Detention Temp Staff Retention	87.00%	50.00%	75.00%
Resources Staff Retention	10.09%	0.00%	10.00%
Number of Discharges	2	3	5
Appeals of Employment Discharges	0	0	0
Number of Discharges Appealed	0	0	0
Number of Discharges Reversed	0	0	0
Equal Employment Opportunity Commission Complaints and Results	0 Upheld	0 Upheld	0 Upheld

JUSTICE SYSTEM

Juvenile

Performance Measures by Program

Juvenile Court	FY14	FY15	FY16
Petition to Adjudication			
Detained Youth (45 days)	28.87	12.83	45.00
Non Detained Youth (60 days)	47.25	34.14	60
Adjudication to Disposition			
Detained Youth (30 days)	62.01	78.97	30.00
Non Detained Youth (45 days)	43.15	50.41	45.00
Within twelve months of the child's removal from home, permanency occurs unless otherwise permitted by law (95% of cases)	86%	95%	95%
95% of Dependency petitions meeting Preliminary Protective Hearing Requirements (Not Less than 5 but not more than 7 days from removal from home)	88%	95%	95%
FYI - Number of Children involved in dependency cases	136	143	160
Court Appointed Special Advocates will meet with their assigned children no less than monthly	98%	100%	100%
Number of CASA Volunteers	27	30	30
Number of Hours Donated	1,881	797	1,200

Detention and Alternatives to Detention Services	FY14	FY15	FY16
No Successful Suicides by Youth	0	0	0
No Prison Rape Elimination Act Violations	0	0	0
Detention Daily Population	20.2	19.2	20.0
1 Staff to 8 Youth Supervision	OK	OK	OK
Probation Youth Completing Making Things Right Weekend Programs	87	108	110
Youth Court Ordered onto Electronic Monitoring	28	59	60

JUSTICE SYSTEM

Juvenile

Performance Measures by Program

Probation Services	FY14	FY15	FY16
75% of 1st Time Referred Youth are not petitioned before the Court	79.51%	84.90%	75.00%
90% of Diversion Youth do not receive Formal Petitions within one year	90.29%	96.60%	90.00%
80% of Diversion Youth who complete do not receive Probation Supervision within 3 years	N/A	N/A	80.00%
95% of Standard Youth Not Adjudicated for Felony Level Offense while on Probation (Excluding Class 6)	100%	100%	95.00%
90% of Standard Youth Not Adjudicated for Felony Level Offense while on Probation	85.58%	95.45%	90.00%
75% of JIPS Youth Not Adjudicated for Felony Level Offense while on Probation (Excluding Class 6)	100%	100%	75.00%
60% of JIPS Youth Not Adjudicated for Felony Level Offense while on Probation	91.48%	100%	60.00%
70% of Parents' Feedback Forms report the Step Up Probation Program has helped their Child	79.26%	70.87%	70.00%
70% of Parents' Feedback Form report the Step Up Probation Program has helped their Family	73.91%	68.27%	70.00%
70% of Parents' Feedback Forms report the Step Up Probation Program has helped them	73.58%	68.26%	70.00%
75% of the Parents' Feedback Form report their Relationship with their Child has improved	75.50%	67.87%	75.00%

Resource Services	FY14	FY15	FY16
Number of Commitments to ADJC (FY15 is 25% lower than FY14)	20	10	12
80% ISD Youth are Not Adjudicated for Felony Level Offense while in Furlough or ISD Program (Excluding Class 6)	100%	100%	80%
60% Furlough or ISD Youth do not require Residential Placement or Commitment to Arizona Department of Corrections	64.29%	80%	60%
95% of Adjudicated Juveniles Offending Sexually will not sexually reoffend	100%	100%	95%

JUSTICE SYSTEM

Juvenile

Department Staffing (Full Time Equivalents)

Positions by Title	FY14	FY15	FY16
Accounting Technician II	1.00	1.00	1.00
Administrative Manager, Senior	1.00	1.00	1.00
Administrative Operations Manager	1.00	1.00	1.00
Administrative Specialist I	6.40	4.50	4.50
Administrative Specialist II	0.75	0.75	0.75
Administrative Specialist III	1.00	1.00	1.00
Bailiff II	2.00	2.00	2.00
Commissioner/Judge	0.50	0.50	0.50
Court Technician I	-	1.00	1.00
Court Technician II	1.00	1.00	1.00
Deputy Director	1.00	1.00	1.00
Director	1.00	1.00	1.00
Division Manager	4.00	4.00	4.00
Judicial Assistant	1.00	1.00	1.00
Juvenile Program Coordinator	3.00	3.00	3.00
Probation Clinician II	2.00	2.00	2.00
Probation Officer II	12.00	10.00	10.00
Probation Officer, Lead	2.00	2.00	2.00
Probation Supervisor	2.00	2.00	2.00
Probation Work Crew Supervisor	0.40	0.40	0.40
Surveillance Officer	-	1.00	1.00
Technical Specialist I	1.00	1.00	1.00
Youth Care Worker II	16.06	15.40	15.40
Youth Care Worker III	7.00	8.00	8.00
Youth Care Worker iV	-	2.00	2.00
Youth Care Worker V	3.00	3.00	3.00
Total Positions	70.11	70.55	70.55

*This department is heavily grant funded so FTEs fluctuate with grant cycles.

JUSTICE SYSTEM

Legal Defender

201 East Birch Avenue, Flagstaff, AZ 86001 (928) 679-7740
Gary Pearlmutter, Legal Defender

The Legal Defender's Office fulfills the State's constitutional obligation to provide legal services to persons who are indigent and face a loss of their liberty or family. The US Supreme Court requires states to provide lawyers to represent criminal defendants and minors who are unable to pay for their own attorney.

Program	SPA	Description
Contractual Indigent Legal Services	PS	This program provides effective legal services to indigent criminal defendants, parents, children and witnesses in criminal, delinquency and dependency matters by outside contract attorneys.
In-House Indigent Legal Services	PS	This program provides effective legal services to indigent criminal defendants, parents, children and witnesses in criminal, delinquency and dependency matters by in-house counsel.

Goals and Objectives

Departmental objectives for FY16 include:

- Continuing to work with the County Health Department and County Attorney's Office, along with local law enforcement agencies, Northern Arizona Regional Behavioral Health Agency, Flagstaff Medical Center and The Guidance Center to improve the Title 36 program
- Implementing the volunteer Veteran Mentor Program, which is the final remaining feature of the Veteran's Court
- Updating the Indigent Legal Services Policy; the current policy that the Board of Supervisors adopted is almost 15 years old.

Longer-term goals for the Legal Defender consist of:

- Continuing to make opportunities available for the attorneys at the Legal Defender's Office to learn more about Title 36
- Work towards converting the computerized case management system from Time Matters to JustWare or another more comprehensive system. A comprehensive case management system is the key to assessing attorney caseloads and case complexity.

Opportunities and Challenges

- Title 36 of the Arizona Revised Statutes provides authority for behavioral health agencies, Flagstaff Medical Center, law enforcement and other interested parties to petition the Superior Court to commit a person who is suffering from a mental disorder that results in that person being a danger to himself/herself or others. The Legal Defender's Office defends the wards who are the subject of these petitions. The number of Title 36 cases has increased in the last five years and these cases present many challenges and concerns.
- The JustWare case management system has the ability to eliminate repeated entries of data, such as court hearing dates; once a clerk with the court enters a date, JustWare can obtain it automatically from the court's case management system and push to the Legal Defender's Office. JustWare can also efficiently facilitate the electronic disclosure of documents from the County Attorneys Office, Public Defender's Office and courts.
- The responsibilities of the Public Defender and Legal Defender Offices have changed over the past 15 years. For example, the Legal Defender's Office now handles all the Title 36 Civil Commitment Cases and it is handling more juvenile delinquency and child welfare cases.

JUSTICE SYSTEM

Legal Defender

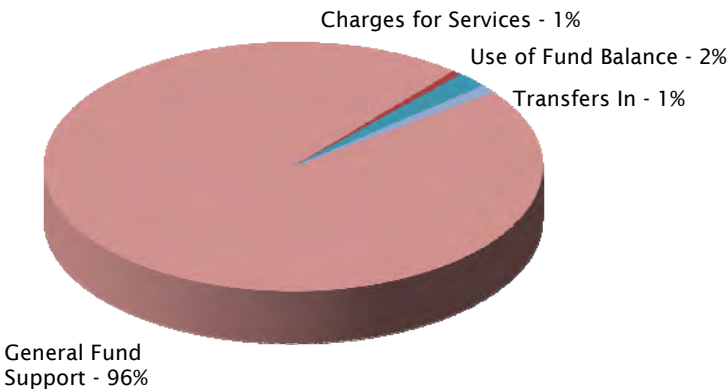
Financial Summary

The majority of the Legal Defender’s revenue is provided through General Fund support. The department finished the fiscal year 5% above their revenue budget, due primarily to increased revenue from client representation. The department’s FY16 revenue budget is 1% higher than in FY15, reflecting an increase in charges for services.

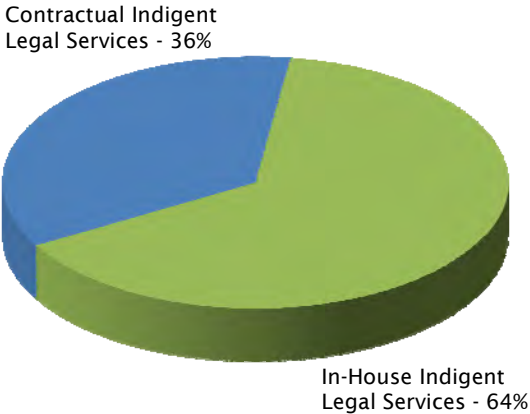
For FY15 the Legal Defender’s Office was 20% over their revised expenditure budget of \$974,141. This variance was due to increased expenses for legal services contracted to outside attorneys, as well as investigators and other professional services within the department’s In-House Indigent Legal Services program. This overage had been brought to the attention of the County Manager’s office at mid-year. The department’s FY16 adopted expenditure budget of \$1,037,224 represents a 6% increase to the FY15 budget. This is due to an approved Service Improvement Request for an additional part-time (.25 FTE) attorney position.

The following charts illustrate the Legal Defender’s revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

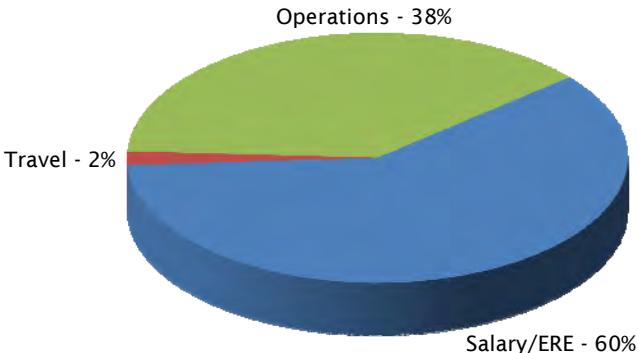
Revenue by Source Type



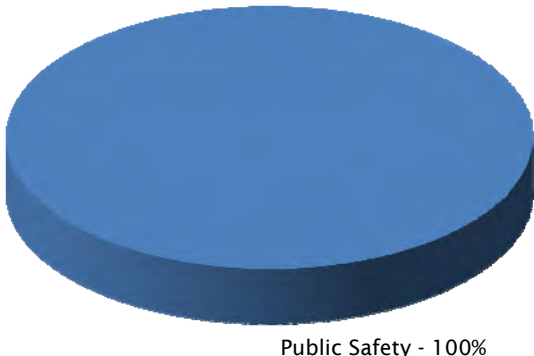
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



JUSTICE SYSTEM

Legal Defender

Department-Wide Financial Statement

	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Revenues and Other Sources					
Federal and State Grants	\$ 2,000	\$ 2,497	\$ 2,500	\$ 2,091	\$ 2,000
Charges for Services	6,000	8,759	6,000	7,019	6,500
Investment Income	890	1,259	890	569	571
Transfers from Other Funds	9,960	10,805	10,446	11,103	11,044
Use of (Increase In) Fund Balance	20,280	4,371	20,610	(534)	20,885
General Fund Support	892,620	948,585	933,695	1,150,741	996,224
Total Funding Sources	\$ 931,750	\$ 976,276	\$ 974,141	\$ 1,170,989	\$ 1,037,224
Expenditures and Other Uses					
Salary/ERE	\$ 566,350	\$ 531,141	\$ 566,483	\$ 585,018	\$ 620,378
Operations	349,921	428,181	389,668	566,441	392,918
Travel	10,426	11,583	12,451	14,040	18,201
Transfers to Other Funds	5,053	5,370	5,539	5,490	5,727
Total Uses of Funds	\$ 931,750	\$ 976,276	\$ 974,141	\$ 1,170,989	\$ 1,037,224
Net Indirect Support	48,211	48,211	50,846	50,846	62,565
Total	\$ 979,961	\$ 1,024,487	\$ 1,024,987	\$ 1,221,835	\$ 1,099,789
General Fund Support					
Program Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in from Other Funds	5,053	5,370	5,539	5,490	5,727
Program Expenditures	(897,673)	(953,955)	(939,234)	(1,156,231)	(1,001,951)
GF Transfers to Other Funds	-	-	-	-	-
Total Direct Support	\$ (892,620)	\$ (948,585)	\$ (933,695)	\$ (1,150,741)	\$ (996,224)
Net Indirect Support	(48,211)	(48,211)	(50,846)	(50,846)	(62,565)
Total County Support	\$ (940,831)	\$ (996,796)	\$ (984,541)	\$ (1,201,587)	\$ (1,058,789)

FY16 Financial Statement by Program

Program Name	FY16 Program Revenue	FY16 General Fund Support	FY16 Use of Fund Balance	FY16 Program Budget	FY16 Net Indirect Support
Contractual Indigent Legal Services	\$ -	\$ 366,579	\$ 2,300	\$ 368,879	\$ 6,013
In-House Indigent Legal Services	20,115	629,645	18,585	668,345	56,552
Total	\$ 20,115	\$ 996,224	\$ 20,885	\$ 1,037,224	\$ 62,565

JUSTICE SYSTEM

Legal Defender

Performance Measures by Program

Contractual Program Case Count	FY14	FY15	FY16
Total Cases	194	199	N/A
Adult Felony	68	90	N/A
Juvenile Delinquency	32	14	N/A
Juvenile Delinquent Guardian Ad Litem	6	8	N/A
Adult Misdemeanor	1	0	N/A
Dependency	46	65	N/A
Dependency Guardian Ad Litem	4	2	N/A
Appeals	4	1	N/A
Post-Conviction Relief	30	15	N/A
Revocation	3	1	N/A
Mental Health	0	3	N/A
Other	0	0	N/A

Contractual Program Costs per Case	FY14	FY15	FY16
Adult Felony	\$995	\$1,000	N/A
Juvenile Delinquency	\$1,070	\$1,100	N/A
Juvenile Delinquent Guardian Ad Litem	\$1,070	\$1,100	N/A
Dependency	\$1,666	\$1,700	N/A
Dependency Guardian Ad Litem	\$1,666	\$1,700	N/A

In-House Program Case Count	FY14	FY15	FY16
Total Cases	504	483	N/A
Adult Felony	138	112	N/A
Juvenile Delinquency	94	90	N/A
Juvenile Delinquent Guardian Ad Litem	23	12	N/A
Adult Misdemeanor	1	4	N/A
Dependency	29	57	N/A
Dependency Guardian Ad Litem	9	7	N/A
Appeals	1	0	N/A
Post-Conviction Relief	6	6	N/A
Revocation	4	5	N/A
Mental Health	198	190	N/A
Other	1	0	N/A
Average Days Open - Felony	130	N/A	N/A
Delinquency	86	N/A	N/A
Full Time Equivalents	3.75	3.75	N/A

JUSTICE SYSTEM

Legal Defender

Performance Measures by Program

In-House Program Costs per Case

Adult Felony	\$1,199	\$1,250	N/A
Juvenile Delinquency	\$1,043	\$1,100	N/A
Juvenile Delinquent Guardian Ad Litem	\$1,043	\$1,100	N/A
Dependency	\$1,043	\$1,100	N/A
Dependency Guardian Ad Litem	\$1,043	\$1,100	N/A

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Administrative Specialist II	-	1.00	1.00
Administrative Support II*	1.00	-	-
Attorney II	-	1.00	1.00
Attorney III	1.00	-	-
Attorney IV	2.00	2.00	2.00
Business Manager	1.00	1.00	1.00
Legal Defender	1.00	1.00	1.00
Total Positions	6.00	6.00	6.00

*The Administrative Support II position was converted into an Administrative Specialist II for FY15.

JUSTICE SYSTEM

Public Defender

110 East Cherry Avenue, Second Floor, Flagstaff, AZ 86001 (928) 679-7700
Sandra Diehl, Public Defender

The Public Defender's Office provides, pursuant to ethical and constitutional obligations, quality and cost-efficient legal representation to indigent persons who are: criminal defendants, minors accused of delinquency, the subjects of mental health commitment proceedings, parties to child dependency actions, or parties involved in termination of parental rights litigation.

Program	SPA	Description
Adult Felony	PS	The Adult Felony Representation program provides effective legal representation to assigned indigent adults, as determined by the courts for felony cases, charged with felony offenses so that their rights are protected.
Adult Misdemeanor	PS	The Adult Misdemeanor Representation program is to provide effective legal representation to assigned indigent adults, as determined by the courts in misdemeanor, so that their rights are protected.
Juvenile, Mental Health and Dependency	PS	The Juvenile, Mental Health and Dependency Representation program provides effective legal representation to assigned indigent juveniles and adults as determined by the courts so that their rights are protected.
Other Miscellaneous Cases	PS	Adult appeal, post conviction relief and other miscellaneous case representation program provides effective legal representation to assigned indigent adults as assigned by the courts so that their rights are protected.

Goals and Objectives

Departmental objectives for FY16 include:

- Continuing to promote the prevention of further criminal activity by rehabilitation and education.
- Prioritizing programs that utilize collaboration efforts to identify common goals and improve system efficiencies and public safety outcomes, such as CJCC.
- Providing continuing legal education for attorneys and growth and development education for staff members, which increases competency with evidence-based practices.

Longer-term goals for the department include:

- Continuing to investigate methods of reducing costs, such as utilizing laptop computers in courts for case analysis, scheduling and trial preparation.
- Advocating for rehabilitation over incarceration.

Opportunities and Challenges

- In the past five years there has been a caseload reduction. However, we can see that trend is leveling out and we are experiencing an increase that is not expected to come to an end any time soon.
- We have seen a substantial increase in our Veteran's Court caseload, which is comprised of veterans returning from active duty in conflict areas. We anticipate that this caseload will have to be closely monitored by our office, and may require an additional attorney from our office being assigned to these cases.

JUSTICE SYSTEM

Public Defender

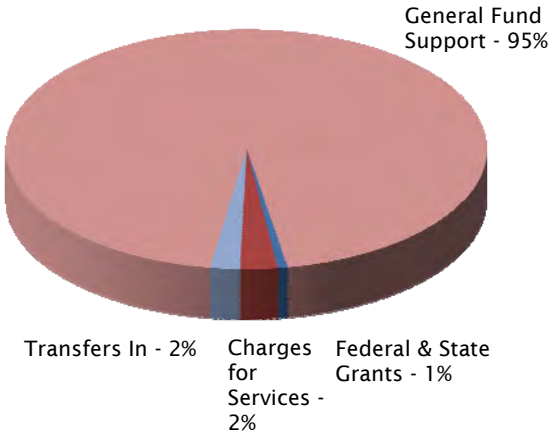
Financial Summary

The Public Defender’s primary source of revenue is General Fund support, with lesser amounts coming from fees for services and Federal and State grants. FY15 revenue was 1% below budget, due to lower investment income. The department’s FY16 revenue budget is expected to decrease 13% from FY15, due to continuing decreases to charges for services and grant revenue.

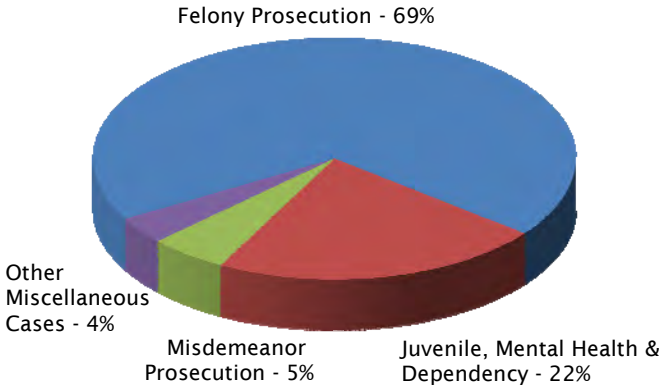
The Public Defender’s Office finished 3% under its revised FY15 expenditure budget of \$2,331,664. The majority of this variance was due to the mid-year retirement of the Public Defender and the respective salary savings from the temporarily vacant position. The department’s FY16 adopted expenditure budget of \$2,376,828 is an increase of 2% over FY15, due to attorney promotions within the department. The department requested that \$100,000 in case preparation costs that were historically paid through special revenue funds be shifted to the General Fund. The Board approved this shift for FY16 only, to help the special revenue fund balance for future costs.

The following charts illustrate the Public Defender’s revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

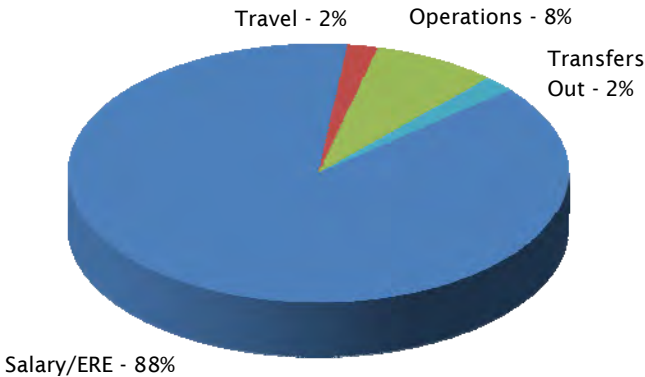
Revenue by Source Type



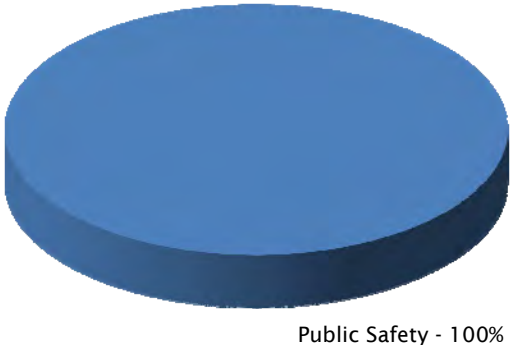
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



JUSTICE SYSTEM

Public Defender

Department-Wide Financial Statement

Revenues and Other Sources	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Federal and State Grants	\$ 20,000	\$ 21,554	\$ 20,000	\$ 17,167	\$ 16,000
Charges for Services	70,000	78,833	70,000	73,041	60,000
Investment Income	8,200	3,099	8,200	808	900
Transfers from Other Funds	45,453	48,909	45,453	50,516	47,855
Use of (Increase In) Fund Balance	97,911	89,540	(9,294)	(14,212)	(14,900)
General Fund Support	2,024,310	1,995,195	2,197,305	2,142,718	2,266,973
Total Funding Sources	\$ 2,265,874	\$ 2,237,131	\$ 2,331,664	\$ 2,270,039	\$ 2,376,828
Expenditures and Other Uses	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Salary/ERE	\$ 1,942,985	\$ 1,940,676	\$ 2,060,015	\$ 2,015,883	\$ 2,091,037
Operations	231,101	221,451	179,861	176,033	190,951
Travel	46,335	26,096	46,335	27,606	46,985
Transfers to Other Funds	45,453	48,909	45,453	50,516	47,855
Total Uses of Funds	\$ 2,265,874	\$ 2,237,131	\$ 2,331,664	\$ 2,270,039	\$ 2,376,828
Net Indirect Support	276,472	276,472	267,303	267,303	308,907
Total	\$ 2,542,346	\$ 2,513,603	\$ 2,598,967	\$ 2,537,342	\$ 2,685,735
General Fund Support	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Program Revenue	\$ -	\$ -	\$ -	\$ 9,872	\$ -
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	(2,024,310)	(1,995,195)	(2,112,305)	(2,067,590)	(2,266,973)
GF Transfers to Other Funds	-	-	(85,000)	(85,000)	-
Total Direct Support	\$(2,024,310)	\$(1,995,195)	\$(2,197,305)	\$(2,142,718)	\$(2,266,973)
Net Indirect Support	(276,472)	(276,472)	(267,303)	(267,303)	(308,907)
Total County Support	\$(2,300,782)	\$(2,271,667)	\$(2,464,608)	\$(2,410,021)	\$(2,575,880)

JUSTICE SYSTEM

Public Defender

FY16 Financial Statement by Program

Program Name	FY16 Program Revenue	FY16 General Fund Support	FY16 Use of Fund Balance	FY16 Program Budget	FY16 Net Indirect Support
Adult Felony	\$ 60,200	\$ 1,608,677	\$ (30,200)	\$ 1,638,677	\$ 215,108
Adult Misdemeanor	-	124,239	-	124,239	17,454
Juvenile, Mental Health and Dependency	-	527,704	-	527,704	75,582
Other Miscellaneous Cases	64,555	6,353	15,300	86,208	762
Total	\$ 124,755	\$ 2,266,973	\$ (14,900)	\$ 2,376,828	\$ 308,907

Performance Measures by Program

Adult Felony	FY14	FY15	FY16
Cases Per Year - Felony	1,691	2,036	2,330
Cases Per Year - Revocation	296	298	300
Average Days Case Open - Felony	114	114	114
Average Days Case Open - Revocation	48	48	48

Adult Misdemeanor	FY14	FY15	FY16
Cases per year - Misdemeanor	349	446	540
Average days case open - Misdemeanor	126	126	126

Juvenile, Mental Health and Dependency	FY14	FY15	FY16
Cases per year - Dependency	31	54	74
Cases per year - Juvenile	403	364	375
Cases per year - Juvenile Appeal	1	2	4
Cases per year - Mental Health	5	4	6
Average days case open - Dependency	443	443	443
Average days case open - Juvenile	250	250	250
Average days case open - Juvenile Appeal	550	550	550
Average days case open - Mental Health	13	13	13

Other Miscellaneous Cases	FY14	FY15	FY16
Cases Per Year- Adult Appeal	9	12	15
Cases Per Year- PCR	31	8	15
Case per year- Other	7	26	35
Average Days Case Open- Adult Appeal	425	425	425
Average Days Case Open- PCR	80	80	80
Average Days Case Open- Other	884	884	884

JUSTICE SYSTEM

Public Defender

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Administrative Manager, Senior	1.00	1.00	1.00
Administrative Specialist I	2.00	2.00	2.00
Attorney I	-	1.00	1.00
Attorney III	2.00	2.00	2.00
Attorney IV	8.00	7.00	7.00
Attorney V	2.00	2.00	2.00
Chief Investigator	1.00	1.00	1.00
Legal Assistant	3.00	3.00	3.00
Public Defender	1.00	1.00	1.00
Total Positions	20.00	20.00	20.00

*Please note that there are no staffing changes for the Public Defender's office for FY16.

JUSTICE SYSTEM

Sheriff

911 East Sawmill Road, Flagstaff, AZ 86001 (928) 226-5012
 Bill Pribil, Coconino County Sheriff

The Sheriff's Office provides law enforcement services to all unincorporated areas of Coconino County, operates the County jail, conducts search and rescue operations, serves civil process, and provides patrol and investigative services to the citizens of the County.

Program	SPA	Description
Administration	PS	The Sheriff and Chief provide leadership, facilitate regional collaboration/communication, and foster opportunities for the development of public safety and safe communities.
Detention	PS	Detention is a regional facility housing sentenced and unsentenced adult offenders. For the welfare and benefit of inmates and the public, Detention keeps offenders off the street and provides respectful care and avenues for reform.
Operations	PS	The Operations Program provides law enforcement services to all unincorporated areas of the County, conducts search and rescue operations, serves civil process and provides patrol and investigative services to the citizens of Coconino County.
Support Services	PS	Support Services provides core services to the Sheriff's Office and external customers. It uses best practices to provide administrative, fiscal, technological and professional support to programs that manage situations that disrupt order and threaten public safety.

Goals and Objectives

FY16 departmental objectives include:

- Implementation of a 2% pay raise for all uniformed officers as soon as possible to help bring officers up to a competitive market level to help retain and recruit personnel.
- Hiring a Business Manager to help develop and manage the budget for accountable, transparent financial planning, program assessment and resource allocation.
- With approved funding from the Board, begin to purchase new vests for new officers as well as replace vests that are due for replacement from replacement schedule.
- Begin funding Air Operations for transport of inmates from the Jail District Fund, as the traditional RICO funding is not available.
- Begin a study regarding the Page Jail expansion
- Begin several planned capital projects in the jail and LEAF buildings, including:
 - Jail camera software
 - Boiler and heating coil replacement
 - HVAC condensing unit replacement
 - Epoxy floor replacement
 - Records Management/Jail Management System upgrade
 - Jail kitchen evaporative cooler
 - Page jail washer/dryer replacement
 - Jail server room air conditioner replacement
 - Jail kitchen steam kettles

JUSTICE SYSTEM

Sheriff

Goals and Objectives (continued)

Longer-term goals of the Sheriff's office include:

- Continuing to participate in several local and statewide committees that help enhance interoperability and information sharing, including the Arizona Criminal Justice Coordinating Council, Arizona Detention Association, the International Law Enforcement Planners Association, the Local Emergency Planning Committee and the Regional Advisory Council for Homeland Security
- Continuing to monitor legislation and community trends that could impact the services provided. Legislation such as the Department of Corrections prisoner shift, sweep of Boat Patrol funding, and the end of Title III funding for Patrol and Search and Rescue would have an impact on the Sheriff's Office.
- The Support Services Program will continue to address trends such as new processes for data sharing, increasingly expansive records requests, evolving technologies (body cams, mobile devices, data sharing, radio build outs), decreases in grant funding, and new requirements for federal grants that result in increased amount of administrative duties

Opportunities and Challenges

- Through employee input, reviewing of systems and obtaining alternate funding, Operations has continued to reduce overtime costs from past years. Mutual Aid agreements and interagency task forces also create opportunities for cost sharing and improved public safety outcomes.
- In the last five years, Search and Rescue calls for service and reports have more than doubled. The use of volunteers for Search and Rescue has kept expenses in check.
- The Sheriff's Office continues to be affected by trends such as increasing expectations for law enforcement to deal with non-traditional law enforcement issues (e.g. mental health, jails becoming a safety net and default for societal and community non-crime issues, etc.), changes in federal and state requirements for data sharing and grants, national events (e.g. officer-involved shootings, media coverage, body cameras, etc.) and shifts of costs from the State to the County (budget shifts as well as shifting of responsibilities, etc.)
- Over the past year the Sheriff's Office has implemented the Lexipol policy manual which helps public safety agencies reduce risk and stay ahead of litigation trends, while communicating clear and concise policy guidance to their employees.
- Technology continues to improve the public safety outcome through the sharing of data which improves the ability to respond to events and investigate crimes, through the build out of improved radio communication systems, through the sharing of information through social media, and through telecommunication and security measures in the jail.

JUSTICE SYSTEM

Sheriff

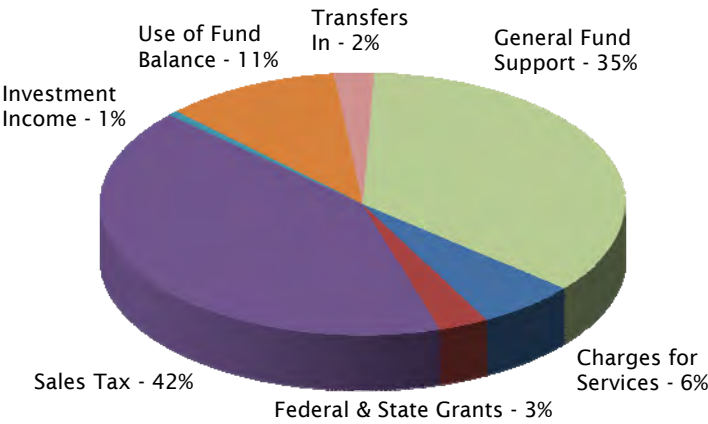
Financial Summary

The Sheriff's Office's two main sources of revenue are Jail District sales taxes and General Fund support. The department was 1% under their revenue budget for FY15, due to lower-than-expected Federal and State grant funding and significantly decreased tribal bed rental revenue. FY16 revenue (excluding unawarded grants) is budgeted to be 4% higher than the previous year, due entirely to increased sales tax revenue.

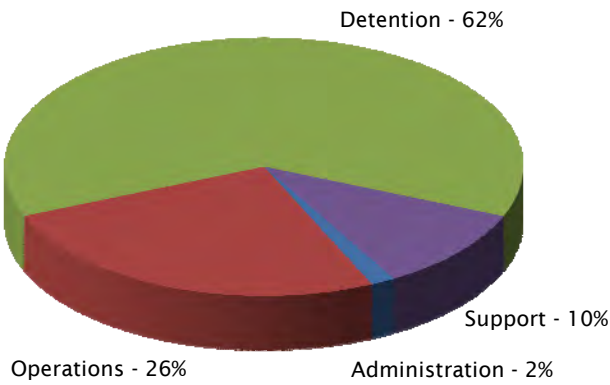
For FY15 the Sheriff's Office finished 20% under their revised expenditure budget of \$30,459,928. The majority of this variance was due to a \$3,000,000 capital project for transitional housing that was postponed until FY16. The remainder was due to salary savings from unfilled positions and other capital repair projects that were still in progress. The Sheriff's FY16 adopted expenditure budget (excluding unawarded grants) of \$32,161,030 is 6% higher than their FY15 budget. This variance is due to the many capital projects that the Board approved for FY16, as well as the addition of seven new FTEs and salary increases for all uniformed officers. The positions added for FY16 include a Business Manager to assist in creating the department's budget, and six Detention Support Specialists for the Flagstaff and Page detention facilities.

The following charts illustrate the Sheriff's revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area. All expenditure reports exclude unawarded grants.

Revenue by Source Type



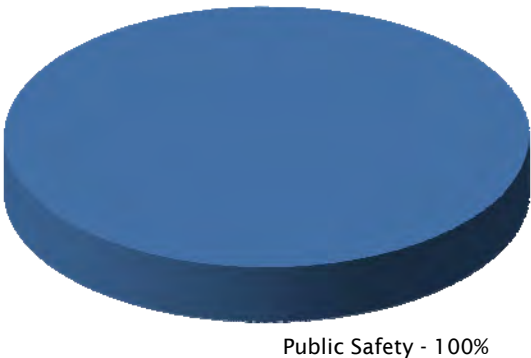
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



JUSTICE SYSTEM

Sheriff

Department-Wide Financial Statement

Revenues and Other Sources	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Federal and State Grants	\$ 1,439,495	\$ 794,440	\$ 1,121,058	\$ 788,807	\$ 978,234
Taxes	12,691,779	12,270,130	12,697,600	13,576,136	13,274,100
Other Intergovernmental	66,000	64,400	66,000	63,960	66,000
Licenses & Permits	2,500	4,813	2,500	-	2,500
Charges for Services	1,833,372	1,793,455	1,991,372	1,397,516	1,945,316
Fines, Fees, & Forfeits	1,500	15,148	1,500	10,106	3,000
Unawarded Grants	-	-	-	-	2,789,000
Investment Income	208,980	254,608	209,980	167,397	198,957
Contributions	5,000	2,925	5,000	2,100	5,000
Other	221,850	214,305	211,950	149,549	142,350
Transfers from Other Funds	378,858	146,164	462,121	432,813	788,285
Use of (Increase In) Fund Balance	(749,543)	(2,309,634)	2,528,336	(3,405,304)	3,442,123
General Fund Support	10,888,837	10,808,631	11,162,511	11,217,985	11,315,165
Total Funding Sources	\$ 26,988,628	\$ 24,059,385	\$ 30,459,928	\$ 24,401,065	\$ 34,950,030
Expenditures and Other Uses	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Salary/ERE	\$ 18,770,790	\$ 17,825,049	\$ 19,324,912	\$ 17,817,556	\$ 22,178,130
Operations	6,905,065	5,227,640	7,190,790	6,057,726	7,852,581
Travel	890,584	939,993	220,907	187,392	217,797
Capital	299,571	13,073	3,666,441	297,675	3,846,373
Transfers to Other Funds	122,618	53,629	56,878	40,715	855,149
Total Uses of Funds	\$ 26,988,628	\$ 24,059,385	\$ 30,459,928	\$ 24,401,065	\$ 34,950,030
Net Indirect Support	944,421	944,421	998,592	998,592	1,125,461
Total	\$ 27,933,049	\$ 25,003,806	\$ 31,458,520	\$ 25,399,657	\$ 36,075,491
General Fund Support	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Program Revenue	\$ 401,550	\$ 464,393	\$ 386,550	\$ 407,631	\$ 439,994
Transfers in from Other Funds	117,675	53,115	163,659	163,659	714,085
Program Expenditures	(8,849,162)	(8,824,719)	(9,139,399)	(9,242,952)	(9,829,493)
GF Transfers to Other Funds	(2,558,900)	(2,501,421)	(2,573,321)	(2,546,322)	(2,639,751)
Total Direct Support	\$(10,888,837)	\$(10,808,631)	\$(11,162,511)	\$(11,217,985)	\$(11,315,165)
Net Indirect Support	(944,421)	(944,421)	(998,592)	(998,592)	(1,125,461)
Total County Support	\$(11,833,258)	\$(11,753,052)	\$(12,161,103)	\$(12,216,577)	\$(12,440,626)

JUSTICE SYSTEM

Sheriff

FY16 Financial Statement by Program

Program Name	FY16 Program Revenue	FY16 General Fund Support	FY16 Use of Fund Balance	FY16 Program Budget	FY16 Net Indirect Support
Administration	\$ 340,944	\$ (59,170)	\$ 200,838	\$ 482,612	\$ 45,304
Detention Services	15,596,820	2,595,929	1,903,198	20,095,947	-
Operations	4,196,481	6,687,263	139,044	11,022,788	712,211
Support Services	58,497	2,091,143	1,199,043	3,348,683	367,946
Total	\$ 20,192,742	\$ 11,315,165	\$ 3,442,123	\$ 34,950,030	\$ 1,125,461

Performance Measures by Program

Administration	FY14	FY15	FY16
Percentage of Customers Rating Previous Contacts with Sheriff's Office As Excellent or Good in Department Report Survey (scale of 1-4)	96%	87%	90%
Percentage of Supervisors Completing Leadership in Police Organizations / Supervisor Academies	100%	100%	100%
Percentage of Employees with Five Plus Years of Service	100%	100%	100%
Percentage of Customers Rating Sheriff's Office as Excellent or Above Average Rating in Neighborhood Survey (scale of 1-5)	Sample size too small	70%	75%
Cost Containment of Overtime (reported by hours)	6,564	6,800	6,800
Cost Savings as Measured by Search and Rescue Volunteer Hours	15,470	18,000	18,000
Cost Savings as Measured by Cold Case Volunteer Hours	804	800	850
Number of CERT Classes/Citizen's Academies	17	18	18
Number of Volunteers (attending in-house training)	92	72	80
Number / Hours Programs Provided by Detention Volunteers	5,127	5,200	5,200
Amount of Funding Applied for through Grants	\$860,102	\$1,500,000	\$1,000,000
Amount of Funding Received through Grants	\$542,995	\$550,000	\$550,000
Number of Green Projects Maintained	18	19	20

JUSTICE SYSTEM

Sheriff

Performance Measures by Program

Detention	FY14	FY15	FY16
Percentage of Community Reporting Satisfaction with Detention Facility/Services	59%	70%	75%
Recidivism of EXODUS Graduates	44%	44%	44%
Percentage of Supervisors Completing Leadership in Police Organizations / Supervisor Academies	100%	100%	100%
Percentage of Employees with Five Plus Years of Service	50%	47%	45%
Percentage of Volunteers Reporting Excellent to Good Services	100%	98%	98%
Percentage of Attorneys reporting Excellent to Good Services	84%	80%	80%
Percentage of Bail Bondsmen reporting Excellent to Good Services	65%	70%	75%
Number of Volunteers (attending in-house training)	92	72	80
Number / Hours Programs Provided by Detention Volunteers	5,127	5,200	5,200

Operations	FY14	FY15	FY16
Percentage of Customers Rating Neighborhood as Very Safe or Reasonably Safe in Department Report Survey	90%	85%	85%
Percentage of Customers that Strongly Agree or Agree that their Neighborhood is Safe in Neighborhood Survey	Sample size too small	70%	75%
Percentage of Supervisors Completing Leadership in Police Organizations / Supervisor Academies	100%	100%	100%
Percentage of Employees with Five Plus Years of Service	67%	53%	50%
Number of outreach/information campaigns, community meetings, neighborhood watch, etc.	83	85	85
Percentage of Self-Initiated Calls for Service	64%	65%	65%
Percentage of Customers Rating Deputy Courtesy as Excellent or Good in Department Report Survey	95%	97%	97%
Percentage of Customers Rating Deputy Interest as Excellent or Good in Department Report Survey	95%	95%	95%
Cost Containment of Overtime (reported by hours)	6,564	6,800	6,800
Cost Savings as Measured by Search and Rescue Volunteer Hours	15,470	18,000	18,000
Cost Savings as Measured by Cold Case Volunteer Hours	700	800	850
Number of CERT Classes/Citizen's Academies	17	18	18

JUSTICE SYSTEM

Sheriff

Performance Measures by Program

Support	FY14	FY15	FY16
Percentage of Internal Customers that Strongly Agree or Agree they are satisfied with Support Services Facilities (Maintenance and Custodial)	93%	95%	95%
Percentage of Internal Customers that Strongly Agree or Agree they are satisfied with Support Services HR and Finance (*HR and Finance will be split in next survey)	85%	N/A	85%
Percentage of Internal Customers that Strongly Agree or Agree they are satisfied with Support Services IT (including Communications)	67%	72%	75%
Percentage of Internal Customers that Strongly Agree or Agree they are satisfied with Support Services Warrants and Systems Security (*Warrants and Systems Security will be split in next survey)	77%	N/A	80%
Percentage of Internal Customers that Strongly Agree or Agree they are satisfied with Support Services Administrative Support	77%	80%	80%
Percentage of Supervisors Completing Leadership in Police Organizations / Supervisor Academies	100%	100%	100%
Percentage of Employees with Five Plus Years of Service	75%	61%	60%
Amount of Funding Applied for through Grants	\$860,102	\$1,500,000	\$1,000,000
Amount of Funding Received through Grants	\$542,995	\$550,000	\$550,000
Number of Green Projects Maintained	18	19	20

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Accounting Technician II	1.00	1.00	1.00
Administrative Manager	1.00	1.00	1.00
Administrative Manager, Senior	1.00	1.00	1.00
Administrative Operations Manager	1.00	1.00	1.00
Administrative Specialist II	5.50	5.50	5.50
Administrative Specialist III	5.00	5.00	5.00
Business Manager***	-	-	1.00
Case Worker	2.00	2.00	2.00
Chaplain*	-	1.00	1.00
Chief Deputy Sheriff	1.00	1.00	1.00
Commander - Administrative Services	1.00	1.00	1.00
Commander - Detention Services	1.00	1.00	1.00
Commander - Operations	1.00	1.00	1.00
Communicable Disease Investigator	0.25	0.25	0.25
Community Programs Planner	1.00	1.00	1.00
Communication/Information Systems Manager	1.00	1.00	1.00
Corporal	4.00	4.00	4.00

JUSTICE SYSTEM

Sheriff

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Correctional Medical Director	1.00	1.00	1.00
Correctional Nurse	8.00	8.00	8.00
Correctional Nurse Supervisor	1.00	1.00	1.00
Crime Scene Investigator	1.00	1.00	1.00
Custodian	3.73	3.73	3.73
Custodian, Lead	1.00	1.00	1.00
Dental Assistant	0.38	0.20	0.20
Deputy Sheriff**	36.75	38.75	38.75
Detective	6.00	6.00	6.00
Detention Cook	5.50	5.50	5.50
Detention Lieutenant	3.00	3.00	3.00
Detention Maintenance Supervisor	1.00	1.00	1.00
Detention Maintenance Technician	3.00	3.00	3.00
Detention Officer I	28.00	28.00	28.00
Detention Officer II	57.00	57.00	57.00
Detention Sergeant	16.00	16.00	16.00
Detention Support Specialist***	31.00	31.00	37.00
Elected Official	1.00	1.00	1.00
Extradition Warrant Clerk	4.00	4.00	4.00
Food Services Manager	1.00	1.00	1.00
Human Resources Generalist	1.00	1.00	1.00
Lieutenant	5.00	5.00	5.00
Mental Health Clinician	1.00	1.00	1.00
Program Coordinator	1.00	1.00	1.00
Program Manager I	1.00	1.00	1.00
Programmer Analyst II	-	1.50	1.50
Public Health Dentist	0.20	0.20	0.20
Sergeant	9.00	9.00	9.00
Substance Abuse Counselor	2.00	2.00	2.00
Substance Abuse Technician	2.00	2.00	2.00
Systems Administrator	1.00	1.00	1.00
Systems Specialist	4.50	3.00	3.00
Technical Services Manager	1.00	1.00	1.00
Technical Specialist II	2.00	2.00	2.00
Trades Manager	1.00	1.00	1.00
Treatment Supervisor	1.00	1.00	1.00
Total Positions	<u>268.81</u>	<u>271.63</u>	<u>278.63</u>

*The Chaplain position was created in FY15.

**Two Deputy Sheriffs were added with an FY15 IGA with the Bureau of Reclamation.

***The Business Manager and six Detention Support Specialists were added in FY16 as a result of the Jail District staffing study.

JUSTICE SYSTEM

Superior Court

200 North San Francisco Street, Flagstaff, AZ 86001 (928) 679-7500
Gary Krcmarik, Court Administrator

The Superior Court of Arizona in Coconino County is part of the State's only general jurisdiction court. Generally, there are two major categories of cases heard in Superior Court: criminal and civil.

Program	SPA	Description
Alternative Dispute Resolution	CV	The Superior Court's Alternative Dispute Resolution (ADR) program offers mediation as an alternative to the traditional litigation process and aims to assist two (or more) disputants in reaching an agreement in civil, probate, guardianship and domestic relations cases.
Conciliation Court	CV	At little or no cost to participants, the Conciliation Court program provides parent education, counseling mediation and custody evaluation services for families going through separation, divorce or paternity issues.
Court Operations	PS	Court Operations provides leadership and operational management for the daily operations and long-range judicial and non-judicial activities of the court system.
DUI/Drug Court	PS	The DUI/Drug Court program is an alternative to traditional prosecution for eligible drug and alcohol related offenders.
Integrated Family Court	CV	The program provides over 400 families (with children) involved in divorce/domestic relations cases with access to the judicial system under the auspices of "one family - one judge" for a coordinated approach to each case.
Judicial Services	PS	The Judicial Services program provides court-ordered case-related judicial services.
Law Library/Self-Help Center	CV	The Law Library and Self-Help Center serves the legal information needs of the County, including legal professionals and citizens, particularly those representing themselves in legal matters ("pro pers").

Goals and Objectives

FY16 objectives include:

- Begin planning and preparing for the upcoming Justice 2035 Strategic Planning Event for November 2015
- Expand services that are not available to veterans through the Veteran's Administration and provide services to more cases in Justice Court and Municipal Court
- Evaluate effectiveness of Home Detention Program
- Continue to participate in funding approval process for a remodeled court facility in Page
- Review current fee structure and explore increasing current fees and implement alternative fees
- Provide opportunities for Court Customers from the Town of Tusayan to participate in court hearings remotely from Tusayan

JUSTICE SYSTEM

Superior Court

Goals and Objectives (continued)

Longer-term goals include:

- Re-examining the mission and critical functions of the court. Reviewing and aligning the scope of services that are provided for both internal and external customers.
- With a strengthening economy comes increased pressure from employee turnover. The Superior Court plans on focusing on retaining valuable employees by providing them with opportunities for growth, development, flexible work schedules, providing avenues to learn as well as be heard, and promoting necessary salary increases.
- As special revenue funds continue to be depleted, a discussion regarding increased Court Enhancement fees will be required in order to support and retain Court programs.
- As stated below, County courts have a need for increased security. The department plans on continuing the implementation of court security measures as budget permits.

Opportunities and Challenges

- Through the Justice 2035 Strategic Planning process, the Courts work to proactively respond to the many trends that impact the system such as the increase in County population; increase in aging population; increase in diverse minority populations; increase in need for veteran services and mental health services; economic downturns; technology revolution; local, State and Federal policy changes; unfunded mandates; caseload trends, and complexity of cases.
- There is a greater expectation from court customers to take care of business on-line 24 hours per day from anywhere in the world instead of in-line at a public counter. The trend is to also use existing and emerging technologies to improve efficiencies.
- An alarming number of mentally ill misdemeanants, often charged with social crimes, are coming to the attention of the criminal courts. Not only are the numbers increasing but the defendants are presenting in court with far more severe symptoms that require immediate assessment. The Courts role has shifted to one of linking and referring defendants in an environment where there is limited access to treatment.
- Due to societal changes there is an increasing need for increased security for County employees, our partners (law enforcement officers, mental health professionals and attorneys) and the public who visit our facilities. The Courts should always remain an iconic secure haven to employees and all who enter Arizona Court facilities.

JUSTICE SYSTEM

Superior Court

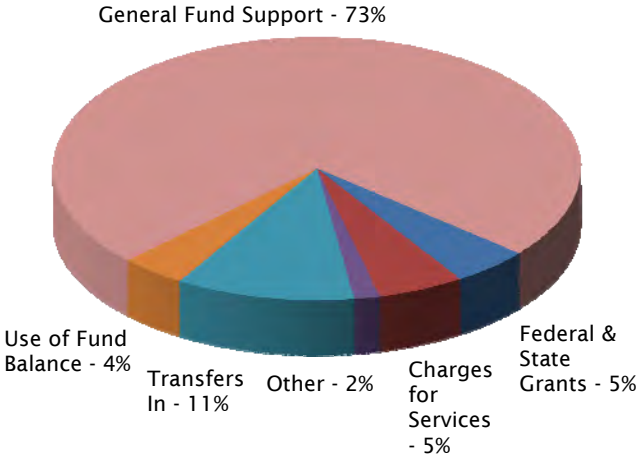
Financial Summary

The majority of the Superior Court’s revenue comes from General Fund support, with smaller amounts funded by charges for services, Federal and State grants and transfers in from the Library District and State Fill-the-Gap funds. The department finished FY15 9% below their revenue budget, due to lower-than-expected Federal and State grants as well as private grants. The department is expecting Federal and State grants to remain depressed for FY16, but will be receiving \$130,000 in one-time funding for their DUI program from the Jail District. This will increase their revenue budget by 7% in FY16.

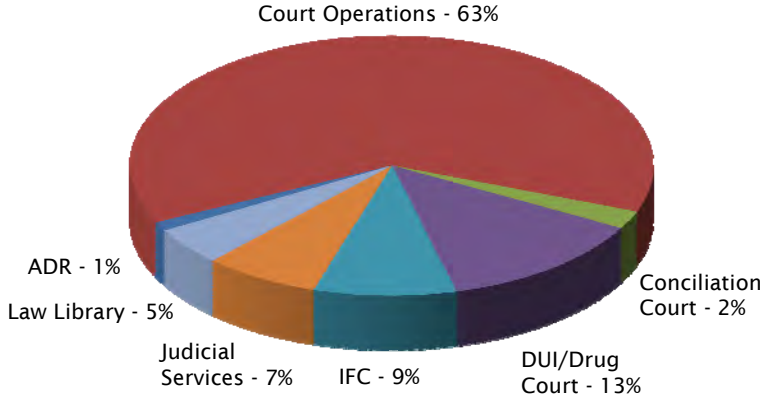
The Superior Court finished FY15 8% under their revised expenditure budget of \$4,016,779, due to salary savings from staff turnover and lower operational expenses in the DUI/Drug Court program. The FY16 adopted expenditure budget of \$3,841,308 (excluding unawarded grants) is 4% lower than in FY15. Variances from last year include operational costs in the Judicial Services program, specifically in witness/interpreter fees and court reporting fees.

The following charts illustrate the Superior Court’s revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area. Expenditure charts exclude unawarded grants.

Revenue by Source Type



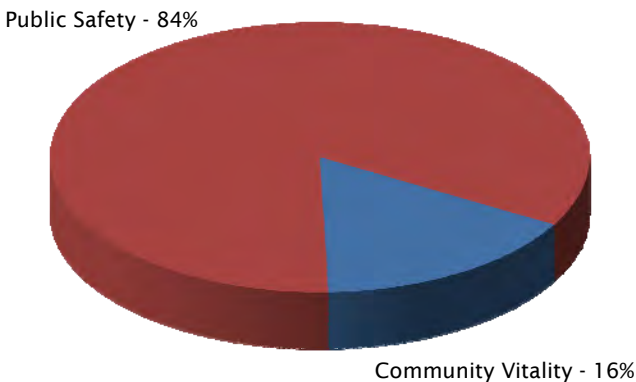
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



JUSTICE SYSTEM

Superior Court

Department-Wide Financial Statement

Revenues and Other Sources	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Federal and State Grants	\$ 203,484	\$ 198,592	\$ 246,107	\$ 185,129	\$ 181,089
Charges for Services	211,400	221,895	216,900	217,448	202,650
Fines, Fees, & Forfeits	-	(644)	20,000	20,655	20,000
Unawarded Grants	-	-	-	-	33,150
Investment Income	5,040	11,072	3,250	4,945	1,750
Other	14,000	13,319	60,000	16,792	60,250
Transfers from Other Funds	279,055	293,242	282,925	306,517	418,915
Use of (Increase In) Fund Balance	281,066	93,568	255,036	132,223	153,459
General Fund Support	2,749,027	2,750,377	2,932,561	2,821,272	2,803,195
Total Funding Sources	\$ 3,743,072	\$ 3,581,422	\$ 4,016,779	\$ 3,704,981	\$ 3,874,458
Expenditures and Other Uses	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Salary/ERE	\$ 2,676,506	\$ 2,631,894	\$ 2,715,522	\$ 2,611,033	\$ 2,771,060
Operations	989,020	882,913	1,172,490	979,244	1,023,640
Travel	56,237	63,851	86,467	72,236	59,177
Capital	8,000	-	28,000	36,059	8,000
Transfers to Other Funds	13,309	2,764	14,300	6,409	12,581
Total Uses of Funds	\$ 3,743,072	\$ 3,581,422	\$ 4,016,779	\$ 3,704,981	\$ 3,874,458
Net Indirect Support	756,784	756,784	1,070,695	1,070,695	1,211,611
Total	\$ 4,499,856	\$ 4,338,206	\$ 5,087,474	\$ 4,775,676	\$ 5,086,069
General Fund Support	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Program Revenue	\$ 6,500	\$ 10,233	\$ 6,500	\$ 8,199	\$ 7,250
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	(2,693,488)	(2,712,924)	(2,873,752)	(2,791,264)	(2,743,505)
GF Transfers to Other Funds	(62,039)	(47,686)	(65,309)	(38,208)	(66,940)
Total Direct Support	\$(2,749,027)	\$(2,750,377)	\$(2,932,561)	\$(2,821,272)	\$(2,803,195)
Net Indirect Support	(756,784)	(756,784)	(1,070,695)	(1,070,695)	(1,211,611)
Total County Support	\$(3,505,811)	\$(3,507,161)	\$(4,003,256)	\$(3,891,967)	\$(4,014,806)

JUSTICE SYSTEM

Superior Court

FY16 Financial Statement by Program

<u>Program Name</u>	<u>FY16 Program Revenue</u>	<u>FY16 General Fund Support</u>	<u>FY16 Use of Fund Balance</u>	<u>FY16 Program Budget</u>	<u>FY16 Net Indirect Support</u>
Alternative Dispute Resolution (ADR)	\$ 8,000	\$ 35,849	\$ -	\$ 43,849	\$ 15,756
Conciliation Court	51,950	-	33,499	85,449	15,756
Court Operations	215,486	2,165,520	37,518	2,418,524	945,143
DUI/Drug Court	442,396	-	56,042	498,438	88,946
Integrated Family Court	49,250	322,550	(100)	371,700	120,517
Judicial Services	-	248,185	26,500	274,685	-
Law Library/Self-Help Center	150,722	31,091	-	181,813	25,493
Total	\$ 917,804	\$ 2,803,195	\$ 153,459	\$ 3,874,458	\$ 1,211,611

JUSTICE SYSTEM

Superior Court

Performance Measures by Program

Alternative Dispute Resolution	FY14	FY15	FY16
Number of referrals to ADR	49	50	50
Percentage of mediated cases reaching agreement	69%	69%	69%

Conciliation Court	FY14	FY15	FY16
Number of attendees to the Parent Information Class	259	259	259
Number of clients referred to counseling	6	6	6
Number of mediations	95	95	95
Percentage of full/partial mediated parenting time agreements	95	95	95
Number of evaluations	18	18	18

Court Operations	FY14	FY15	FY16
Total number of criminal cases filed	924	910	910
Total number of criminal cases disposed	847	770	770
Percent clearance rate for criminal cases disposed	92%	85%	85%
Percentage of criminal cases disposed within 100 days (goal: 90 percent)	44%	40%	40%
Percentage of criminal cases disposed within 180 days (goal: 98 percent)	74%	72%	72%
Total number of domestic relations cases filed	595	700	700
Total number of domestic relations cases disposed	563	640	640
Percent clearance rate for domestic relations cases disposed	95%	91%	91%
Percentage of domestic relations cases disposed within 150 days (goal: 90 percent)	65%	73%	73%
Percentage of domestic relations cases disposed with 365 day (goal: 100 percent)	85%	85%	85%
Total number of civil cases filed	735	750	750
Total number of civil cases disposed	719	700	700
Percent clearance rate for civil cases disposed	98%	93%	93%
Percentage of civil cases disposed within one year (goal: 90 percent)	89%	90%	90%
Percentage of civil cases disposed with two years (goal: 100 percent)	98%	98%	98%

DUI/Drug Court	FY14	FY15	FY16
Number of participants re-arrested while in program	15	13	13
Percentage of clean urinalysis/breath tests	97%	97%	97%
Number of drug-free babies born to female DUI/Drug Court participants	1	1	1
Percentage of participants employed and/or attending school	83%	83%	83%
Average number of days to adjudicate all criminal cases	158	157	157

JUSTICE SYSTEM

Superior Court

Performance Measures by Program

DUI/Drug Court (continued)	FY14	FY15	FY16
Average number of days for referrals to begin the DUI/Drug Court program	78	80	80
Number of veterans served	3	3	3
Number of graduates per year out of 80 participants at any given time	48	50	50
Number of terminations (non-graduates)	7	8	8

Integrated Family Court	FY14	FY15	FY16
Percentage of IFC cases that do not have contested hearings or trials (prior to the IFC program, 58% of cases did not have contested hearings or trials)	95%	95%	95%
Number of IFC individuals referred to services (includes FLAP referrals)	636	650	650
Number of clients served through the Family Law Assistance Program (FLAP)	295	300	300
Percentage of FLAP clients reporting that they feel more comfortable with the court process after receiving FLAP services (goal is 75 percent)	99%	99%	99%
Number of parents who attended the Cooperative Parenting Education Class	54	52	52
Percentage of parents who respond that civility with the other parent has increased by 50 percent (this demonstrates that family conflict is reduced and cooperation is increased)	70%	72%	72%
IFC Survey Results: Percentage of client satisfaction with the Cooperative Parenting Education Class: Very Satisfied	52%	50%	50%
IFC Survey Results: Percentage of client satisfaction with the Cooperative Parenting Education Class: Strongly Satisfied	39%	40%	40%
IFC Survey Results: Percentage of client satisfaction with the Cooperative Parenting Education Class: Satisfied	0%	5%	5%
IFC Survey Results: Percentage of client satisfaction with the Cooperative Parenting Education Class: Somewhat Satisfied	6%	3%	3%
IFC Survey Results: Percentage of client satisfaction with the Cooperative Parenting Education Class: Not Satisfied	3%	2%	2%
Number of domestic relations cases filed with children	263	270	270
Percentage of domestic relations cases with children that are disposed of within 180 days (prior to the IFC program, 50 percent)	76%	77%	77%
The average number of days between filing and disposition of domestic relations cases with children (prior to the IFC program, the average was 220)	141	137	137
Number of children who attended Rollercoasters classes	48	50	50

JUSTICE SYSTEM

Superior Court

Performance Measures by Program

Judicial Services	FY14	FY15	FY16
Jury Surveys: How would you rate the courteousness of the court staff? Extremely Courteous	71%	70%	70%
Jury Surveys: How would you rate the courteousness of the court staff? Courteous	25%	23%	23%
Jury Surveys: How would you rate the courteousness of the court staff? Neither Courteous Nor Discourteous	3%	5%	5%
Jury Surveys: How would you rate the courteousness of the court staff? Discourteous	1%	0%	0%
Jury Surveys: How would you rate the courteousness of the court staff? Extremely Discourteous	0%	1%	1%
Jury Surveys: How would you rate the courteousness of the court staff? Extremely Courteous: No Response	0%	1%	1%
Jury Surveys: Overall, how satisfied were you with your jury service experience in the court? Very Satisfied	36%	30%	30%
Jury Surveys: Overall, how satisfied were you with your jury service experience in the court? Satisfied	42%	41%	41%
Jury Surveys: Overall, how satisfied were you with your jury service experience in the court? Neither	17%	20%	20%
Jury Surveys: Overall, how satisfied were you with your jury service experience in the court? Unsatisfied	3%	5%	5%
Jury Surveys: Overall, how satisfied were you with your jury service experience in the court? Very Unsatisfied	2%	1%	1%
Jury Surveys: Overall, how satisfied were you with your jury service experience in the court? No Response	0%	3%	3%
Jury Surveys: How would you rate this jury experience with your previous experiences? Better	44%	33%	33%
Jury Surveys: How would you rate this jury experience with your previous experiences? Same	51%	54%	54%
Jury Surveys: How would you rate this jury experience with your previous experiences? Worse	5%	13%	13%

Law Library/Self-Help Center	FY14	FY15	FY16
Number of Law Library and Self-Help Center customers (walk-in and phone)	13,283	13,700	13,700
Number of online reference questions answered by the Law Librarian	110	250	250
Percentage of clients surveyed who found the Law Library resources they needed	98%	98%	98%
Number of free legal packets available in English and Spanish	81	85	85
Number of free legal packets provided to customers (walk-in and e-mail)	6,203	6,500	6,500
Number of Law Library books used	676	900	900
Number of Law Library online legal database searches	2,256	2,000	2,000

JUSTICE SYSTEM

Superior Court

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Administrative Manager, Senior	1.00	1.00	1.00
Administrative Support II	0.63	0.63	0.63
Alternative Dispute Resolution Coordinator	1.00	1.00	1.00
Bailiff II	4.50	4.50	4.50
Bailiff III (Deputy Chief)	1.00	1.00	1.00
Bailiff, Chief	1.00	1.00	1.00
Case Flow Manager	1.00	1.00	1.00
Commissioner/Judge	0.50	0.50	0.50
Court Administrator	1.00	1.00	1.00
Deputy Court Administrator	1.00	1.00	1.00
Drug Court Coordinator	1.00	1.00	1.00
Integrated Family Court Coordinator	1.00	1.00	1.00
Judicial Assistant	6.50	6.50	6.50
Judicial Specialist	2.00	2.00	2.00
Law Library Specialist	1.00	1.00	1.00
Official Court Reporter	5.00	5.00	5.00
Superior Court Judge	5.00	5.00	5.00
Superior Court Judge Pro Tem	1.00	1.00	1.00
Surveillance Officer	1.20	1.20	1.20
Total Positions	36.33	36.33	36.33

*Please note that there are no staffing changes for the Superior Court for FY16.

Health and Social Services



HEALTH AND SOCIAL SERVICES

Service Area Summary



Description of Services

The Health and Social Services service area provides programs in basic education, employment success skills, academic classes and vocational training for adult and youth participants, services to isolated elderly and less fortunate residents including housekeeping, the Meals on Wheels program, housing assistance and transportation services, protection against environmental hazards, and the promotion of healthy social and family behaviors. The departments' shared purpose is to create a healthy, prosperous and responsible community of people who have the continuous capacity to maximize resources and productively direct their lives.

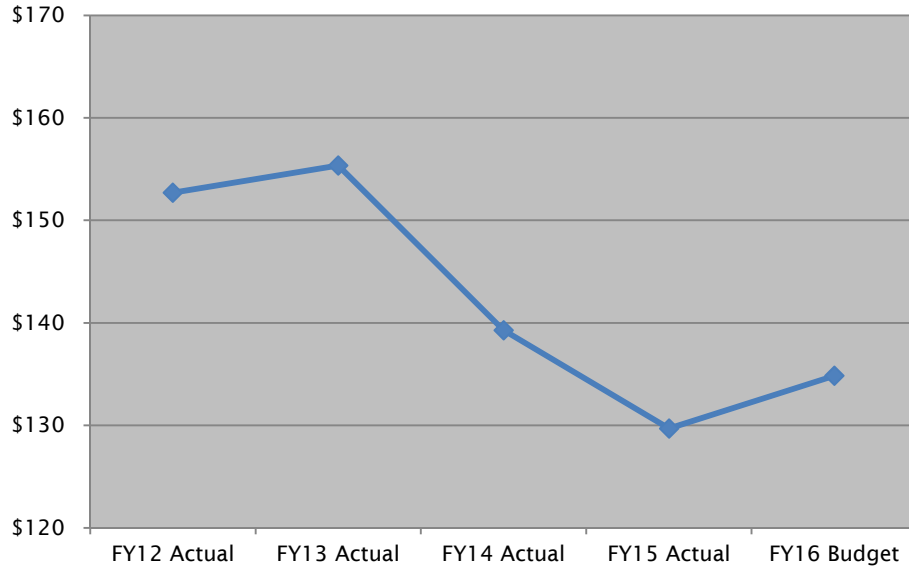
Per Capita Costs

Over the last five years, Health and Social Services cost per capita has been on the decline. This decrease is almost entirely attributable to the Community Services department, which is budgeted to spend 42% less in FY16 than it did four years earlier. Most of this reduction is due to the integration of the Coconino Rural Environment Corps (CREC) with the Southwest Conservation Corps, a private company. The Career Center is fully funded through Federal and State grants, and their per capita expenditures reflect the cyclical nature of these appropriations. The Public Health Services District is also heavily funded through Federal and State grants, which are subject to appropriation each year. While the Health District's mandated payments (such as Title 36) are on a steady incline annually, the Board and PHSD's management have held a series of worksessions on financial stability that have resulted in a slight decline of per capita costs over the last few years.

The chart on the following page shows a five year history of the per capita cost of services for the Health and Social Services service area.

HEALTH AND SOCIAL SERVICES

Service Area Summary



The table below shows a three year history of the per capita cost of services for departments within the Health and Social Services service area.

<u>Department</u>	<u>FY14 Actuals</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>	<u>Change: FY15 to FY16</u>
Career Center	\$ 6.81	\$ 7.60	\$ 7.99	5.05%
Community Services	28.61	21.66	26.62	22.92%
Public Health Services District	103.85	100.42	100.23	-0.18%
Total	\$ 139.27	\$ 129.68	\$ 134.85	3.98%

HEALTH AND SOCIAL SERVICES

Career Center

2625 North King Street, Flagstaff, AZ 86004 (928) 679-7400
Carol Curtis, Director

The Career Center provides an atmosphere in which all job seekers - entry level through highly experienced - have easy access to the resources needed to secure a job with a great employer.

Program	SPA	Description
Economic Development Programs - Re-Employment and Rapid Response	EV&D	The original grant was designed to reduce unemployment rates by subsidizing jobs for skilled people to return to work. Even with a new Act of Congress to reduce unemployment, the original goal remains: get people the skills they need to work.
Workforce and Economic Development Administration	EV&D	This program provides administrative support to the Workforce and Economic Development programs that promote the County strategies of Economic Vitality and Development and Community Vitality.
Workforce Programs - Adult and Youth Education and Job Training	CV	The Workforce Investment Act provides funds for programs to educate, train, re-train and retain a qualified workforce of all ages and abilities. Funds are primarily targeted to low income people and provide an avenue to increased financial success for vulnerable residents.

Goals and Objectives

FY16 objectives include:

- Investing resources in education or training services that job seekers require to secure employment in accordance with an Individual Employment Plan developed with the customer by a Workforce Specialist.
- Supporting school-to-college/career success for youth through the provision of educational or job training support, with the guidance and mentoring of a Workforce Specialist.
- Promoting employer success and productivity by partnering to meet their needs for a qualified candidate pool, or to assist them with retention, expansion or closure activities when needed.
- Participation in the NACOG Economic Development District Council (EDC) to promote the Comprehensive Economic Development Strategy and build networks for successful regional economic initiatives.
- Convening meetings of the new Coconino County Workforce Innovation and Opportunity Act Board to support a business-led group in serving as an economic catalyst for the County.
- Participation in ECONA workforce development projects to advance economic initiatives identified for group action, with a special emphasis on Coconino area Sector Strategies.
- Participating in and supporting the wide variety of economic development partnerships in the County including NACET, SEDI, CAVIAT, Chambers of Commerce, the Governors Sector Strategy Initiative, and the Northern Arizona Association of Economic Developers, to impact and enhance the economic vitality of the region.

The primary long-term goal for the department is anticipating the broad array of new tasks, budgets, Workforce Business Plans, Governors Workforce Arizona Council Policies, procurement mandates, and financial system revisions to come from the new Workforce Innovation and Opportunity Act. At this time, the exact tasks are undetermined until the Department of Labor creates regulations to activate implementation, and the Governors Workforce Arizona Council activates their policies to implement these tasks.

HEALTH AND SOCIAL SERVICES

Career Center

Opportunities and Challenges

- The Career Center is transitioning from managing activities funded under the current Workforce Investment Act to the new Workforce Innovation and Opportunity Act (WIOA). Although WIOA services begin in July 2015, full Implementation of the new Workforce Innovation and Opportunity Act is not slated until July 2016. Decision points and milestones are unknown due to the DOL missing their deadline to propose Regulations for the new Act.
- The shift from mandating that 70% of Career Center Youth Grants be spent on “in-school” youth, to now mandating that 75% must be spent on “out-of-school” youth will impact decades long, effective partnerships with school districts to assist youth in completing their high school education and moving on to career or college success. Most students currently served through the Career Center Youth Grant have disabilities, so this is an added negative impact to a vulnerable population.

HEALTH AND SOCIAL SERVICES

Career Center

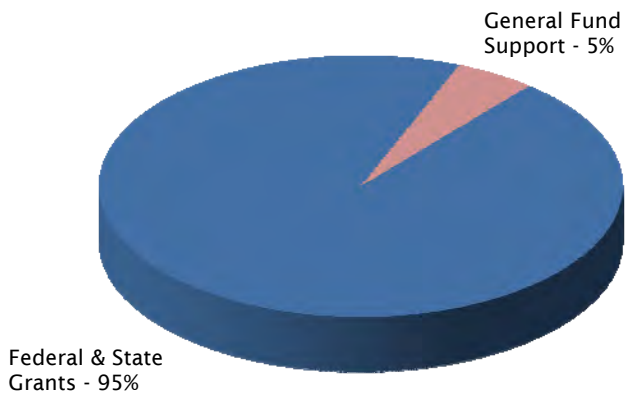
Financial Summary

Historically, all of the Career Center's revenue has been supplied by Federal and State grants, with no dollars coming from the County's General Fund. For FY16, \$45,495 (4%) of the department's revenue will be supplied by the General Fund, to continue operation of the department's TeenWorks program. The department fell 26% short of their FY15 revenue budget due to the budgeting of an entire grant that wasn't fully received in the fiscal year. Their revenue budget for FY16 is 23% lower than FY15, also due to changes in grant funding.

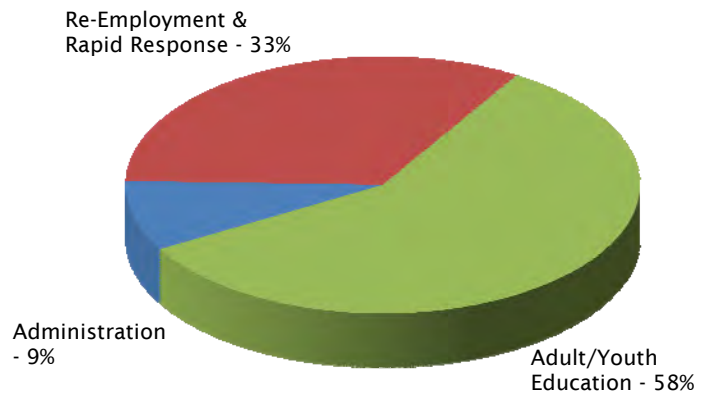
For FY15, the Career Center finished 25% under their revised expenditure budget of \$1,415,150. This variance is due to the previously mentioned grant, as well as savings from unfilled staff positions. As with their FY16 revenue budget, the Career Center's FY16 adopted expenditure budget will decrease due to the timing of grant funding. Their FY16 expenditure budget of \$1,116,895 is 21% lower than in FY15. In addition to the TeenWorks SIR mentioned above, the department requested and received \$10,000 in one-time General Fund money to be used to leverage potential grant funding.

The following charts illustrate the Career Center's revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

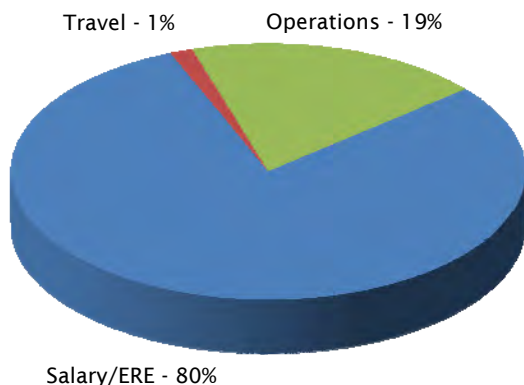
Revenue by Source Type



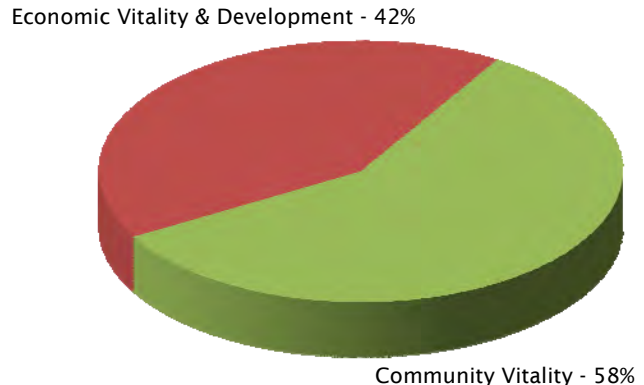
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



HEALTH AND SOCIAL SERVICES

Career Center

Department-Wide Financial Statement

	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Revenues and Other Sources					
Federal and State Grants	\$ 1,367,846	\$ 952,514	\$ 1,370,200	\$ 1,016,413	\$ 1,060,619
Investment Income	-	55	-	4	-
Use of (Increase In) Fund Balance	3,746	(3,637)	-	1,792	781
General Fund Support	-	-	44,950	44,950	55,495
Total Funding Sources	\$ 1,371,592	\$ 948,932	\$ 1,415,150	\$ 1,063,159	\$ 1,116,895
Expenditures and Other Uses					
Salary/ERE	\$ 856,611	\$ 654,578	\$ 984,507	\$ 675,482	\$ 892,249
Operations	456,331	275,318	407,492	359,030	208,581
Travel	58,650	19,037	23,151	28,647	16,065
Total Uses of Funds	\$ 1,371,592	\$ 948,932	\$ 1,415,150	\$ 1,063,159	\$ 1,116,895
Net Indirect Support	126,439	128,155	128,764	129,561	129,652
Total	\$ 1,498,031	\$ 1,077,087	\$ 1,543,914	\$ 1,192,720	\$ 1,246,547
General Fund Support					
Program Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	-	-	-	-	-
GF Transfers to Other Funds	-	-	(44,950)	(44,950)	(55,495)
Total Direct Support	\$ -	\$ -	\$ (44,950)	\$ (44,950)	\$ (55,495)
Net Indirect Support	(126,439)	(128,155)	(128,764)	(129,561)	(129,652)
Total County Support	\$ (126,439)	\$ (128,155)	\$ (173,714)	\$ (174,511)	\$ (185,147)

FY16 Financial Statement by Program

Program Name	FY16 Program Revenue	FY16 General Fund Support	FY16 Use of Fund Balance	FY16 Program Budget	FY16 Net Indirect Support
Economic Development Programs: Re-employment and Rapid Response	\$ 366,022	\$ -	\$ 5,282	\$ 371,304	\$ 49,910
Workforce and Economic Development Administration	97,412	10,000	(9,000)	98,412	9,414
Workforce Programs: Adult and Youth Education and Job Training	597,185	45,495	4,499	647,179	70,328
Total	\$ 1,060,619	\$ 55,495	\$ 781	\$ 1,116,895	\$ 129,652

HEALTH AND SOCIAL SERVICES

Career Center

Performance Measures by Program

Economic Development Programs: Re-employment and Rapid Response

	FY14	FY15	FY16
Approve education and training identified as in demand by local employers and assure they are offered on the Eligible Training Provider List	Yes	Yes	Yes
Developed Apartment Maintenance Training at request of local employer resulting in 100% placement of trainees	Yes	Yes	Yes
Conduct Rapid Response re-employment events within 48 hours of a company downsizing or announcing a closure	Yes	Yes	Yes
Dislocated worker entered employment rate	84.0%	84.0%	84.0%
Dislocated worker employment retention rate	87.5%	87.5%	87.5%
Dislocated worker earnings increase	\$16,400	\$16,400	\$16,400

Workforce and Economic Development Administration

	FY14	FY15	FY16
Receive no financial findings on the County Single Audit in connection with Career Center grants	Achieved	Achieved	Achieved
Receive no financial findings on Arizona Department of Economic Security (DES) Fiscal Monitor regarding WIA and US Department of Labor grants	Achieved	Achieved	Achieved
Submit expenditure reports and cash requests to DES by the last day of each month without errors	Completed	Completed	Completed
Conduct monthly meetings with administrative staff to communicate current department objectives and procedures	Completed	Completed	Completed
Provide budget status/expenditure reports to management on a monthly basis	Completed	Completed	Completed
Provide training budget status at Program Strategies of Success meetings on a monthly basis	Completed	Completed	Completed
Apply for new grants or collaborate with workforce partners to bring in new funds for joint initiatives	Completed	Completed	Completed

Workforce Programs: Adult and Youth Education and Job Training

	FY14	FY15	FY16
TeenWorks crew/interns completion rate	N/A	100%	100%
TeenWorks Job Fair meets goals	Yes	N/A	N/A
Customer satisfaction	90%	90%	90%
Adult entered employment rate	74.5%	74.5%	74.5%
Adult retention rate	85.0%	85.0%	85.0%
Adult average earnings	\$13,200	\$13,200	\$13,200
Youth placement in employment or education	62.5%	62.5%	62.5%
Youth attainment of degree or certification	60.5%	60.5%	60.5%
Youth literacy or numeracy gains	43.0%	43.0%	43.0%

HEALTH AND SOCIAL SERVICES

Career Center

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Administrative Specialist I	2.00	2.00	2.00
Administrative Specialist III	1.00	1.00	1.00
Administrative Support II	1.00	1.00	1.00
Assistant Director	-	1.00	1.00
Business Manager	1.00	1.00	1.00
Director	1.00	1.00	1.00
Program Manager I	1.00	1.00	1.00
Program Manager III	1.00	-	-
Workforce Development Specialist	5.00	5.00	5.00
Total Positions	13.00	13.00	13.00

*Please note that there are no staffing changes for the Career Center for FY16.

HEALTH AND SOCIAL SERVICES

Community Services

2625 N. King Street, Flagstaff, AZ 86004 (928) 679-7425
Janet Regner, Director

The Community Services Department strives to enhance the well being of the less fortunate and isolated residents of Coconino County by providing food and shelter, opportunities for social interaction, transportation, home care, economic empowerment, and self-sufficiency. Coconino County Community Services has also been the designated Community Action Agency Program for over twenty years and is a leading safety net agency providing case management services integrated with financial assistance.

Program	SPA	Description
Administration	O&FH	The Administration program provides leadership, strategic direction and administrative support to the entire department and ensures application of the department's resources for the collective needs of Coconino County residents.
Basic Business Empowerment (BBE)	CV	The Basic Business Empowerment (BBE) program is designed for low to moderate income level residents of Coconino County who have a business idea and want to start and/or expand it into a viable micro-business.
Owner-Occupied Housing Rehabilitation	CV	The Housing Rehabilitation program assists low-income homeowners in making required health, safety, and efficiency repairs to their home.
Public Fiduciary	CV	The Public Fiduciary provides guardianship and conservatorship services to adult individuals who reside within Coconino County.
Senior Services	CV	Senior Services assists seniors with information and referral on senior and disability programs in Coconino County.
Social Services	CV	County Social Services provides services to income qualified individuals or households in crisis situations in our communities.

Goals and Objectives

The department has the following primary objectives for FY16:

- Adding an additional summer session to the Basic Business Empowerment (BBE) program. The program is currently offered in the spring and the fall.
- Implementing phases I and II of the County's Collective Impact (CI) project, which entails convening County stakeholders; discussing issues and available resources; facilitating collaboration specific to mutual goals; building consensus/urgency to move forward; identifying champions and forming cross-sector/department groups; mapping collaborative landscape and data to make case; facilitating county staff; analyzing baseline data to identify key issues and gaps
- Complete and award a minimum of ten Individual Development Account (IDA) program participants with a 3:1 match ensuring that the participants become financially independent to complete their post-secondary education and reduce their dependency on financial aid and government support.
- Complete and award a minimum of three small business IDA participants with 2:1 match ensuring that they become financial independent and successful in starting their small business goals.

HEALTH AND SOCIAL SERVICES

Community Services

Goals and Objectives

- Public Fiduciary staff will improve their court hearing attendance on behalf of County wards by at least 100% by the end of FY16.
- Completion of three housing units by the Owner-Occupied Housing Rehabilitation (OOHR) project, which assists with housing repairs and improvements designed to eliminate health and safety hazards in the home and address significant code violations.
- Public Fiduciary staff will improve their court hearing attendance on behalf of County wards by at least 100% by the end of FY16.

Longer-term goals for the Community Services department include:

- Expand the BBE program to three sessions per year, each with the capacity to recruit 36 individuals (12 participants for each class).
- Implement phases III and IV of the County CI project, which entails creating infrastructure; creating common agenda; engaging relevant departments and Board; establishing shared metrics; supporting implementation; continuing engagement and advocacy; collecting, tracking, and reporting progress.
- Completion of five housing units and project close-out of the Owner-Occupied Housing Rehabilitation (OOHR) project.
- The Public Fiduciary office will continue to work with Navajo and Hopi Tribes to assist them in establishing fiduciary offices. It is anticipated that the Public Fiduciary office could then reduce services to individuals who should receive services from their respective Tribes.

Opportunities and Challenges

- Business community members who have graduated from the BBE program and are now running a successful business are requested to be guest speakers to talk about their field of expertise.
- The BBE and OOHR programs are federally grant-funded programs funded through the Community Services Block Grant (CSBG). CSBG funding is dependent on Congress and there is always a possibility that grant funds will be reduced and/or eliminated.
- The percentage of Social Security that developmentally disabled wards pay for room and board was reduced from 88% to 70% through legislative approval; therefore wards have more income for basic needs. As a result, the County will not have to waive as many fees, thereby keeping within the prescribed budget set by the Board of Supervisors.

HEALTH AND SOCIAL SERVICES

Community Services

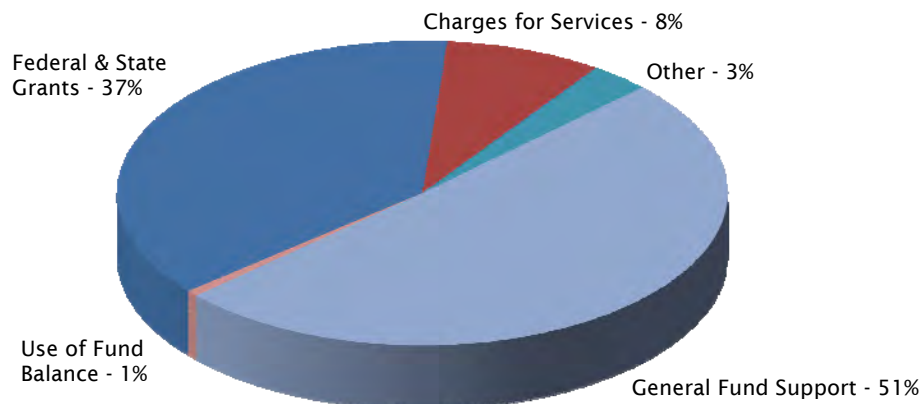
Financial Summary

The Community Services department is heavily funded through State and Federal grants, which vary on an annual basis. For FY15, Federal and State grant revenue is estimated to be 32% under budget. The department also receives revenue from fees it charges to its customers, which are estimated to end FY15 38% above budget. Both of these revenues are expected to increase for FY16. It should be noted that the significant revenue decrease from FY14 to FY15 was due to the Coconino Rural Environment Corps (CREC) joining the Southwest Conservation Corps, an organization unaffiliated with Coconino County.

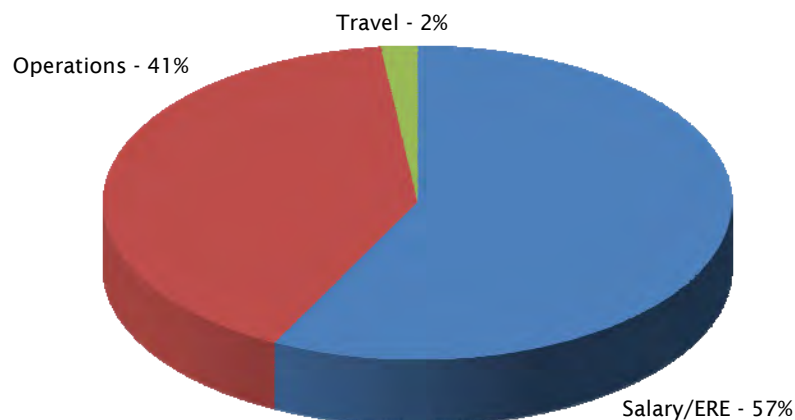
The Community Services Department is estimated to be 13% under their revised FY15 expenditure budget of \$3,648,196. This variance is due to salary savings from unfilled positions as well as operational savings in the Senior Services and Social Services programs. The FY16 adopted expenditure budget of \$3,722,148 is 2% higher than the FY15 budget. This increase in expenses is due to a higher amount of grant funding for the Housing Rehabilitation program.

The following charts illustrate the Community Services Department's revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

Revenue by Source Type



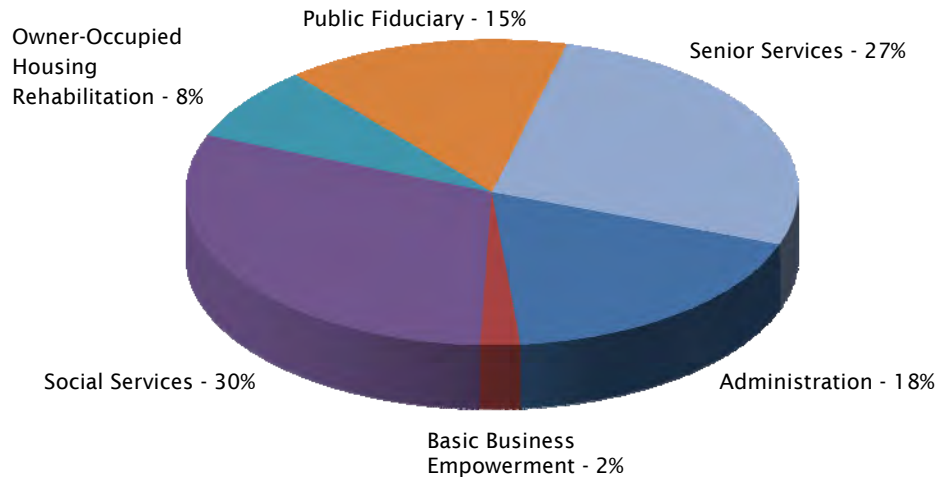
Expenditures by Category



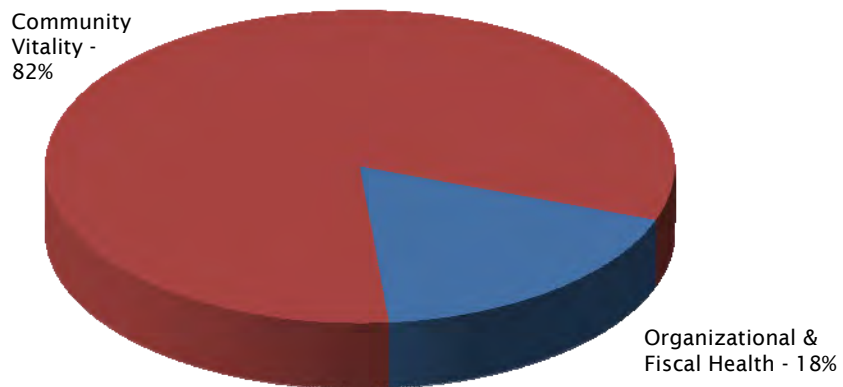
HEALTH AND SOCIAL SERVICES

Community Services

Expenditures by Program



Expenditures by Strategic Priority Area



HEALTH AND SOCIAL SERVICES

Community Services

Department-Wide Financial Statement

<u>Revenues and Other Sources</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Federal and State Grants	\$ 2,235,423	\$ 990,135	\$ 1,307,597	\$ 890,299	\$ 1,392,115
Other Intergovernmental	2,000	5,621	2,000	3,268	2,000
Charges for Services	1,640,046	759,128	179,705	248,155	308,877
Investment Income	2,000	2,696	2,000	2,081	2,000
Other	129,949	148,042	116,816	128,979	116,816
Transfers from Other Funds	169,392	124,647	-	-	-
Use of (Increase In) Fund Balance	177,893	516,559	106,606	131,236	23,649
General Fund Support	1,714,371	1,447,573	1,933,472	1,759,175	1,876,691
Total Funding Sources	\$ 6,071,074	\$ 3,994,402	\$ 3,648,196	\$ 3,162,798	\$ 3,722,148
<u>Expenditures and Other Uses</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Salary/ERE	\$ 3,990,563	\$ 2,459,748	\$ 2,163,628	\$ 1,938,851	\$ 2,140,363
Operations	1,869,519	1,449,322	1,214,698	1,048,345	1,512,008
Travel	200,992	72,679	103,095	33,326	69,777
Capital	-	5,452	-	7,702	-
Transfers to Other Funds	10,000	7,200	166,775	134,574	-
Total Uses of Funds	\$ 6,071,074	\$ 3,994,402	\$ 3,648,196	\$ 3,162,798	\$ 3,722,148
Net Indirect Support	743,936	577,161	640,990	640,990	592,002
Total	\$ 6,815,010	\$ 4,571,563	\$ 4,289,186	\$ 3,803,788	\$ 4,314,150
<u>General Fund Support</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Program Revenue	\$ 51,000	\$ 69,472	\$ 51,000	\$ 77,031	\$ 51,000
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	(1,074,288)	(998,050)	(1,027,123)	(1,004,874)	(1,029,327)
GF Transfers to Other Funds	(691,083)	(518,995)	(957,349)	(831,332)	(898,364)
Total Direct Support	\$(1,714,371)	\$(1,447,573)	\$(1,933,472)	\$(1,759,175)	\$(1,876,691)
Net Indirect Support	(743,936)	(577,161)	(640,990)	(640,990)	(592,002)
Total County Support	\$(2,458,307)	\$(2,024,734)	\$(2,574,462)	\$(2,400,165)	\$(2,468,693)

HEALTH AND SOCIAL SERVICES

Community Services

FY16 Financial Statement by Program

Program Name	FY16 Program Revenue	FY16 General Fund Support	FY16 Use of Fund Balance	FY16 Program Budget	FY16 Net Indirect Support
Administration	\$ 199,000	\$ 468,730	\$ 1,320	\$ 669,050	\$ 123,695
Basic Business Empowerment (BBE)	109,312	-	(30,875)	78,437	16,451
Owner-Occupied Housing Rehabilitation	291,871	-	-	291,871	-
Public Fiduciary	50,000	509,597	-	559,597	141,918
Senior Services	318,136	566,563	106,352	991,051	189,775
Social Services	853,489	331,801	(53,148)	1,132,142	120,163
Total	\$ 1,821,808	\$ 1,876,691	\$ 23,649	\$ 3,722,148	\$ 592,002

Performance Measures by Program

Administration	FY14	FY15	FY16
Percent of accurate grant fund reports filed on time	95%	100%	100%
Percent of IDA accounts managed properly	95%	100%	100%
Percent of department audits completed properly	95%	100%	100%
Financial training provided to division managers	50%	100%	100%
Percent of staff evaluations completed on time	75%	90%	100%
Results Oriented Management and Accountability (ROMA) reports completed with at least five of the six measurements accounted for	65%	80%	100%
Percent of Community Services programs evaluated for performance outcomes	75%	100%	100%
Percent of staff who have participated in County HR or other professional training	75%	90%	100%

Basic Business Empowerment (BBE)	FY14	FY15	FY16
Number of participants in 10-week program	26	34	36
100% completed business plans approved by Small Business Development Center (SBDC)	6	22	22

Owner Occupied Housing Rehabilitation	FY14	FY15	FY16
Number of homes rehabilitated	0	5	5
30% of homes will have reduced energy costs over a year based on a prior year usage and one year after the home has been completed	N/A	2	2

HEALTH AND SOCIAL SERVICES

Community Services

Performance Measures by Program

Public Fiduciary	FY14	FY15	FY16
Number of people for whom we acted as guardian	131	160	157
Number of people for whom we acted as conservator/rep payee	142	170	190
Closed estates settled	14	20	25
Indigent burials	13	20	30
Limited conservatorships of minor assets	15	18	25
Referrals	38	50	60
Totals	353	438	487
Information provided over the phone, assistance in completing guardianship paperwork, and referral to the self-help law library	25	50	15
Number of developmentally disabled wards who live in DDD licensed homes	64 wards now pay 70%	74 wards will pay 70%	84 wards will pay 70%

Senior Services	FY14	FY15	FY16
County case management hours provided to seniors/disabled adults	810.35	855.00	855.00
County housekeeping hours provided	2384.30	2,724.00	2,724.00
County personal care hours provided	168.50	205.00	205.00
County Respite hours provided.	240	72	72
Congregate meals served at Flagstaff and Williams Senior Centers	21,346	22,300	22,300
Home Delivered Meals served from Flagstaff and Williams Senior Center	17,304	18,001	18,001

Social Services	FY14	FY15	FY16
Number of households maintained in stable housing	352	373	499
Number of households where utilities were maintained	1,273	1,400	1,320
Number of households where eviction was averted	302	338	450
Number of households that regained housing (move-in)	50	35	49
Number of Individuals that have completed a financial coaching session	43	50	50
Number of Individuals who have attended a financial literacy class/workshop	25	60	100

HEALTH AND SOCIAL SERVICES

Community Services

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Accountant	1.00	1.00	1.00
Administrative Manager	1.00	1.00	1.00
Administrative Specialist III*	2.00	2.00	3.00
Administrative Support II*	2.93	2.93	1.31
Assistant Director-Community Services	1.00	1.00	1.00
Business Manager	1.00	-	-
Case Worker	4.00	4.00	6.00
Certified Fiduciary*	3.48	3.48	3.70
Community Aide	4.92	4.42	4.42
Cook	2.00	2.00	2.00
CREC Shop Assistant	1.00	-	-
Director-Community Services	1.00	1.00	1.00
Eligibility Worker	1.00	1.00	1.00
Food Services Manager	1.00	1.00	1.00
Grant Technician	1.00	-	-
Program Coordinator	11.00	5.00	3.00
Program Manager I	6.00	2.00	2.00
Program Manager II	1.00	2.00	2.00
Program Manager III	1.00	-	-
Public Fiduciary	1.00	1.00	1.00
Total Positions	48.33	34.83	34.43

*As part of the Public Fiduciary reorganization, 1.625 Administrative Support II FTEs are being reclassified to 1.00 Administrative Specialist III for FY16. In addition, the Certified Fiduciary FTEs were increased by 0.22 FTE as an FY15 mid-year increase.

**During FY14, the Coconino Rural Environment Corps was moved to an organization outside of Coconino County resulting in a reduction of 13 FTEs in the Community Services Department.

HEALTH AND SOCIAL SERVICES

Public Health Services District (PHSD)

2625 N. King Street, Flagstaff, AZ 86004 (928) 679-7272
Marie Peoples, Director

The mission of the Public Health Services District (PHSD) is to provide services that prevent epidemics and the spread of disease, protect against environmental hazards, promote and encourage healthy behaviors, and assure accessibility of health services.

Program	SPA	Description
Administration	PH	Administration provides the leadership and oversight for all operations of the Public Health Services District, including strategic direction, financial accountability, personnel management, quality improvement, partnership development, public relations, and dissemination of public health information.
Mandated Payments and Services	PH	Mandated payments and services provided by the Health District includes AHCCCS, ALTCS, Title 36, and sexual assault forensic exams.
Other Services	PH	The Other Services Program includes activities that may not directly affect a person or a community's health; however, the benefits fit within and extend beyond the scope of health.
Primary Prevention Services	PH	Primary prevention seeks to prevent the onset of diseases and conditions detrimental to public health.
Secondary Prevention Services	PH	Secondary prevention has been a proven method of prevention that helps provide assurance that interventions have been implemented to minimize the spread of disease and prevent conditions detrimental to public health.
Tertiary Prevention Services	PH	Tertiary prevention is required when it is necessary to intervene, to abate or treat a condition, source of illness or hazard to public health.

HEALTH AND SOCIAL SERVICES

Public Health Services District (PHSD)

Goals and Objectives

The department has the following primary objectives for FY16:

- The Environmental Health division (EH) will renew surveillance studies with Grand Canyon Park Research Department for Hantavirus, Plague, TBRF, and RMSF.
- The Communicable Disease division (CD) will assess the number of FY15 positive gonorrhea cases that are treated incorrectly by hospitals and local providers.
- The Epidemiology division (EPI) will recruit hospitals to participate in BioSense syndromic surveillance (providing CPHSD with real-time data of symptoms/syndromes experienced by patients presenting at Emergency Rooms).
- EPI will obtain statistical analysis software (e.g., SAS, SPSS, EpiInfo, R) and funding for continued use; train at least three users to competency.
- EH will participate in CDC's pilot inspection based surveillance program to track violation trends/injuries specified under the Model Aquatic Health Code.
- Animal Management (AM) will review ordinances and compare with other municipal agency regulations to determine what revisions, if any, need to be implemented.
- EPI will recruit and provide support to schools; monitor absences at sentinel schools; monitor confirmed cases of influenza from laboratories and providers; and analyze predictive ability of school monitoring.
- Work with Government Relations to analyze legislation related to AHCCCS and ALTCS mandated payments to determine what legislative action, if any, would be viable to change the payment allocation.

Longer-term goals for the Public Health Services District include:

- The Animal Management division (AM) will begin meeting with the Program Manager of Emergency Preparedness to determine how to best incorporate animal needs during public health emergencies into emergency preparedness plans.
- EH will begin reviewing Arizona Department of Health Services (ADHS), Arizona Department of Environmental Quality (ADEQ) and Center for Disease Control (CDC's) Model Aquatic Code, and submit a draft Model Aquatic Code to the County Attorney for review and feedback.
- Tobacco and Chronic Disease Prevention will propose and support passage of electronic-cigarette policy change in the county and city smoke free air laws and will support Northern Arizona University (NAU) tobacco-free campus policy passage.
- CD will assess the number of FY16 cases that are not reported within 14 days of laboratory confirming positive results. CD will contact the lab or provider to determine why the report was not provided in a timely manner and how this can be corrected in the future.

Opportunities and Challenges

- As of this submission, FY16 funding awards for grant programs are either unknown or very tentative, including the award for Title 10 Reproductive Health Services. This contract is pending award.
- Federal FY16 funding for the Arizona Nutrition Network program is anticipated to be reduced by \$106,448 (from \$459,862 to \$353,414). This reduction will affect program staffing levels and services to Coconino County residents.
- The loss of Title X funds will reduce the District's financial subsidy for Adult Reproductive Health Services. Adult Reproductive Health Services will be provided by the new Title X contractor, Planned Parenthood. The District will continue to provide Teen Clinic and Sexually Transmitted Infection Testing and Treatment services.
- Because the increase in property taxes is limited and most likely will not reach the levels anticipated when the District was formed and will not cover the increasing mandated payments costs, citizens, residents and visitors may receive fewer district-provided services as an increasing percentage of the budget goes toward covering mandated payments instead of providing services.

HEALTH AND SOCIAL SERVICES

Public Health Services District (PHSD)

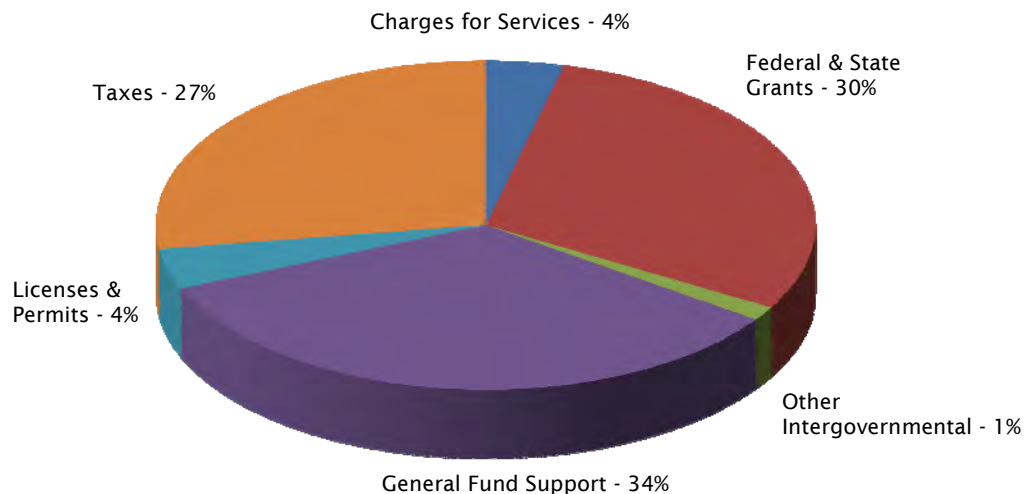
Financial Summary

The Public Health Services District is heavily funded through State and Federal grants that are subject to appropriation each fiscal year. For FY15, Federal and State grant revenue is estimated to be 19% below budget; however, this large variance is due to timing and much of the revenue is expected to be received in FY16. The district also relies on property tax revenue, which has also seen a decline due to a decrease in assessed values. Based on projections, it appears that assessed values will begin to show recovery starting in FY16.

For FY15, the Public Health Services District is estimated to be 9% under their revised expenditure budget of \$15,370,231. This variance is due to salary and benefit savings across all programs in the department as well as lower mandated Title 36 contract payments. The FY16 adopted expenditure budget of \$14,149,561 is 8% under the FY15 budget. This variance is due to staffing and operational changes proposed by the PHSD sustainability worksessions as well as the migration of the Environmental Quality division to the Community Development department. PHSD requested and received recurring budget increases for HVAC maintenance and third-party contract increases, as well as one-time funding for Animal Management motor pool expenses.

The following charts illustrate the Public Health Services District's revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

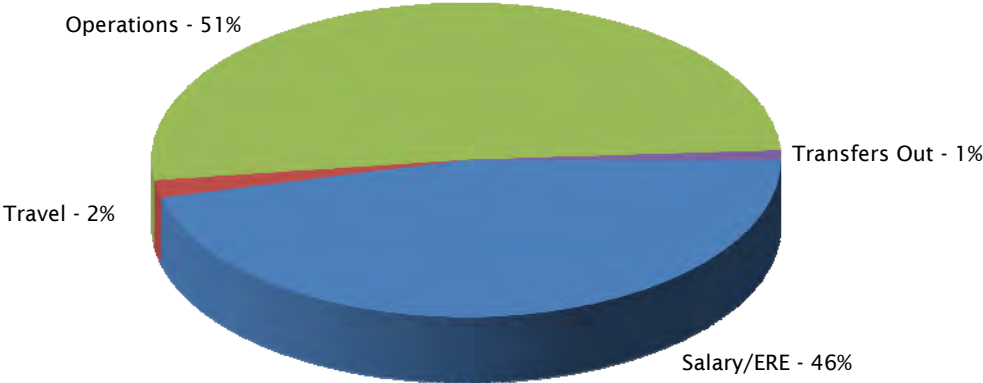
Revenue by Source Type



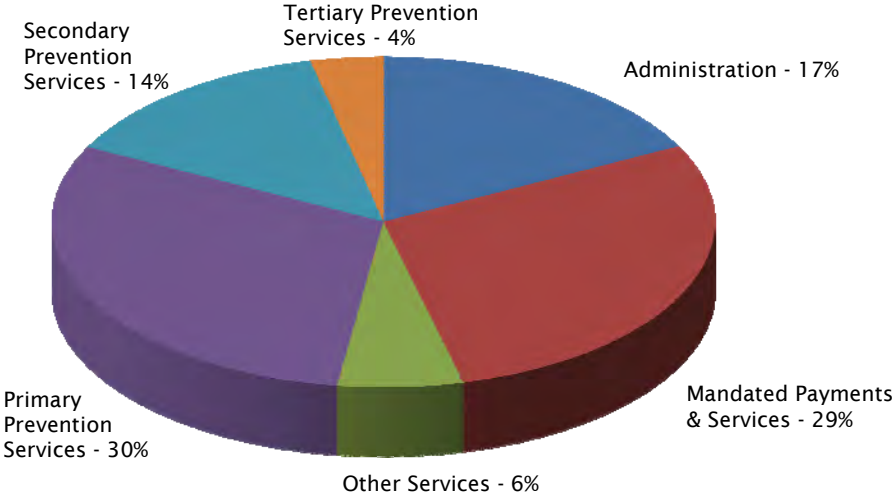
HEALTH AND SOCIAL SERVICES

Public Health Services District (PHSD)

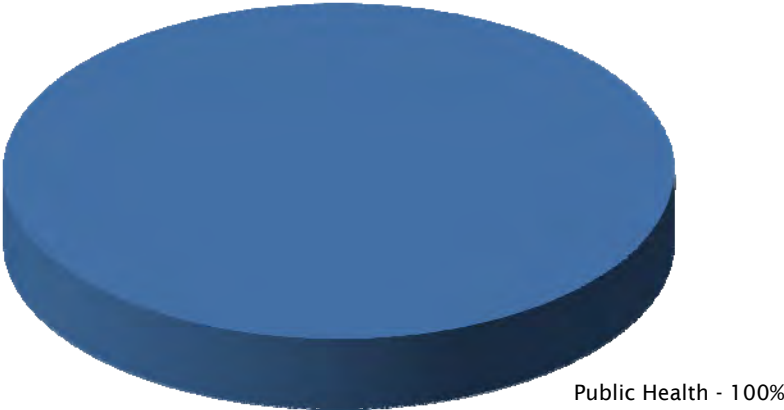
Expenditures by Category



Expenditures by Program



Expenditures by Strategic Priority Area



HEALTH AND SOCIAL SERVICES

Public Health Services District (PHSD)

Department-Wide Financial Statement

<u>Revenues and Other Sources</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Federal and State Grants	\$ 4,907,302	\$ 3,717,970	\$ 4,683,296	\$ 3,812,084	\$ 4,161,363
Taxes	3,832,663	3,831,875	3,836,210	3,713,202	3,850,071
Other Intergovernmental	182,000	166,355	180,000	178,503	193,594
Licenses & Permits	737,205	779,436	717,830	818,425	561,253
Charges for Services	509,417	542,745	533,917	594,298	537,291
Fines, Fees, & Forfeits	-	-	-	300	-
Investment Income	12,338	26,476	12,340	10,404	6,034
Contributions	18,630	101,750	18,600	91,879	4,000
Other	27,567	72,047	245,196	70,671	46,833
Use of (Increase In) Fund Balance	536,086	257,849	425,257	(59,938)	8,729
General Fund Support	5,154,104	5,104,160	4,717,585	4,811,734	4,780,393
Total Funding Sources	\$ 15,917,312	\$ 14,600,664	\$ 15,370,231	\$ 14,041,561	\$ 14,149,561
<u>Expenditures and Other Uses</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Salary/ERE	\$ 7,456,383	\$ 6,696,981	\$ 7,109,594	\$ 6,483,509	\$ 6,527,435
Operations	7,923,647	7,535,671	7,819,365	7,378,591	7,233,344
Travel	332,390	241,183	420,069	150,852	251,760
Capital	-	-	-	25,553	-
Transfers to Other Funds	204,892	126,829	21,203	3,056	137,022
Total Uses of Funds	\$ 15,917,312	\$ 14,600,664	\$ 15,370,231	\$ 14,041,561	\$ 14,149,561
Net Indirect Support	-	-	-	-	-
Total	\$ 15,917,312	\$ 14,600,664	\$ 15,370,231	\$ 14,041,561	\$ 14,149,561
<u>General Fund Support</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Program Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	-	-	-	-	-
GF Transfers to Other Funds	(5,154,104)	(5,104,160)	(4,717,585)	(4,811,734)	(4,780,393)
Total Direct Support	\$ (5,154,104)	\$ (5,104,160)	\$ (4,717,585)	\$ (4,811,734)	\$ (4,780,393)
Net Indirect Support	-	-	-	-	-
Total County Support	\$ (5,154,104)	\$ (5,104,160)	\$ (4,717,585)	\$ (4,811,734)	\$ (4,780,393)

HEALTH AND SOCIAL SERVICES

Public Health Services District (PHSD)

FY16 Financial Statement by Program

<u>Program Name</u>	<u>FY16 Program Revenue</u>	<u>FY16 General Fund Support</u>	<u>FY16 Use of Fund Balance</u>	<u>FY16 Program Budget</u>	<u>FY16 Net Indirect Support</u>
Administration	\$ 3,854,271	\$ 4,780,393	\$ (6,153,724)	\$ 2,480,940	\$ -
Mandated Payments and Services	-	-	4,093,100	4,093,100	-
Other Services	333,130	-	535,871	869,001	-
Primary Prevention Services	4,005,127	-	197,985	4,203,112	-
Secondary Prevention Services	911,888	-	1,085,166	1,997,054	-
Tertiary Prevention Services	256,023	-	250,331	506,354	-
Total	\$ 9,360,439	\$ 4,780,393	\$ 8,729	\$ 14,149,561	\$ -

Performance Measures by Program

Administration	FY14	FY15	FY16
PHSD 10-Year Financial Plan will show either a zero or positive change in fund balance	N/A	Complete by end of FY15	Complete
Prioritize services in various public health frameworks such as Foundational Public Health Services, 10 Essential Services, and Logical Decisions	N/A	Complete	Complete
Create, implement, monitor and maintain a Community Health Improvement Plan	Complete	Begin Implementation	Complete
Create, implement, monitor and maintain a Strategic Plan	N/A	80% Complete	Complete
Create, implement, monitor and maintain a Workforce Development Plan	N/A	80% Complete	Complete
Create, implement, monitor and maintain a Continuous Quality Improvement Plan	N/A	80% Complete	Complete
Create, implement, monitor and maintain a Health Outcome-Based Performance Management Plan	N/A	80% Complete	Complete
PHSD has an Epidemiologist on staff conducting surveillance and working with the Community Relations Manager to disseminate public health information	.75 FTE	1.0 FTE	1.0 FTE
PHSD has a Community Relations Manager/Public Information Officer on staff communicating about public health issues to the community and partners	.4375 FTE	.4375 FTE	.4375 FTE

Mandated Payments and Services	FY14	FY15	FY16
AHCCCS and ALTCS payments accurate and on time so zero penalties are assessed	Yes	Yes	Yes
Maintain service level and maintain or reduce Title 36 costs	No	TBD	TBD
Maintain service level and maintain or reduce costs for sexual assault forensic examinations and medical examinations	Yes	Yes	Yes

HEALTH AND SOCIAL SERVICES

Public Health Services District (PHSD)

Performance Measures by Program

Other Services	FY14	FY15	FY16
Number of birth certificates issued	4,141	4,200	4,250
Number of death certificates issued	5,580	5,730	1,800
Number of autopsies	203	228	219
Number of investigations	596	605	610
Public records requests	7	18	20

Primary Prevention Services	FY14	FY15	FY16
Reduction in the infant mortality rate in Coconino County (1% lower over a 3 year period)	N/A	Downward Trend	Downward Trend
Breastfeeding rates will meet or exceed Healthy People 2020 goals as evidenced by the following: 81.9% shall breastfeed at initiation, 60.6% at 6 months, and 34.1% at 1 year of age	N/A	86%/55%/39%	82%/61%/34%
Reduce nonfatal motor vehicle crash-related injuries among 16 to 25 year olds by 10% over a 10 year period	498	Ongoing Reductions	Ongoing Reductions
Reduce foodborne and blood borne illness throughout the County	55	20% Reduction	20% Reduction
Reduce the number of norovirus outbreaks on commercial river trips	10	20% Reduction	20% Reduction

Secondary Prevention Services	FY14	FY15	FY16
Percentage of businesses staying in compliance with Smoke Free Arizona laws and local ordinances within one month of finding an infraction	100%	100%	100%
Reduction in the number of the top 5 critical violations cited at food operation inspections	21-49%	Reduction Continuing	Reduction Continuing
Reduction in the number of human plague cases by monitoring plague activity in prairie dog colonies	Plague identified in prairie dog burrows, no human cases	Identify plague in sentinel groups to prevent human cases	Identify plague in sentinel groups to prevent human cases

Tertiary Prevention Services	FY14	FY15	FY16
Decrease the number of active TB cases	5	6	5
Reduction in the number of cases of chlamydia in women age 15 to 24	432	430	430
Increase the number of women who seek treatment and are cured of chlamydia	369	370	400
Plague treatment of sentinel populations	Treated 3 sites; No human cases	Treated 2 sites; No human cases	N/A
West Nile Virus treatment for mosquito larvae	130 surveys/ No WNV identified	N/A	N/A

HEALTH AND SOCIAL SERVICES

Public Health Services District (PHSD)

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Accounting Technician I	1.00	1.00	1.00
Accounting Technician II	2.00	2.00	2.00
Administrative Manager	1.00	1.00	1.00
Administrative Manager, Senior	1.00	1.00	1.00
Administrative Specialist I	5.25	5.25	4.50
Administrative Specialist II	2.00	1.00	1.00
Administrative Specialist III	5.00	5.00	4.88
Administrative Supervisor	2.00	2.00	1.00
Administrative Support I	0.50	-	-
Administrative Support II	3.55	2.95	2.50
Animal Management Officer	4.00	4.00	4.00
Breastfeeding Peer Counselor	1.21	1.20	0.95
Case Worker	7.88	7.00	7.00
Certified Nurse Aide	1.00	0.80	-
Clinic Manager	-	-	1.00
Communicable Disease Investigator	1.33	0.85	1.00
Community Dietitian	1.00	2.00	2.00
Community Health Nurse	2.78	2.70	2.10
Dental Assistant	1.63	1.60	1.60
Dental Hygienist/Educator	1.00	1.00	0.87
Dental Program Manager	1.00	0.80	0.80
Director-Public Health Services District	1.00	1.00	1.00
Division Manager-PHSD	4.00	4.00	3.00
Environmental Health Specialist I	4.64	4.64	4.64
Environmental Health Specialist II	1.00	1.00	1.00
Environmental Health Specialist III	1.00	1.00	1.00
Environmental Quality Specialist I	1.00	-	-
Environmental Quality Specialist II	1.00	-	-
Epidemiologist	1.00	0.75	0.75
Forensic Investigator I	3.00	3.00	2.00
Forensic Investigator, Lead	-	-	1.00
Forensic Technician	1.00	1.00	1.00
Grant Writer	1.00	-	-
HIV Case Manager	2.00	2.00	2.00
Medical Examiner	1.00	1.00	1.00
Nurse Practitioner	1.50	1.51	0.60
Nurse Supervisor	1.00	1.00	1.00
Nutrition Counselor	6.55	5.80	4.55
Permit Technician	-	-	-
Policy Analyst	1.00	1.00	1.00
Program Coordinator	1.75	1.00	1.00
Program Manager I	2.00	2.00	2.00
Program Manager II	9.00	9.00	10.00

HEALTH AND SOCIAL SERVICES

Public Health Services District (PHSD)

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Program Manager III	1.00	1.00	1.00
Program Supervisor	3.00	-	-
Public Health Community Relations Manager	1.00	0.94	1.00
Public Health Dentist	0.10	-	-
Public Health Educator	13.41	13.29	13.89
Public Health Planner, Senior	1.50	1.50	-
Public Health Training Manager	1.00	-	-
Senior Manager	1.00	1.00	-
Social Worker/Guardianship Investigator	0.75	0.75	0.75
Total Positions	114.33	102.32	95.38

* The Public Health Services District is heavily grant funded, which results in large fluctuations in FTEs. Additionally 4.60 FTEs were eliminated based on the proposed changes resulting from the PHSD financial sustainability work sessions and 3.0 FTEs were moved to Community Development with the Environmental Quality Program.

Community Development



Coconino County
ROAD
Maintenance Sales Tax
Your Roads. Your Decision.



COMMUNITY DEVELOPMENT

Service Area Summary



Description of Services

The shared purpose of the Community Development service area is to enhance quality of life, provide livable communities, and provide service to the public. This area administers and enforces all County zoning and building codes and inspections, issues building permits, administers the National Flood Insurance Program, implements flood control projects for the district in general and the Schultz Flood Area in particular, creates and maintains unique recreation opportunities, including a variety of special events such as the County Fair, maintains County roads, and provides potable water and wastewater services to rural communities in the County.

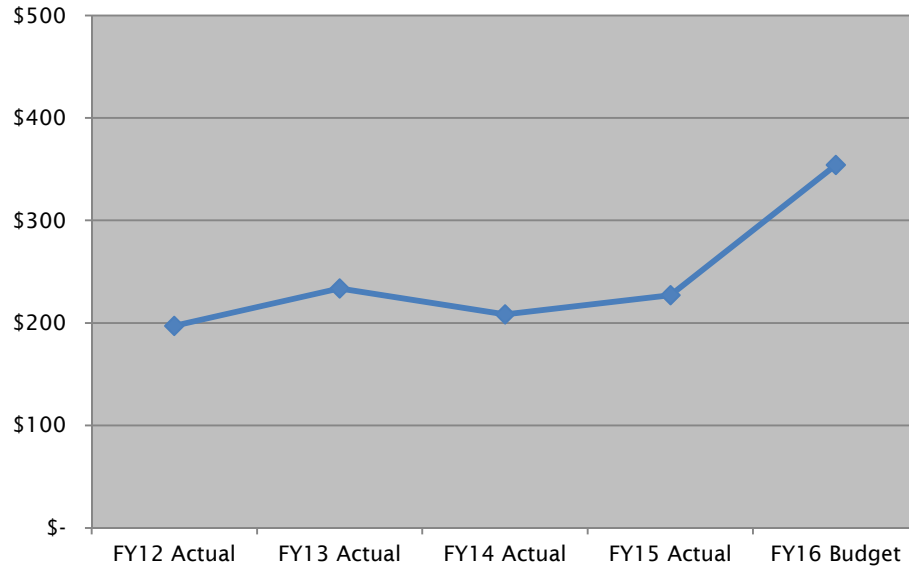
Per Capita Costs

The per capita costs in the Community Development service area have fluctuated from year to year, primarily due to planned versus completed capital projects in each of the departments included in the service area. The slight increase in per capita costs for FY15 were mainly due to increased Public Works expenses, including almost \$9 million in capital projects that had been postponed throughout the recent economic recession. The per capita increase in FY16 is due to the continuation of these capital projects, as well as Capital Parks and Open Space (CPOS) projects by the Parks and Recreation Department. The Flood Control District's expenses dropped the most significantly, due to the completion of most of the Schultz Fire/Flood mitigation projects.

The chart on the next page shows a five year history of the per capita cost of services for the Community Development service area.

COMMUNITY DEVELOPMENT

Service Area Summary



The table below shows a three year history of the per capita cost of services for departments within the Community Development service area.

<u>Department</u>	<u>FY14 Actuals</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>	Change: <u>FY15 to FY16</u>
Community Development	\$ 10.70	\$ 10.57	\$ 15.20	43.81%
Flood Control District	75.39	66.55	17.92	-73.07%
KVID	6.64	9.22	11.76	27.58%
Parks and Recreation	14.80	24.77	91.19	268.16%
Public Works	100.81	116.06	218.20	88.01%
Total	\$ 208.34	\$ 227.17	\$ 354.28	55.95%

COMMUNITY DEVELOPMENT

Community Development

2500 North Fort Valley Road, Building #1, Flagstaff, AZ 86001 (928) 679-8850
Jay Christelman, Director

Community Development carries out planning and zoning and the permitting of building construction. The department also houses the County's internal sustainability program.

Program	SPA	Description
Building Division	PS	The Building Division's activities include review of building plans to ensure compliance with codes, permitting and permit tracking, building inspections, and sustainable building. The program serves all unincorporated areas in the County and on National Forest lands through an IGA.
County Sustainability Program	C&NR	The Coconino County Sustainability Program (CCSP) seeks to improve the effectiveness and enhance current internal Coconino County sustainability efforts by providing collaboration and support for presently dispersed but related County-wide sustainability initiatives.
Environmental Quality	PS	Environmental Quality offers application processing and permitting for conventional and alternative on-site septic wastewater systems. This program was transferred from the Public Health Services District for FY16.
Planning and Zoning	PS	This program includes the preparation of comprehensive planning documents for the County and its communities that guide decision making for the Board of Supervisors. It also updates, implements, and enforces the County Zoning and Subdivision Ordinances that ensures a quality of life in the County's communities and neighborhoods.

Goals and Objectives

- Primary FY16 objectives for the Planning and Zoning program include rewriting or amending the County's Zoning Ordinances, with a possible addition of an ordinance for the abatement of unsafe buildings; continuing the updates to the County's Comprehensive Plan; and amending the County's Subdivision Ordinance.
- An FY16 objective of the County Sustainability Program is to develop a baseline of current County sustainability efforts and the revitalization of the County Green Team for developing internal educational programs.
- The main objectives of the Environmental Quality Program for FY16 are to expand the organizational commitment and education regarding the Notice of Transfer Program, and to rewrite the sections of the Coconino County Public Health Code relevant to Environmental Quality.
- A longer-term goal for the department is to work with the Board and Commission to identify recommended and desired Subdivision Ordinance Amendments, then work through the public process for adoption.

COMMUNITY DEVELOPMENT

Community Development

Opportunities and Challenges

- Revising the legal, non-conforming status to include building violations with a consistent year (1989) will alleviate requiring customers to reconcile many of the issues caused by previous property owners.
- The Department has the opportunity to provide cost savings by not filling the Environmental Quality Specialist I position. Additional savings will be provided by processing permit applications in-house rather than outsourcing them, and by the expected return of one vehicle to the County motor pool.

COMMUNITY DEVELOPMENT

Community Development

Financial Summary

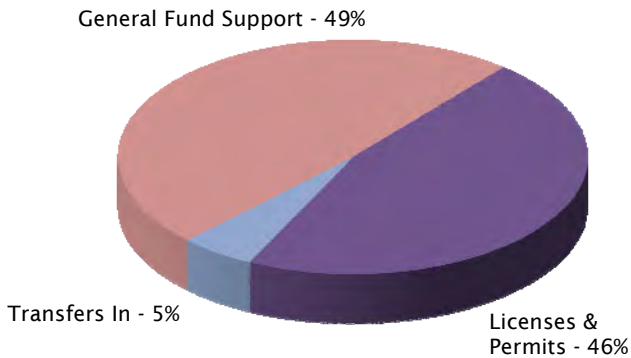
The two main sources of revenue for Community Development are fees from licenses and permits and General Fund support. The department finished FY15 27% below its revenue budget, due to lower than expected building, zoning and plan check fee revenue. While this revenue is expected to stay flat for FY16, the migration of the Environmental Quality Program from the Public Health Services District (PHSD) will result in a 23% increase in license and permit revenue. Community Development will also be receiving a transfer from PHSD for the net expenses of the program migration.

For FY15, the Community Development department remained 20% below its revised expenditure budget of \$1,840,530. This variance was due to \$130,000 in funding for the abatement of unsafe buildings that was not used and was carried over into FY16. The department also realized more than \$210,000 in salary savings. The FY16 adopted expenditure budget of \$2,125,174 represents a 15% increase over FY15, almost entirely due to the migration of three Environmental Quality employees into Community Development, as well as \$69,000 of operational expenses that were transferred with this program.

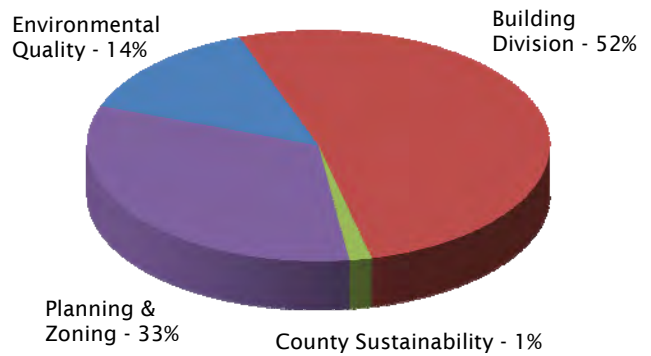
Although the department requested an additional full-time planner position for FY16, the Board could only approve one-time funding for contracted planning services.

The following charts illustrate Community Development's FY16 revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

Revenue by Source Type



Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



COMMUNITY DEVELOPMENT

Community Development

Department-Wide Financial Statement

<u>Revenues and Other Sources</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Licenses & Permits	\$ 810,000	\$ 689,007	\$ 795,000	\$ 575,231	\$ 979,428
Charges for Services	1,200	468	800	704	800
Other	180	4,731	180	2,158	180
Transfers from Other Funds	-	-	-	-	110,551
General Fund Support	1,002,693	797,145	1,044,550	899,658	1,034,215
Total Funding Sources	\$ 1,814,073	\$ 1,491,351	\$ 1,840,530	\$ 1,477,750	\$ 2,125,174
<u>Expenditures and Other Uses</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Salary/ERE	\$ 1,339,391	\$ 1,221,101	\$ 1,430,012	\$ 1,219,640	\$ 1,646,095
Operations	385,832	180,363	298,852	221,500	460,329
Travel	88,850	89,887	91,666	20,728	18,750
Capital	-	-	20,000	15,881	-
Total Uses of Funds	\$ 1,814,073	\$ 1,491,351	\$ 1,840,530	\$ 1,477,750	\$ 2,125,174
Net Indirect Support	409,490	409,490	455,121	455,121	560,083
Total	\$ 2,223,563	\$ 1,900,841	\$ 2,295,651	\$ 1,932,871	\$ 2,685,257
<u>General Fund Support</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Program Revenue	\$ 811,380	\$ 694,206	\$ 795,980	\$ 578,093	\$ 980,408
Transfers in from Other Funds	-	-	-	-	110,551
Program Expenditures	(1,814,073)	(1,491,351)	(1,840,530)	(1,477,750)	(2,125,174)
GF Transfers to Other Funds	-	-	-	-	-
Total Direct Support	\$(1,002,693)	\$(797,145)	\$(1,044,550)	\$(899,658)	\$(1,034,215)
Net Indirect Support	(409,490)	(409,490)	(455,121)	(455,121)	(560,083)
Total County Support	\$(1,412,183)	\$(1,206,635)	\$(1,499,671)	\$(1,354,779)	\$(1,594,298)

FY16 Financial Statement by Program

<u>Program Name</u>	<u>FY16 Program Revenue</u>	<u>FY16 General Fund Support</u>	<u>FY16 Use of Fund Balance</u>	<u>FY16 Program Budget</u>	<u>FY16 Net Indirect Support</u>
Building Division	\$ 750,180	\$ 351,841	\$ -	\$ 1,102,021	\$ 288,612
County Sustainability	-	33,307	-	33,307	10,538
Environmental Quality	294,979	-	-	294,979	76,606
Planning and Zoning	45,800	649,067	-	694,867	184,327
Total	\$ 1,090,959	\$ 1,034,215	\$ -	\$ 2,125,174	\$ 560,083

COMMUNITY DEVELOPMENT

Community Development

Performance Measures by Program

Building Division	FY14	FY15	FY16
OSAM (scanning company) scanned building permits this year	\$9,000	\$25,000 (100%)	100%
Continued Process Improvements	N/A	50%	N/A
Outreach for Participation	N/A	50%	N/A
Sustainable building (structures) participating in the program, County only	23	26	28
Sustainable building (structures) participating in the program, County-wide: Cities of Sedona, Williams, Flagstaff, communities in Hopi and Navajo	9	14	16
Sustainable Building educational programs and events - community member participation	550	575	600

County Sustainability	FY14	FY15	FY16
Complete Sustainability Baseline Report	70%	95%	98%
Establish cross-departmental advisory group	Not formal-40-60% (assistance)	Not formal-40-60% (assistance)	50%
Staffing support for Sustainability Program	20%	25-75%	70%

Environmental Quality	FY14	FY15	FY16
Septic System file search requests	640	660	660

Planning and Zoning	FY14	FY15	FY16
Completion of the Comprehensive Plan	50%	100%	100%
Completion of Zoning Ordinance rewrite	0%	15%	25%
Begin updating area plans (with additional FTE)	0%	0%	0%
Open zoning violation cases	110	65	50

COMMUNITY DEVELOPMENT

Community Development

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Administrative Specialist I	0.50	0.50	0.50
Administrative Specialist II***	1.00	2.00	2.00
Building Inspector	4.00	4.00	4.00
Building Inspector, Lead	1.00	1.00	1.00
Business Manager	0.85	0.85	0.85
Chief Building Official	1.00	1.00	1.00
Code Enforcement Officer	2.00	2.00	2.00
Compliance Manager	-	1.00	1.00
Director	0.80	0.80	0.80
Environmental Quality Specialist I*	-	1.00	-
Environmental Quality Specialist II**	-	1.00	1.00
Permit Technician**	1.00	2.00	2.00
Planner	0.90	0.90	0.75
Planner, Principal	0.75	0.75	0.75
Planner, Senior	0.75	0.75	0.75
Planning and Zoning Manager	0.75	0.75	0.75
Plans Examiner	2.00	2.00	2.00
Plans Examiner, Lead	-	1.00	1.00
Plans Review Technician	1.00	-	-
Program Manager III**	-	1.00	1.00
Sustainable Building Program Manager	1.00	1.00	1.00
Zoning Inspector	1.00	-	-
Total Positions	20.30	25.30	24.15

* The Public Health Services District eliminated this position based on proposed changes resulting from the PHSD financial sustainability worksessions.

** For FY15 four positions were transferred into Community Development on recommendation of the Zucker Report. They were an Environmental Quality Specialist I, Environmental Quality Specialist II, Permit Technician and Program Manager III from the Public Health Services District.

***An Administrative Specialist II position was added to assist the Sustainable Building Program Manager mid-year FY15.

COMMUNITY DEVELOPMENT

Flood Control District

2500 North Fort Valley Road, Building #1, Flagstaff, AZ 86001 (928) 679-8850
Jay Christelman, Director

The Coconino County Flood Control District is housed within the Community Development and Public Works departments. It is funded by a secondary property tax of \$.40 per \$100 of assessed value.

Program	SPA	Description
District Administration and National Flood Insurance Program	PS	This program interprets and enforces the Floodplain Ordinance, responds to inquiries about flood status, reviews floodplain studies for new development projects, reviews permit applications to ensure compliance with ordinances, and ensures that the County retains its Flood Insurance Rating.
Flood Control Capital Improvements and Non-Structural Mitigation	PS	This program provides funding for approximately \$2 million in capital projects each year, primarily drainage improvements associated with Public Works projects. Projects are developed to improve access and reduce public and private property damages.
Post-Wildfire Flood Preparation, Response and Mitigation	PS	This program reduces risks to life, property and public infrastructure, as well as annual County preparation and response expenditures within post-wildfire flood areas through the implementation of short-term preparatory activities and long-term mitigation projects.

Goals and Objectives

Departmental objectives for FY16 include:

- Continue working with the Federal Emergency Management Agency (FEMA) on the re-mapping project in Kachina/Mountaineire and Pinewood/Munds Park, and develop County communications strategy prior to FEMA release of preliminary maps.
- Complete construction of all remaining Schultz Flood area mitigation projects, including the South Paintbrush Corridor and the Copeland Detention Basins projects.
- Complete Initial Engineering Assessments in all FEMA-mapped Special Flood Hazard Areas that impact developed areas where the County has regulatory authority and responsibility including: Tusayan, Mt. Dell, Kachina/Mountaineire, and Pinewood/Munds Park.
- Revise Stormwater Management Program (SWMP) six months after Arizona Department of Environmental Quality (ADEQ) adopts the new Phase II general permit.
- Prepare SWMP annual report in October of 2015.

Departmental goals in the future include:

- Continue working towards an improved Community Rating System (CRS) rating for the County.
- Continue efforts to update County engineering, design, drainage, and construction standards.

Opportunities and Challenges

- All remaining Schultz Flood mitigation grants will be fully expended during FY16. The majority of Flood Control secondary property tax revenues available for capital will again be utilized to support grant matching requirements and items that are ineligible under grant programs.
- The Arizona Pollution Discharge Elimination System program will incur increased financial impacts due to increased regulatory oversight from ADEQ and the EPA. A slight increase in revenues may occur with the implementation of approved permit fees. The trend for expenditures is expected to increase depending upon the level of regulatory oversight and increases in development.

COMMUNITY DEVELOPMENT

Flood Control District

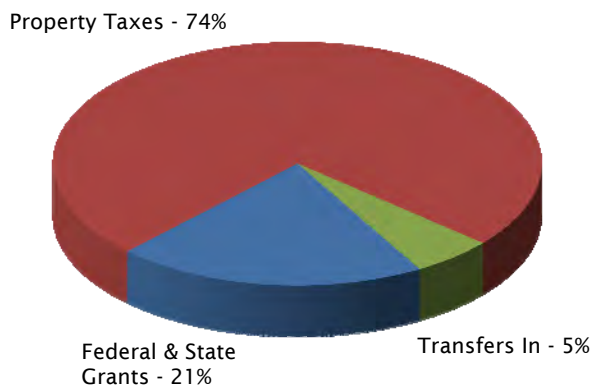
Financial Summary

The Coconino County Flood Control District has two main sources of revenue. The first is a secondary property tax, which has been set at \$0.40 per \$100 assessed value since FY12. The District also receives Federal and State grants, the majority of which are for the Schultz Fire/Flood mitigation. The District finished FY15 48% below its revenue budget, due to Federal grants coming in lower than anticipated. The District's revenue budget is decreasing by 80% for FY16, due to the completion of the Schultz Fire/Flood mitigation projects and the corresponding grant funding coming to an end.

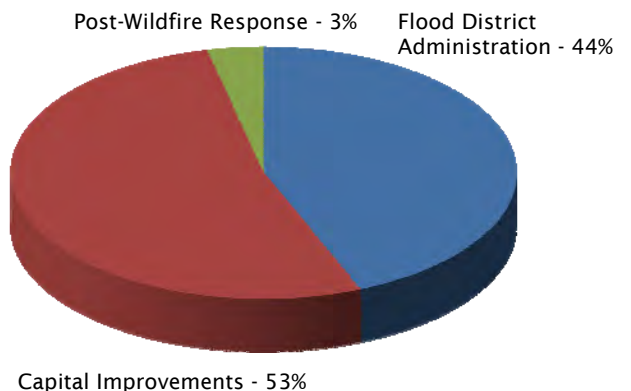
For FY15, the Flood Control District remained 26% below its revised expenditure budget of \$12,506,582. This variance is almost entirely due to anticipated Schultz Fire/Flood capital projects that were not completed. The FY16 adopted expenditure budget of \$2,505,795 is 80% lower than in FY15, due to the completion of the Schultz Fire/Flood mitigation capital projects.

The following charts illustrate the Flood Control District's FY16 revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area. All expenditure charts exclude unawarded grants.

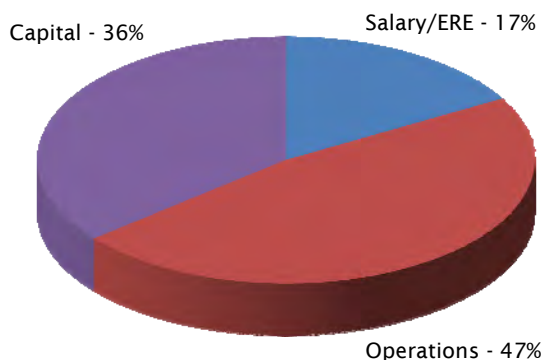
Revenue by Source Type



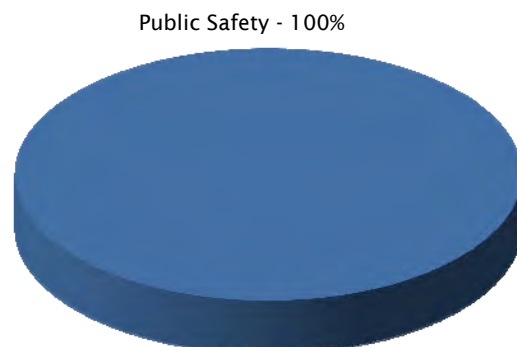
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



COMMUNITY DEVELOPMENT

Flood Control District

Department-Wide Financial Statement

	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Revenues and Other Sources					
Federal and State Grants	\$ 10,195,970	\$ 4,445,306	\$ 7,430,855	\$ 1,358,261	\$ 514,726
Flood Control District Property Taxes	1,891,887	1,898,990	1,965,554	1,818,545	1,856,428
Other Intergovernmental	373,449	213,860	-	139,475	-
Licenses & Permits	8,000	2,000	-	1,150	-
Charges for Services	1,950	-	-	-	-
Investment Income	20,000	50,325	20,000	4	-
Transfers from Other Funds	65,878	57,907	3,407,860	3,355,805	134,641
Use of (Increase In) Fund Balance	1,152,578	3,838,739	(317,687)	2,634,931	-
Total Funding Sources	\$13,709,712	\$10,507,127	\$12,506,582	\$ 9,308,170	\$2,505,795
Expenditures and Other Uses					
Salary/ERE	\$ 269,426	\$ 251,658	\$ 281,832	\$ 243,056	\$ 418,704
Operations	568,876	2,010,720	1,493,451	1,461,543	1,183,891
Travel	10,800	8,956	14,350	5,157	3,200
Capital	12,310,610	8,235,793	10,716,949	7,594,406	900,000
Transfers to Other Funds	550,000	-	-	4,009	-
Total Uses of Funds	\$13,709,712	\$10,507,127	\$12,506,582	\$ 9,308,170	\$2,505,795
Net Indirect Support	-	-	-	-	-
Total	\$13,709,712	\$10,507,127	\$12,506,582	\$ 9,308,170	\$2,505,795
General Fund Support					
Program Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	-	-	-	-	-
GF Transfers to Other Funds	-	-	-	-	-
Total Direct Support	\$ -	\$ -	\$ -	\$ -	\$ -
Net Indirect Support	-	-	-	-	-
Total County Support	\$ -	\$ -	\$ -	\$ -	\$ -

COMMUNITY DEVELOPMENT

Flood Control District

FY16 Financial Statement by Program

<u>Program Name</u>	<u>FY16 Program Revenue</u>	<u>FY16 General Fund Support</u>	<u>FY16 Use of Fund Balance</u>	<u>FY16 Program Budget</u>	<u>FY16 Net Indirect Support</u>
District Administration and National Flood Insurance Program	\$ 1,991,069	\$ -	\$ (895,483)	\$ 1,095,586	\$ -
Flood Control Capital Improvement	-	-	1,320,000	1,320,000	-
Schultz Flood Mitigation	514,726	-	(424,517)	90,209	-
Total	\$ 2,505,795	\$ -	\$ -	\$ 2,505,795	\$ -

Performance Measures by Program

District Administration and National Flood Insurance Program (NFIP)

	FY14	FY15	FY16
Community Rating Score	8	8	8
Percent Discount on flood insurance for County property owners	10%	10%	10%
Number of Flood Status Reports issued	176	170	175
Number of educational and outreach events conducted and/or attended	2	2	2
Number of educational and outreach letters distributed annually	1,862	2,462	2,000

Flood Control Capital Improvements and Non-Structural Mitigation

	FY14	FY15	FY16
Number of Initial Engineering Assessments and other studies performed	0	1	4
Number of other studies performed	0	0	0
Update CIP and Non-Structural Mitigation Plans annually	N/A	In progress	Complete
Number of capital improvement projects programmed annually	N/A	0	0
Number of non-structural projects programmed annually	N/A	0	0
Number of capital improvement projects designed	0	0	2
Number of capital improvement projects constructed	0	0	0
Total annual capital expenditure	\$0	\$0	\$0
Average change order amount per project as a percent of project cost	0%	0%	N/A
Number of non-structural mitigation projects implemented	0	0	0
Percentage of projects completed on or before schedule	0%	0%	N/A
Number of accidents on Flood Control District projects annually	0	0	0

COMMUNITY DEVELOPMENT

Flood Control District

Performance Measures by Program

Post-Wildfire Flood Preparation, Response and Mitigation	FY14	FY15	FY16
Number of post-wildfire capital improvement projects designed	4	7	0
Number of post-wildfire capital improvement projects constructed	8	7	0
Total annual post-fire capital expenditure	\$9,000,000	\$10,500,000	\$0
Total annual federal funding secured	\$6,500,000	\$8,000,000	\$0
Average change order amount per project as a percent of project cost	N/A	2%	N/A
% of projects completed on or before schedule	0%	0%	N/A
Number of accidents on post-wildfire capital improvement projects annually	N/A	0	N/A
Total annual post-wildfire preparatory expenditures	\$400,000	\$700,000	\$0
Total federal and/or state funding secured for annual post-fire preparatory activities	\$0	\$230,000	\$0
Annual post-wildfire monitoring expenditures	\$50,000	\$50,000	\$50,000
Annual maintenance expenditures for completed post-wildfire preparatory and long-term mitigation projects	\$15,000	\$0	\$0

Department Staffing (Full Time Equivalents)

Positions by Title	FY14	FY15	FY16
Administrative Specialist II	0.30	0.30	0.30
Business Manager	0.15	0.15	0.15
Director	0.20	0.20	0.20
Engineering Technician*	-	1.00	1.00
Engineering Supervisor**	-	1.00	1.00
Grants Writer***	0.50	-	-
Hydrologist	1.00	1.00	1.00
Permit Technician**	-	1.00	1.00
Planner	0.10	0.10	0.25
Planner, Principal	0.25	0.25	0.25
Planner, Senior	0.25	0.25	0.25
Planning and Zoning Manager	0.25	0.25	0.25
Program Manager III	0.20	0.20	0.20
Total Positions	3.20	5.70	5.85

*The Engineering Technician was added in FY15.

**The Engineering Supervisor and Permit Technician were moved from Public Works for FY15, although a portion of each salary is still funded by HURF.

***The Grants Writer position was moved to the Government Relation department for FY15

COMMUNITY DEVELOPMENT

Kachina Village Improvement District (KVID)

5600 East Commerce Avenue, Flagstaff, AZ 86004 (928) 679-8300
Samuel Mossman, District Manager

The Kachina Village Improvement District (KVID) provides water and wastewater services to approximately 1,370 homes in Kachina Village, an unincorporated area of Coconino County.

Program	SPA	Description
Wastewater Collection, Treatment and Disposal	PH	The Kachina Village Improvement District provides cost effective, reliable on-demand wastewater removal, treatment, and disposal services to the residents, commercial customers and emergency service organizations within Kachina Village.
Water Sourcing and Distribution	PH	The Kachina Village Improvement District provides cost effective, reliable on-demand drinking water delivery services to the residents, commercial customers and emergency service organizations within Kachina Village.

Goals and Objectives

Departmental objectives for FY16 include:

- Complete the Underground Infrastructure Condition Analysis and Replacement study.
- Choose a vendor and complete the analysis for the Rate Structure Analysis and Financial Planning project.
- Present Infrastructure Study and Rate Analysis results and options to the Board of Supervisors.
- Install fenced enclosure and secondary blower for the wastewater treatment plant.

Longer-term goals for KVID include:

- Booster station one reservoir refurbishment: This tank will require interior and exterior refurbishment in the next few years.
- Leak detection module: The current Advanced Metering Infrastructure (AMI) meter system allows KVID the ability to monitor its customers' usage to detect leaks. Currently this process is conducted manually by our staff. The vendor that provides KVID with its billing software offers a software module that will improve the accuracy and efficiency of this process.
- Kachina Village North: This new housing development will add 127 water and wastewater connections to KVID's water and wastewater systems. In addition to the upgrades KVID must make to its own infrastructure to handle the new connections, KVID must also oversee the installation and connection of all infrastructure that is installed in the new subdivision. Additionally, the added connections will increase KVID from a grade II to a grade III system.

Opportunities and Challenges

- Infrastructure and rate analysis represent recent additions to the KVID budget. While some funds have been diverted from other areas (mostly capital improvement projects), funding for these analyses will also come from KVID's fund balance.

COMMUNITY DEVELOPMENT

Kachina Village Improvement District (KVID)

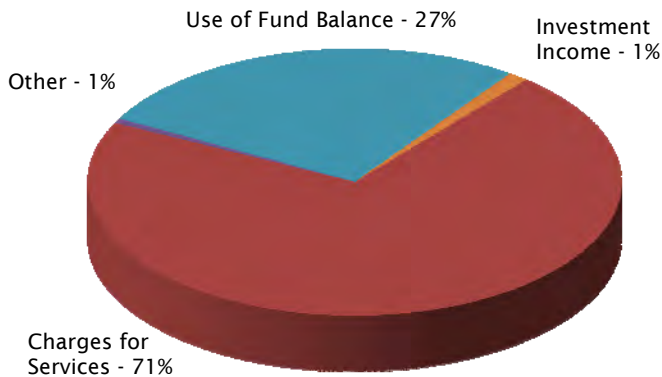
Financial Summary

KVID's primary source of revenue is charges for water and wastewater services. The department's revenue was 2% higher than budgeted for FY15, due to increased charges for both water and wastewater services. FY16 revenue is expected to be essentially flat compared to FY15.

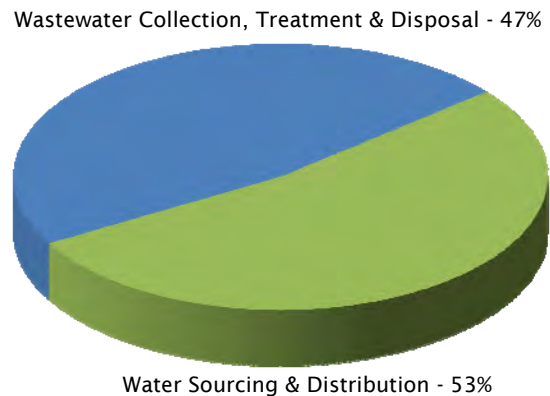
KVID was 22% under their revised FY15 expenditure budget of \$1,654,988. Some of this variance was due to the department not using any of the \$100,000 that it budgeted for contingencies. The remainder was due to vacancy savings from two positions that were left unfilled for the entire year. The department's FY16 adopted expenditure budget of \$1,644,526 is 1% lower than their FY15 budget. This variance is due to lower overtime costs budgeted for FY16.

The following charts illustrate KVID's revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

Revenue by Source Type



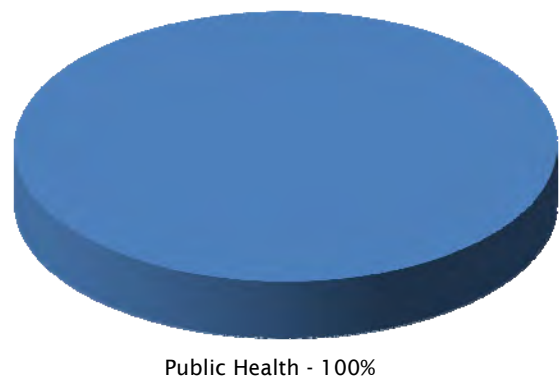
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



COMMUNITY DEVELOPMENT

Kachina Village Improvement District (KVID)

Department-Wide Financial Statement

<u>Revenues and Other Sources</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Charges for Services	\$ 1,170,500	\$ 1,166,760	\$ 1,170,500	\$ 1,180,310	\$ 1,170,600
Investment Income	9,770	22,875	9,500	14,013	9,400
Other	20,000	44,363	20,000	23,848	20,000
Use of (Increase In) Fund Balance	551,749	(309,231)	454,988	70,844	444,526
Total Funding Sources	\$ 1,752,019	\$ 924,767	\$ 1,654,988	\$ 1,289,015	\$ 1,644,526
<u>Expenditures and Other Uses</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Salary/ERE	\$ 577,036	\$ 393,966	\$ 595,870	\$ 470,485	\$ 588,302
Operations	835,983	480,097	793,921	589,419	866,224
Travel	20,000	950	20,000	1,884	20,000
Capital	319,000	49,754	245,197	227,227	170,000
Total Uses of Funds	\$ 1,752,019	\$ 924,767	\$ 1,654,988	\$ 1,289,015	\$ 1,644,526
Net Indirect Support	-	-	-	-	-
Total	\$ 1,752,019	\$ 924,767	\$ 1,654,988	\$ 1,289,015	\$ 1,644,526
<u>General Fund Support</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Program Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	-	-	-	-	-
GF Transfers to Other Funds	-	-	-	-	-
Total Direct Support	\$ -	\$ -	\$ -	\$ -	\$ -
Net Indirect Support	-	-	-	-	-
Total County Support	\$ -	\$ -	\$ -	\$ -	\$ -

FY16 Financial Statement by Program

<u>Program Name</u>	<u>FY16 Program Revenue</u>	<u>FY16 General Fund Support</u>	<u>FY16 Use of Fund Balance</u>	<u>FY16 Program Budget</u>	<u>FY16 Net Indirect Support</u>
Wastewater Collection, Treatment and Disposal	\$ 620,000	\$ -	\$ 158,133	\$ 778,133	\$ -
Water Sourcing and Distribution	580,000	-	286,393	866,393	-
Total	\$ 1,200,000	\$ -	\$ 444,526	\$ 1,644,526	\$ -

COMMUNITY DEVELOPMENT

Kachina Village Improvement District (KVID)

Performance Measures by Program

Wastewater Collection, Treatment and Disposal	FY14	FY15	FY16
Influent: Annual Volume Processed (gallons)	35,500,000	34,000,000	34,000,000
Annual KWh Consumption	502,293	540,000	540,000
Wastewater Revenue Collected	\$644,460	\$620,000	\$620,000
Wastewater Expenditures	\$400,108	\$622,593	\$622,593
Quality Compliance	100%	100%	100%
Containment Compliance	100%	100%	100%
SCADA Control Improvements Operational	N/A	Complete	Complete
Probes Operational and Integrate with SCADA	N/A	Complete	Complete

Water Sourcing and Distribution	FY14	FY15	FY16
Annual Volume Sourced (gallons)	72,000,000	71,000,000	71,000,000
Annual Volume Sold (gallons)	51,843,989	55,000,000	55,000,000
Annual KWh Consumption	535,665	580,000	580,000
Water Revenue Collected	\$588,912	\$600,000	\$600,000
Water Expenditures	\$519,587	\$972,348	\$972,348
Quality Compliance	100%	100%	100%
Sampling Schedule Compliance	100%	100%	100%
Constant Pressure System Operational	N/A	Complete	Complete
North Storage Tank Refurbished and Operational	N/A	Complete	Complete

Department Staffing (Full Time Equivalents)

Positions by Title	FY14	FY15	FY16
Business Manager	1.00	1.00	1.00
District Manager (KVID)	1.00	1.00	1.00
Industrial Tech-Wright	1.00	1.00	1.00
Water/Wastewater Manager	1.00	1.00	1.00
Water/Wastewater Plant Operator	2.00	2.00	2.00
Water/Wastewater Plant Operator, Senior	2.00	2.00	2.00
Total Positions	8.00	8.00	8.00

*Please note that there are no staffing changes for KVID for FY16.

COMMUNITY DEVELOPMENT

Parks and Recreation

2446 Fort Tuthill Loop, Flagstaff, AZ 86001 (928) 679-8000
Judy Weiss, Director

Coconino County Parks and Recreation engages the public by developing and delivering quality sustainable parks, equitable community partnerships, accessible, diverse recreational and educational opportunities, and by protecting unique natural areas and open spaces.

Program	SPA	Description
Administration	CV	The Parks and Recreation Administration Program provides leadership, strategic direction, financial management, administrative support, marketing and communications for the department.
County Fair	CV	This program produces the Coconino County Fair, a family-oriented event that highlights the County's cultural, agricultural, natural, and artistic resources.
Facility Development - Construction	CV	The Facility Development-Construction Program designs and builds safe, attractive and enjoyable park improvements and constructs new park facilities based on the CPOS ballot measure and project list with the approval of the Board of Supervisors.
Facility Management - Operations and Maintenance	C&NR	The Facility Management-Operations and Maintenance Program provides maintenance and repairs to all County parks, natural areas, and trails.
Natural Resource Management	C&NR	The Natural Resource Management Program provides leadership through active stewardship and the use of expert preservation and conservation practices to enhance and sustain the more than 2,500 acres of County natural area open space and 23 miles of trails within the park system.
Recreation Programs and Services	CV	Parks and Recreation offers a wide variety of programs and services that contribute to a higher quality of life for visitors and residents of Coconino County.

Goals and Objectives

The primary FY16 objectives for the department are:

- Submission of County Parks and Open Space (CPOS) capital re-allocation plan to Board of Supervisors for consideration.
- Development of the water/wastewater connection from the City's system to Fort Tuthill.
- Redevelopment of the "Quad"/Fairgrounds at Fort Tuthill.
- Increase trail mileage by 3% in FY16 with the addition of the Brandis Trail in Timberline.
- Completion of a comprehensive capital asset life cycle report that will enable future decisions on maintenance and replacement of recreational amenities.
- Negotiation of a new amphitheater contract in time for a new operator for the 2016 summer season.
- Completion of the County Fair Business plan currently in development. This Plan should strategically set forth goals and objectives, marketing strategies and tactics and a financial analysis that will recommend options for reducing operating expenses and increasing revenues, while enhancing the Fair experience.

COMMUNITY DEVELOPMENT

Parks and Recreation

Goals and Objectives (continued)

Long-term goals for Parks and Recreation include:

- Re-allocation of remaining CPOS funding with Board approval.
- Installation and implementation of the Fort Tuthill Environmental Signage Program.
- Continuation of the Natural Resource Management Program's involvement in regional planning and coordination, which has resulted in grant funding for several projects including Watchable Wildlife sites at several county parks, and the construction of a network of trails at Rogers Lake. Grant management and applications will be an ongoing project in future years.
- Implementation of the goals and strategies adopted through the Natural Area Resource Management Plans for both Rogers Lake and Pumphouse Wash Natural Area. These strategies will assist the department in the efficient, best-practice management of these two unique natural areas in FY16 and into the future.

Opportunities and Challenges

- CPOS Administration funding is expected to be fully depleted in FY16. Without this funding, critical staff functions would be lost and the Department would be crippled. While the Fair and even Public/Private Partnership (PPP) money were analyzed to replace the use of the general fund, these sources of revenues are unreliable at best and PPP will terminate in the future.
- Fleet costs will impact the departmental budget by \$30,000 in FY16, as a result of the new cost recovery model imposed by Public Works.
- The Frontiere Property will be in operation for the first time at the end of FY15 and into FY16. Budget impacts are estimated to be \$11,000 annually, with some nominal revenue from other uses anticipated in FY16. This property will require additional maintenance attention as a result of the License Agreement with NAU in FY16.
- Public/Private Partnership money is becoming significant, and as planned, is relieving the burden on General Fund support and allowing one-time purchases to re-invest in the County's park system.
- Negotiations with the State Land Department (Fort Tuthill State Trust Land Acquisition) and the Department of Defense (ACUB, JLUS) are on-going with some resolution anticipated by early FY16. If successful, 220 acres will be added to Fort Tuthill and buffer parcels may be added (by separate process) adjacent to Department of Defense lands, primarily near Rogers Lake.
- In FY16, the development of the water/wastewater system at Fort Tuthill County Park is anticipated to have a positive financial impact. For instance, abandonment of the vault and haul system at the Amphitheater will result in utility savings.
- In FY16, the Phase I of the Fort Tuthill Bike Park will experience its first summer. Already receiving high activity, the new amenity will require more maintenance attention.
- In FY16, the Amphitheater will complete its first season with a permanent roof. From a maintenance standpoint, it should be of benefit with the exception of adjusting for the maintenance of the new construction and landscape under the permanent roof.

COMMUNITY DEVELOPMENT

Parks and Recreation

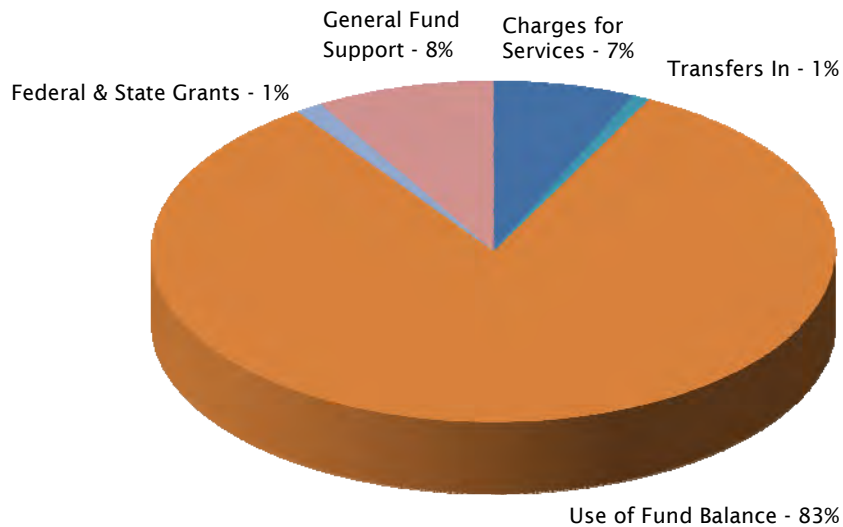
Financial Summary

The Parks and Recreation Department's primary source of revenue has historically been Coconino Parks and Open Space (CPOS) sales tax revenue. This tax expired in FY15, when the voter approved amount of \$33 million was collected. The fund balance from this tax still makes up the majority of the department's funding. Parks and Recreation also receives fee-based revenue for the programs it provides. For FY15 the charges for services revenue is estimated to be 10% over the estimated budget due to increased event participation and attendance, as well as the addition of new programs and services.

Parks and Recreation is estimated to be 79% under their revised FY15 expenditure budget of \$17,320,771. This variance is due to planned capital projects that were not completed in FY15 but have been carried over into the FY16 budget. The FY16 adopted expenditure budget of \$12,854,514 is 26% lower than in FY15, due to the gradually diminishing amount of funds available for capital purchases and projects. The Parks and Recreation department did receive additional recurring funding for the annual maintenance required at the newly acquired Frontiere Property, as well as one-time funding for an accreditation visit, an update to their master plan, a new vehicle, fleet services, and new signage.

The following charts illustrate the Parks and Recreation department's revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

Revenue by Source Type



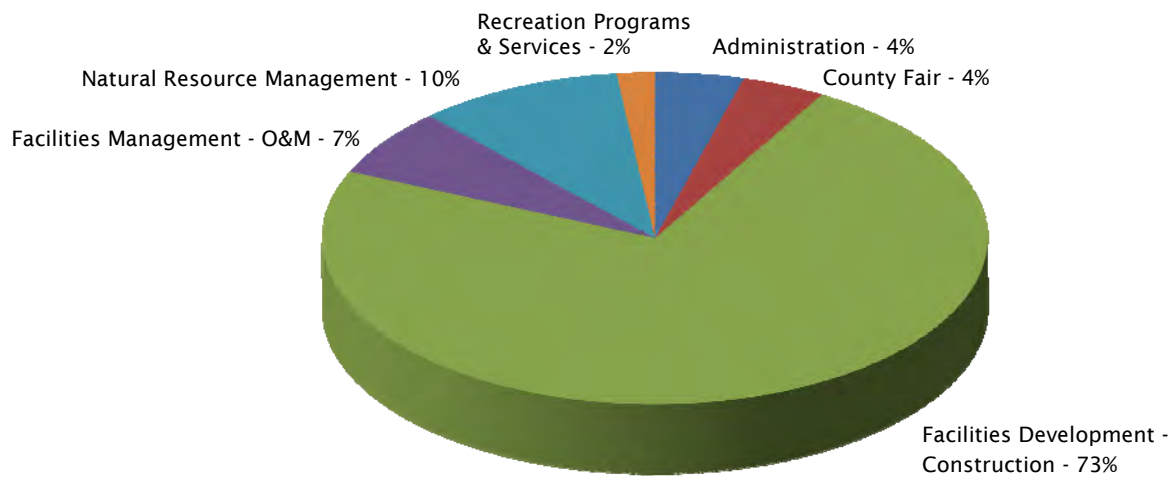
COMMUNITY DEVELOPMENT

Parks and Recreation

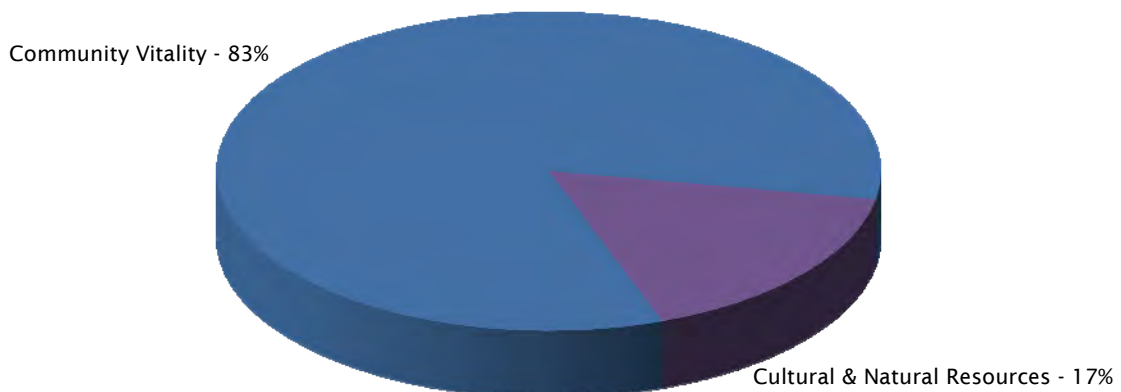
Expenditures by Category



Expenditures by Program



Expenditures by Strategic Priority Area



COMMUNITY DEVELOPMENT

Parks and Recreation

Department-Wide Financial Statement

Revenues and Other Sources	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Federal and State Grants	\$ 207,985	\$ 110,919	\$ 179,737	\$ 186,560	\$ 164,794
Taxes	3,193,556	3,065,409	579,589	994,499	-
Charges for Services	751,517	813,935	766,997	845,167	857,847
Investment Income	51,000	222,286	24,000	135,927	24,000
Other	4,072	16,799	11,572	30,873	11,472
Transfers from Other Funds	106,150	106,150	106,150	106,150	106,150
Use of (Increase In) Fund Balance	10,114,068	(3,082,741)	13,745,112	(553,004)	10,607,237
General Fund Support	1,571,588	941,776	1,907,614	1,846,235	1,083,014
Total Funding Sources	\$15,999,936	\$ 2,194,533	\$17,320,771	\$ 3,592,406	\$12,854,514
Expenditures and Other Uses	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Salary/ERE	\$ 1,336,296	\$ 1,118,842	\$ 1,356,494	\$ 1,235,133	\$ 1,392,551
Operations	995,405	806,729	947,687	817,494	973,111
Travel	44,008	44,168	60,544	6,414	25,979
Capital	13,493,077	93,644	14,826,380	1,403,700	10,356,723
Transfers to Other Funds	131,150	131,150	129,666	129,666	106,150
Total Uses of Funds	\$15,999,936	\$ 2,194,533	\$17,320,771	\$ 3,592,406	\$12,854,514
Net Indirect Support	309,371	309,371	313,125	313,125	361,720
Total	\$16,309,307	\$ 2,503,904	\$17,633,896	\$ 3,905,531	\$13,216,234
General Fund Support	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Program Revenue	\$ 342,417	\$ 376,197	\$ 357,897	\$ 421,399	\$ 450,747
Transfers in from Other Funds	106,150	106,150	106,150	106,150	106,150
Program Expenditures	(2,020,155)	(1,424,123)	(2,371,661)	(2,373,784)	(1,639,911)
GF Transfers to Other Funds	-	-	-	-	-
Total Direct Support	\$ (1,571,588)	\$ (941,776)	\$ (1,907,614)	\$ (1,846,235)	\$ (1,083,014)
Net Indirect Support	(309,371)	(309,371)	(313,125)	(313,125)	(361,720)
Total County Support	\$ (1,880,959)	\$ (1,251,147)	\$ (2,220,739)	\$ (2,159,360)	\$ (1,444,734)

COMMUNITY DEVELOPMENT

Parks and Recreation

FY16 Financial Statement by Program

<u>Program Name</u>	<u>FY16 Program Revenue</u>	<u>FY16 General Fund Support</u>	<u>FY16 Use of Fund Balance</u>	<u>FY16 Program Budget</u>	<u>FY16 Net Indirect Support</u>
Administration	\$ 107,150	\$ 447,515	\$ -	\$ 554,665	\$ 130,705
County Fair	494,100	-	28,291	522,391	48,752
Facilities Development - Construction	25,972	-	9,380,575	9,406,547	39,627
Facility Management - Operations and Maintenance	-	848,631	-	848,631	111,493
Natural Resource Management	79,794	-	1,205,471	1,285,265	-
Recreation Programs and Services	457,247	(213,132)	(7,100)	237,015	31,144
Total	\$ 1,164,263	\$ 1,083,014	\$ 10,607,237	\$ 12,854,514	\$ 361,720

Performance Measures by Program

<u>Administration</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Number of CPOS projects complete	0	2	4
Attendance at Public Private Partnership (PPP) activities	47,930	86,835	97,000
Direct revenues to CCPR from Public Private Partnerships	\$74,143	\$117,590	\$137,500
Percentage of total revenue	11%	16%	18%
Coconino County Parks and Recreation website page views	56,000	65,000	67,000
Coconino County Parks and Recreation Facebook - Reach	24,533	30,666	34,000
Coconino County Parks and Recreation Facebook - Engagement	2,851	3,564	3,700

<u>County Fair</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Number of attendees	39,749	43,000	45,000
Number of vendors	96	100	100
Number of fair entries	3,511	3,400	3,500
Percentage of expenses covered by revenue	128%	130%	125%

<u>Facility Development - Construction</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Number of CPOS projects completed	0	2	4
Number of construction projects where green construction materials have been incorporated into the design and construction of new parks	1	1	2
Number of planning/design/public charrettes incorporated into project designs during the public scoping process	3/9	2/9	2/5
Number of non-CPOS projects completed	1	6	3

COMMUNITY DEVELOPMENT

Parks and Recreation

Performance Measures by Program

Facility Management - Operations and Maintenance	FY14	FY15	FY16
Percent of assessed value of assets spent on annual maintenance activities	1.33%	1.33%	1.33%
Number of park acres maintained	3,067	3,307	3,527
Number of acres per FTE (does not include County Natural Areas)	100	132	140
Number of work orders completed within one month of generation	120/120	120/120	120/120
Number of formal inspections using MainTrac	0	2	4
Safety trainings provided to all staff	7	13	13
Maintenance staff safety trainings	1	2	5

Natural Resource Management	FY14	FY15	FY16
Number of trail miles maintained	23	25	30
Percent of trails with way-finding signage	33%	33%	50%
Number of CPOS acquisition projects completed	0	1	1
Amount of grant funds obtained	\$20,000	\$35,800	\$60,000
Percent of objectives completed annually	0%	15%	30%

Recreation Programs and Services	FY14	FY15	FY16
Number of free or low-cost community events and programs (Amphitheater, Facility Renters, Outdoor Recreation)	16	15	18
Number of total events and programs (Amphitheater, Facility Renters, Outdoor Recreation)	180	180	200
Number of attendees and participants served (Amphitheater, Facility Renters, Outdoor Recreation)	42,000	45,000	52,000
Number of attendees and participants served (Campgrounds, Stables, Ramadas and Fields)	25,000	28,000	28,000
Information based on customer input			
Number of recreation programs offered	44	50	55
Number of recreation program registrants	820	850	875
Percentage change	-33%	12%	10%
Number of community events facilitated at Fort Tuthill	95	100	100

COMMUNITY DEVELOPMENT

Parks and Recreation

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Administrative Manager	1.00	1.00	1.00
Administrative Specialist III	2.00	2.00	2.00
Administrative Support II	1.00	1.00	1.00
Director-Parks & Recreation	1.00	1.00	1.00
Natural Resources Maintenance Supervisor	1.00	1.00	1.00
Parks Maintenance Worker	1.00	1.00	1.00
Parks Manager Natural Resource*	-	-	1.00
Parks Manager-Construction	1.00	1.00	1.00
Parks Manager-Maintenance	1.00	1.00	1.00
Parks Manager-Operations	1.00	1.00	1.00
Parks Manager-Planning and Acquisitions*	1.00	1.00	-
Parks Outreach Program Coordinator	1.00	1.00	1.00
Parks Project Coordinator*	1.00	1.00	-
Program Coordinator*	1.00	1.00	2.00
Special Events Coordinator*	1.00	1.00	-
Trades Supervisor*	1.00	1.00	1.00
Trades Worker I	3.00	3.00	4.00
Total Positions	19.00	19.00	19.00

* Several positions were reclassified in FY15 but the total number of FTEs remained the same.

** In addition to regular full-time employees listed here, the department has \$115,000 in temporary wages for seasonal employees.

COMMUNITY DEVELOPMENT

Public Works

5600 East Commerce Avenue, Flagstaff, AZ 86004 (928) 679-8300
Andy Bertelsen, Director

Public Works consists of eleven programs within the areas of road maintenance, solid waste and fleet services.

Program	SPA	Description
Administration	PS	Public Works Administration manages all divisions of the Public Works Department, which includes: Road Maintenance, including sign and infrastructure maintenance, Equipment Maintenance and Services, Engineering, Capital Planning and Development including Flood Control District projects, Solid Waste Operations, and Mechanical Services.
BIA Road Services	PS	This program meets the requirement of the contract between the BIA and the County for maintenance of roads on Tribal land, which are established as primary road systems for Navajo Nation residents.
Community Clean-Ups	PH	Community Clean-Ups provide a means for Coconino County residents to dispose of waste that has accumulated on their properties.
Engineering	PS	The Engineering Division provides a technical resource for Coconino County. Engineering work includes surveying, planning, engineering studies, design, public presentations, construction oversight, and records keeping.
Highway Equipment Services	PS	Highway Equipment Services provides Coconino County's Highway User Revenue Fund (HURF) with fleet vehicle and equipment acquisition, maintenance, repairs, and disposal needs.
Mechanical Services	PS	Mechanical Services provides Coconino County's light vehicle fleet acquisition, maintenance and disposal needs.
Road Maintenance	PS	This program optimizes the expenditure of funds for road maintenance by utilizing the techniques and materials used in road maintenance.
Signing and Striping	PS	This program optimizes the expenditure of funds for road signing and striping by utilizing the techniques and materials used in road and highway signing. There are approximately 9,500 signs along our County maintained roads.
Transfer Station Residential/Recycling and Hazardous Waste	PH	This program includes the Willard Springs and Mormon Lake Transfer Stations, the Williams Transfer Station, and waste collection in Marble Canyon.
Waste Tire Collection	PH	This program collects waste tires from several locations around the County, thus providing proper disposal of waste tires for residents and businesses in Coconino County.

COMMUNITY DEVELOPMENT

Public Works

Goals and Objectives

Departmental objectives for FY16 include:

- Delivering on projects outlined during the Road Maintenance Sales Tax (RMST) initiative presentations, including but not limited to: work force plan, staffing levels, road capital investments, chipseal plan, operating capital equipment replacement, BIA road program maintenance and projects as well as routine road maintenance activities.
- Annual review and analysis of Mechanical Services fleet rates.
- Evaluating the feasibility of turning the Solid Waste Program over to the private sector.
- Developing a pavement assessment program through our Cartegraph data system, prioritizing the need of immediate work and determine what preservation module software should be administered.
- Complete design and construction of pavement preservation capital improvement projects on 6.5 miles of Townsend-Winona Road, in accordance with the 10-year Capital Improvement Plan.
- Complete engineering and design work on capital improvement projects planned for construction during FY17, including Cosnino Road, Kachina Trail, and Lake Mary Road.
- Complete design and construction of two “legacy” projects including Fernwood and the Rio de Flagstaff.

Longer-term goals for the Public Works department include:

- Continued management of department’s 10-year financial plans (HURF, RMST, Mechanical Services) by aligning expenditures and revenues, while monitoring service levels of each program.
- Continue work on a complete revision to the County Engineering, Design, Drainage and Construction Standards.
- Continue to utilize the road material sources we now have, as well as identifying potentially new sources of materials in areas we lack, primarily the FH-3 corridor and Blue Ridge areas. While partnering with the Forest Service we are taking advantage of their 4FRI (Four Forest Restoration Initiative) where they are also establishing material resources in these areas.

Opportunities and Challenges

- With the passage of the Road Maintenance Sales Tax, the Road Maintenance Division will be expanding its service level on the Navajo Nation as part of the Inter-Governmental Agreement between the Bureau of Indian Affairs and Coconino County. As part of that expansion, additional motor graders and pickup truck will be added to support the new level of service.
- We have learned from recent public outreach meetings that there is a pronounced request that we should increase our Drainage Maintenance Program. Our challenge will be to identify what additional equipment and staff may be required to perform this higher level of service without compromising our existing road maintenance programs.
- In an effort to provide a cost efficient snow removal program, we have found a few areas that are cost prohibitive. One area is the continual plowing of the east side of Mormon Lake during severe storms. As a cost savings measure, we have opted to close the east side of Mormon Lake Road which will result in a minimal amount of added travel.
- With the passage of Proposition 403, the Engineering Division will be implementing a robust Pavement Management Program. In FY16, this includes approximately \$6 million in capital improvements and approximately \$2.5 million in chip seal and other preventative maintenance projects. These are increases over previous fiscal year budgets.
- The reduced price in fuel is providing a savings to every department that operates vehicles and equipment. But lower rates are having the opposite impact on Public Works; the rate structure designed to fund Mechanical Services is resulting in reduced revenue as price and quantity drop.

COMMUNITY DEVELOPMENT

Public Works

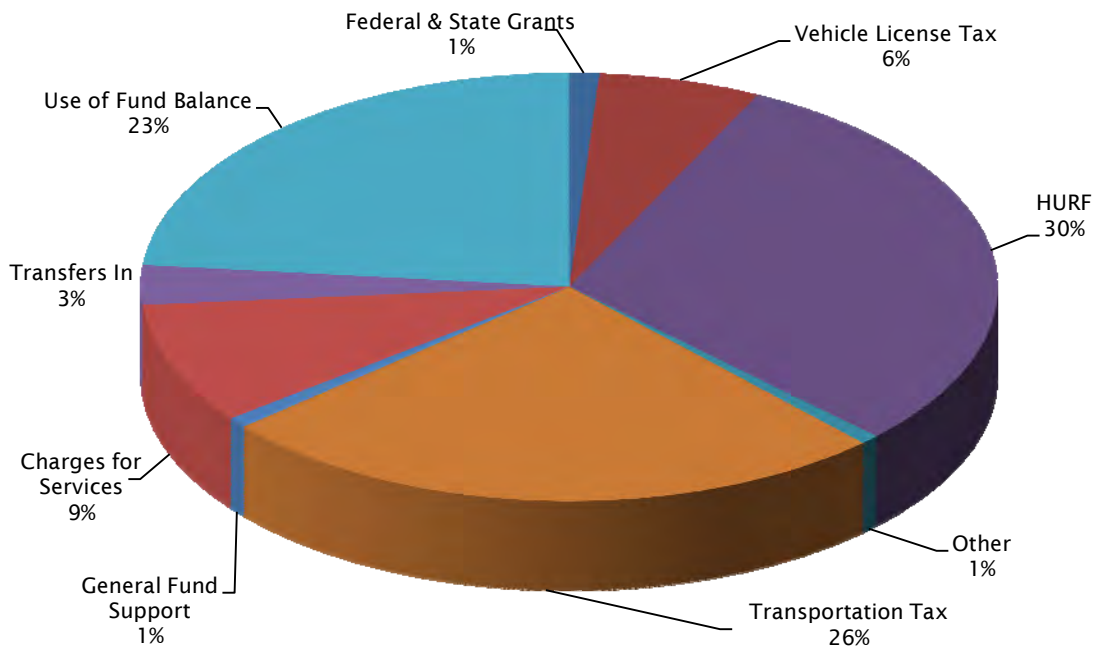
Financial Summary

Public Works receives revenue from many different sources, including Highway User Revenue Fees (HURF), a new Road Maintenance Sales Tax, Vehicle License Tax, and charges for services. Departmental revenue finished 3% above their FY15 budget. This variance was due to all major tax revenues exceeding their budgeted revenues, and mitigated by Motor Pool revenue from other County departments falling 33% below budget. Departmental revenue for FY16 (excluding unawarded grants) is budgeted to increase by 19%, due to the first full year of Road Maintenance Sales Tax revenue and a continued rebound in HURF receipts.

For FY15, Public Works finished 33% below their revised expenditure budget of \$29,331,317. This variance was due to lower prices for gas and oil, less maintenance to highway equipment, and no use of the Engineering division's contingency fund. The department also realized more than \$2.6 million in salary savings. The department's FY16 adopted expenditure budget of \$30,726,010 (excluding unawarded grants) is 5% higher than their FY15 budget. The main drivers for the FY16 expenditure increase are highway equipment capital expenditures and capital engineering projects; both will be made possible by the passage of Proposition 403.

The following charts illustrate the Public Works department's revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area. Expenditure charts exclude unawarded grants.

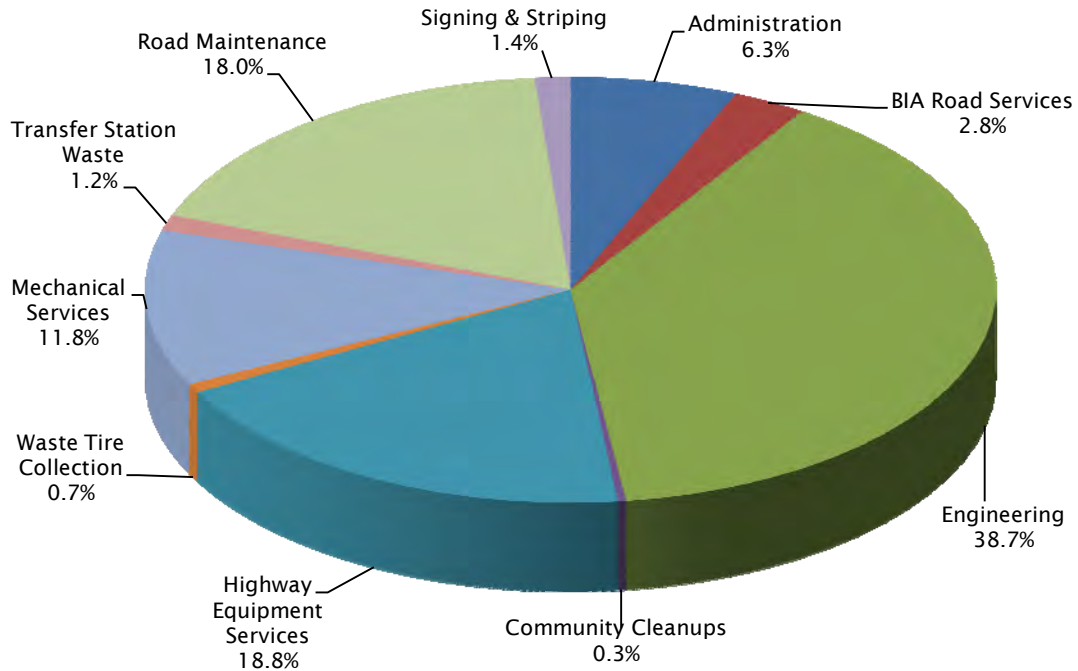
Revenue by Source Type



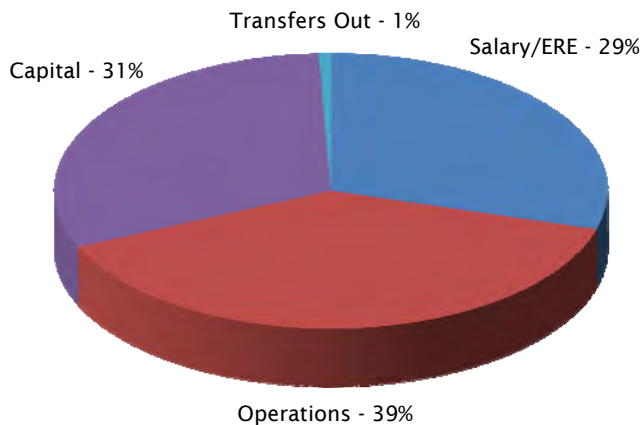
COMMUNITY DEVELOPMENT

Public Works

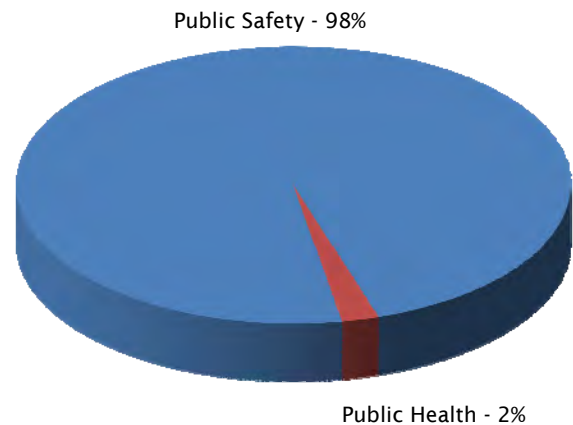
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



COMMUNITY DEVELOPMENT

Public Works

Department-Wide Financial Statement

<u>Revenues and Other Sources</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Federal and State Grants	\$ 462,846	\$ 402,568	\$ 507,716	\$ 515,399	\$ 345,000
Vehicle License Tax	1,709,800	1,775,891	1,709,800	1,887,808	1,866,600
Other Intergovernmental	167,420	130,253	167,420	235,579	125,565
Licenses & Permits	25,827	16,565	9,500	30,969	28,100
Charges for Services	3,329,470	2,849,276	3,704,818	2,478,894	2,801,267
Highway User Revenue Fees (HURF)	8,150,450	8,179,439	7,940,000	9,073,500	9,167,000
Unawarded Grants	-	-	-	-	65,000
Investment Income	60,000	359,709	60,000	196,596	60,000
Road Maintenance Sales Tax	-	-	3,500,000	3,778,550	7,839,498
Other	162,000	191,754	302,000	231,076	215,000
Transfers from Other Funds	2,823,937	1,759,921	1,687,737	1,677,537	909,312
Use of (Increase In) Fund Balance	10,574,149	(1,577,114)	9,501,375	(666,314)	7,132,853
General Fund Support	255,785	123,687	240,951	212,250	235,815
Total Funding Sources	\$27,721,684	\$14,211,948	\$29,331,317	\$19,651,843	\$30,791,010
Expenditures and Other Uses	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Salary/ERE	\$ 8,897,360	\$ 6,768,301	\$ 9,139,888	\$ 6,532,574	\$ 9,040,164
Operations	10,450,021	6,626,040	12,133,955	7,026,512	11,946,502
Travel	88,748	29,021	87,860	48,037	95,692
Capital	8,086,496	626,499	4,492,260	2,617,728	9,487,561
Transfers to Other Funds	199,059	162,088	3,477,354	3,426,991	221,091
Total Uses of Funds	\$27,721,684	\$14,211,948	\$29,331,317	\$19,651,843	\$30,791,010
Net Indirect Support	41,871	41,871	252,758*	252,758	273,362
Total	\$27,763,555	\$14,253,819	\$29,584,075	\$19,904,601	\$31,043,768
General Fund Support	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Program Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	-	-	-	-	-
GF Transfers to Other Funds	(255,785)	(123,687)	(240,951)	(212,250)	(235,815)
Total Direct Support	\$ (255,785)	\$ (123,687)	\$ (240,951)	\$ (212,250)	\$ (235,815)
Net Indirect Support	(41,871)	(41,871)	(252,758)	(252,758)	(252,758)
Total County Support	\$ (297,656)	\$ (165,558)	\$ (493,709)	\$ (465,008)	\$ (488,573)

* For FY15, the indirect costs paid by HURF were computed using the County's OMB Cost Plan instead of the Full Cost Plan used in prior years. This lowered the indirect costs paid, resulting in higher Net Indirect Support.

COMMUNITY DEVELOPMENT

Public Works

FY16 Financial Statement by Program

<u>Program Name</u>	<u>FY16 Program Revenue</u>	<u>FY16 General Fund Support</u>	<u>FY16 Use of Fund Balance</u>	<u>FY16 Program Budget</u>	<u>FY16 Net Indirect Support</u>
Administration	\$ 19,079,357	\$ -	\$ (17,129,420)	\$ 1,949,937	\$ (326,337)
BIA Road Services	125,565	-	742,556	868,121	19,656
Community Cleanups	198,053	-	(38,053)	160,000	-
Engineering	28,100	-	11,877,775	11,905,875	96,471
Highway Equipment Services	150,000	-	5,617,931	5,767,931	83,707
Mechanical Services	2,746,797	-	884,884	3,631,681	40,895
Road Maintenance	670,000	-	4,849,830	5,519,830	315,580
Sign Shop	90,000	-	327,350	417,350	12,757
Transfer Station					
Residential/Recycling and Hazardous Waste	120,470	235,815	9,374	365,659	26,135
Waste Tire Collection	214,000	-	(9,374)	204,626	4,499
Total	\$ 23,422,342	\$ 235,815	\$ 7,132,853	\$ 30,791,010	\$ 273,362

COMMUNITY DEVELOPMENT

Public Works

Performance Measures by Program

Administration	FY14	FY15	FY16
Number of 10-Year Financial Plans	4	5	5
HURF Expenditures	\$10,545,192	\$13M - 15M	\$17.9M
HURF Surplus/(Deficit) Use of Fund Balance	1,854,228	(\$1.6M - \$3.6M)	(\$1,018,084)
Number of Public Work FTE's (all Funds)	127.53	127.50	127.50
Number of Monthly Financial Reports By Fund	12	12	12

BIA Road Services	FY14	FY15	FY16
Number of Miles Graded	649	1,200	1,500
Cost per Mile of Grading	\$470	\$480	\$480

Community Cleanups	FY14	FY15	FY16
Cost of overall operations	\$63,000	\$130,000	\$68,000
Number of residents attending the Landfill cleanup	876	900	900
Number of residents attending the Willard Springs cleanup	559	600	600
Number of residents attending the Williams cleanup	511	600	600
Number of residents attending the Ashfork cleanup	0	333	0
Number of residents attending the Fredonia cleanup	0	25	0
Number of residents attending the Forest Lakes cleanup	0	125	0
Number of residents attending the Blueridge cleanup	0	130	0

Engineering	FY14	FY15	FY16
Develop annual strategic plan	N/A	Complete	Complete
Develop annual operating plan	N/A	Complete	Complete
Update County General Engineering Requirements	N/A	In process	Complete
Percent Cost recovery for Oversize/Overweight (OSOW) program	0%	0%	75%
Passage and adoption of OSOW ordinance and permitting process	N/A	Complete	Complete
Update Capital Improvement Plan annually	Complete	Complete	Complete
Number of capital improvement plans programmed annually	N/A	3	5
Amount of grant funding secured	\$12,000,000	\$900,000	\$800,000
Number of Safety Assessments and other studies performed	2	1	2
Lane miles of Fog Seal or other treatments implemented	0	20	10
Lane miles of Chip Seal Implemented	0	90	90
Total annual pavement preservation expenditure	\$0	\$2,500,000	\$2,500,000
Average cost per mile	\$0	\$28,000	\$28,000
Number of capital improvement projects designed	3	4	6
Number of capital improvement projects constructed	3	4	5
Total annual capital expenditure	\$500,000	\$4,500,000	\$6,400,000
Average change order amount per project as a percent of project cost	N/A	2%	2%

COMMUNITY DEVELOPMENT

Public Works

Performance Measures by Program

Engineering (continued)	FY14	FY15	FY16
Percentage of projects completed on or before schedule	100%	100%	100%
Number of accidents on pavement management projects annually	0	0	0
Number of County and Flood Control District survey projects completed	N/A	10	10
Number of right of way acquisitions completed in support of County and Flood Control District projects	N/A	9 Easements and 3 fee-title properties in support of Flood Control	10
Number of citizen and partner agency survey projects completed	N/A	2	3
Number of citizen and partner agency right of way projects completed	N/A	3	3
Number of Initial Engineering Assessments performed	N/A	1	4
Number of other studies performed	0	0	0
Number of Flood Control capital improvement projects designed	0	0	2
Number of Flood Control capital improvement projects constructed	0	0	0
Total annual Flood Control capital expenditure	\$0	\$0	\$0
Average change order amount per project as a percent of project cost	N/A	N/A	N/A
Number of post-fire capital improvement projects designed	4	2	0
Number of post-fire capital improvement projects constructed	8	2	0
Total annual post-fire capital expenditure	\$9,000,000	\$10,500,000	\$0
Total annual federal funding secured	\$6,500,000	\$8,000,000	\$0
Average change order amount per project as a percent of project cost	N/A	2%	N/A

Highway Equipment Services	FY14	FY15	FY16
Within plus or minus 10% of OEM recommendation	100%	100%	100%
Perform oil analysis at each major preventative maintenance interval	100%	100%	100%
Prepare all snow removal equipment for by October 1st	97%	99%	100%

Mechanical Services	FY14	FY15	FY16
How many sites are available for vehicle rental	1	3	3
Create 5 budget segments	5	5	5
Create 7 budget segments	5	5	7
Percent of in-stock parts sold in Flagstaff	86%	86%	85%
Percent of in-stock parts sold in Williams	87%	90%	100%

COMMUNITY DEVELOPMENT

Public Works

Performance Measures by Program

Transfer Station Residential/Recycling and Hazardous Waste

	FY14	FY15	FY16
Willard Springs waste tons	534.73	555.00	500.00
Mormon Lake waste tons	77.78	78.00	75.00
Willard Springs cost per ton	\$203.03	\$210.00	\$200.00
Mormon Lake cost per ton	\$313.54	\$425.00	\$420.00
Landfill recycling tons (County bins)	71.28	72.00	72.00
Marble Canyon annual cost	\$6,387	\$6,500	\$6,300
Williams transfer station cost	\$103,130	\$106,000	\$105,000
Cost of hazardous materials, recycling and disposal	\$51,620	\$56,000	\$55,000

Road Maintenance

	FY14	FY15	FY16
Number of miles graded	1,910	2,100	2,200
Cost per mile of grading	\$470	\$480	\$490
Number of miles resurfaced	44	40	50
Cost per mile of resurfacing	\$18,005	\$19,000	\$19,500
Cubic Yards of Materials Produced	56,227	60,000	70,000
Cost Per Cubic Yard of Material Produced	\$7.90	\$8.00	\$9.00
Lane Miles of Roads Chip Sealed	0	88	88
Cost Per Square Yard of Chip Seal (Internal Only)	\$0.00	\$0.00	\$2.70
Percentage of Roads Chip Sealed	0%	14%	15%
Percentage of Roads Overlaid (Department Wide)	0%	0%	0%
Divisional Vacancy Percentage Rate	36%	30%	15%
Miles of Crack Filling	71.6	60.0	90.0
Cost Per Mile of Crack Filling	\$5,943	\$6,200	\$6,500

Signing and Striping

	FY14	FY15	FY16
Number of miles striped (there are approximately 520 total miles of striping)	313	400	420
Cost per mile of striping	\$75	\$90	\$90
Number of hours for sign inspection	2,393	2,000	2,300
Number of hours for sign repair	715	1,000	1,000
Number of hours for new sign installation	32	80	90
Number of hours for sign production	92	60	65
Number of hours for sign inventory (50% of the 9,300 sign in our inventory are street name signs)	0	80	90

Waste Tire Collection

	FY14	FY15	FY16
Number of tires collected	84,448	93,000	90,000

COMMUNITY DEVELOPMENT

Public Works

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Accounting Technician II	3.00	3.00	3.00
Administrative Manager, Senior	1.00	1.00	1.00
Administrative Specialist I	1.00	1.00	1.00
Administrative Specialist II	0.48	0.70	0.70
Administrative Specialist III	2.00	1.00	1.00
Administrative Support II	2.00	2.00	2.00
Assistant County Engineer	1.00	1.00	1.00
Assistant County Surveyor	1.00	1.00	1.00
Buyer	1.00	1.00	1.00
Capital Projects Manager	1.00	1.00	1.00
Cartegraph Technician	1.00	1.00	1.00
Code Enforcement Officer	1.00	-	-
Community Relations Manager	1.00	1.00	1.00
Construction Inspector I	1.00	1.00	1.00
Construction Inspector II	1.00	1.00	1.00
Construction Manager	-	1.00	1.00
Construction Supervisor	1.00	-	-
County Engineer	1.00	1.00	1.00
County Surveyor	1.00	1.00	1.00
Custodian	2.00	2.00	2.00
Deputy Director	2.00	2.00	2.00
Director	1.00	1.00	1.00
Division Manager	-	1.00	1.00
Engineering Technician	2.00	1.00	1.00
Equipment Parts Specialist	3.00	3.00	3.00
Finance Technician	-	1.00	1.00
Fleet Analyst	1.00	1.00	1.00
Fleet Services Manager	1.00	1.00	1.00
Grants Writer	0.25	-	-
Maintenance Superintendent	1.00	1.00	1.00
Mechanic	15.00	15.00	15.00
Mechanic, Lead	1.00	1.00	1.00
Operator	26.00	26.00	26.00
Operator, Senior	25.00	25.00	25.00
Parts Runner	1.00	1.00	1.00
Program Coordinator	1.00	1.00	1.00
Program Manager III	0.80	0.80	0.80
Right of Way Agent	1.00	1.00	1.00
Right of Way Technician	1.00	1.00	1.00
Service Writer	1.00	1.00	1.00
Sign Maintenance Worker	1.00	1.00	1.00
Solid Waste Manager	1.00	1.00	1.00
Special Initiatives Assistant	1.00	1.00	1.00
Survey Technician	1.00	-	-

COMMUNITY DEVELOPMENT

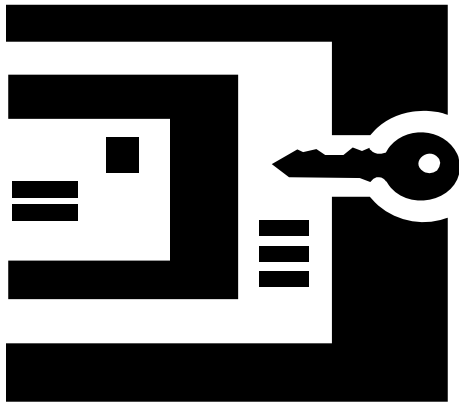
Public Works

Department Staffing (Full Time Equivalents)

<u>Positions by Title (continued)</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Trades Division Supervisor	7.00	7.00	8.00
Trades Supervisor	7.00	7.00	6.00
Transfer Station Operator	1.00	1.00	1.00
Transportation Planner	1.00	1.00	1.00
Total Positions	127.53	125.50	125.50

*For FY15 the Construction Supervisor and Code Enforcement Officer were transferred to Community Development on recommendation of the Zucker Report. In addition, the Public Works portion of the Grant Writer position was moved to the Government Relations department.

Internal Services



INTERNAL SERVICES

Service Area Summary



Description of Services

The Internal Services service area provides administrative and professional support to all departments within the organization. This support includes providing the Board of Supervisors and the citizens with accurate, understandable information about County finances, budget preparation and presentation, purchasing, special districts formation and assistance, providing a safe and clean working environment for all employees and citizens, providing repair and replacement to existing facilities and providing leadership in developing capital improvement strategies, job recruitment, administrative support on job classification and compensation policy, job training, safety and employee benefits, and maintenance and support of networking and programming services.

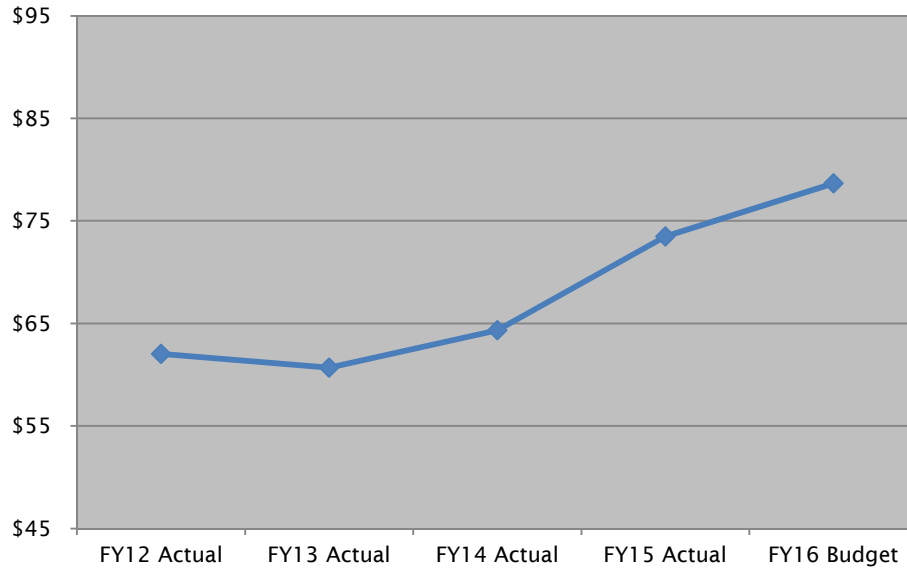
Per Capita Costs

Over the last five years, the per capita cost for services provided by Internal Services has gradually increased. While Finance and Information Technology costs have remained fairly stable, Facilities expenses have varied, primarily due to planned versus completed capital projects. The increase in Facilities costs between FY14 and FY16 represent the implementation of capital repair and replacement projects that were postponed during the recent economic recession. Human Resources' per capita cost differential between FY15 actual and FY16 budget is a reflection of the amount that the department generally stays under budget; the percentage increase between the FY15 budget and the FY16 budget is only 2%.

The chart on the next page shows a five year history of the per capita cost of services for the Internal Services service area.

INTERNAL SERVICES

Service Area Summary



The table below shows a three year history of the per capita cost of services for departments within the Internal Services service area.

<u>Department</u>	<u>FY14 Actuals</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>	<u>Change: FY15 to FY16</u>
Facilities Management	\$ 22.80	\$ 28.80	\$ 33.22	15.32%
Finance	11.18	12.03	11.88	-1.27%
Human Resources	9.98	9.85	11.75	19.25%
Information Technology	20.36	22.79	21.83	-4.21%
Total	\$ 64.33	\$ 73.47	\$ 78.67	7.07%

INTERNAL SERVICES

Facilities Management

2500 N. Fort Valley Road, Flagstaff, AZ 86001 (928) 679-8800
Sue Brown, Director

The Facilities Management Department strives to provide a safe, functional and aesthetic work environment for all County departments and the citizens served by our organization.

Program	SPA	Description
Administration	O&FH	This program ensures the effective operation of the Facilities Management Department by providing leadership, strategic direction, financial management and administrative support to the employees and programs of the department.
Capital Planning and Construction	O&FH	This program provides both tactical and strategic planning through constant communication of organizational information and needs assessments.
Capital Repair and Replacement	O&FH	This program includes annual Facilities Condition Assessments to prioritize repair and replacement for Coconino County building components.
Operations and Maintenance	O&FH	Operations and Maintenance provides secure, accessible, clean and functional work space for delivering services to the public. Mandated contractual and regulatory requirements for building environments are met through this program.
Resource Conservation	C&NR	This program consolidates the on-going energy conservation efforts of the Facilities Management Department into one program.

Goals and Objectives

The primary FY16 objectives for the department are:

- Counter problems with recruitment and retention by increasing training and thereby increasing skill and pay.
- Align and reference training, expectations, team-building, disciplinary action and evaluation within the merit structure.
- Work with Finance and other departments to define and utilize common resources and vendors
- Use the Facilities Master Plan to address emerging space issues as a result of program modifications proposed by departments
- Continue to lobby against State Legislation to allow weapons in public buildings unless costly capital and operational requirements are met
- Research ways to reduce employee travel (rideshare, potential job-sharing with County partners)
- Work with vendors and County partners (IT and Finance) to identify electronic tools like an enterprise information system that will streamline internal service information and will optimize and provide critical data to the organization
- Work with public and private community partners to identify optimal renewable installations for County sites
- Update existing energy efficiency plan for ongoing optimization of building systems; the majority of the work to be done in-house or via small contracts.
- Install Energy Management Systems on buildings currently controlled manually.

INTERNAL SERVICES

Facilities Management

Goals and Objectives (continued)

Longer-term goals for Facilities Management include:

- Creating a highly skilled, well-paid workforce that is more likely to stay on the job, which will build accomplishment and investment in the organization.
- Reduction in hiring vendor services; highly skilled staff able to implement projects instead
- Give employees a greater understanding of organizational (versus departmental level) issues and solutions.
- Provide support for a strategic funding mechanism for the Facilities Master Plan
- Create acknowledgment and encouragement for greater investment in sustainable, resilient programs and services.

Opportunities and Challenges

- The department has increased and broadened its communication with new and existing County employees. If the communications plan is effective, they hope to see a reduction in operational and energy costs by engaging customers in energy efficiency and operational efficiency activity. Hopefully, it will increase awareness among employees about small things that can have major impact on energy and materials conservation such as turning off task and room lights and monitors consistently, removing space heaters and supplemental lighting, recycling more paper products and purging files regularly.
- Facilities Management protocols and practices continue to evolve and respond to technological advancements in buildings. Building mechanical systems are today more smartphone than rotary dial. The technological aspect and upkeep of the building environment has moved from the virtual to the real world. Retention and recruitment of technicians that can operate and maintain increasingly complex systems combining mechanical knowledge with technological capabilities remains a primary and critical objective.
- Standards in the industry hold that Capital Repair and Replacement budgets should be 2-3% of total building replacement value. Coconino County has never budgeted at this level; the last two years of Capital Repair and Replacement budgets have reflected only mission critical repairs and replacements. We are already below standard in many Repair and Replacement areas.
- Buildings constructed in the 1990's capital plan are approaching 15 to 20 years of age. Critical components of those facilities have reached the end of their lifecycle, such as roofs, HVAC components and interior finishes.
- The Old Jail/Tech Center is obsolete and components in its infrastructure have failed and cannot be repaired or replaced. Costs to try and keep it running will continue to tax Capital Repair and Replacement funding until a permanent capital solution is implemented.

INTERNAL SERVICES

Facilities Management

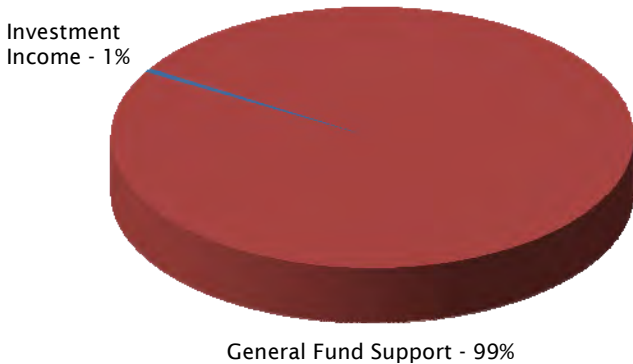
Financial Summary

The Facilities Management Department's primary source of revenue is General Fund support. The Capital Repair and Replacement reserves also generate investment income, which offsets the cost of the program. In FY15, the actual investment income earned on the reserves is estimated to be 28% above budget. Investment income is expected to decrease 34% for FY16.

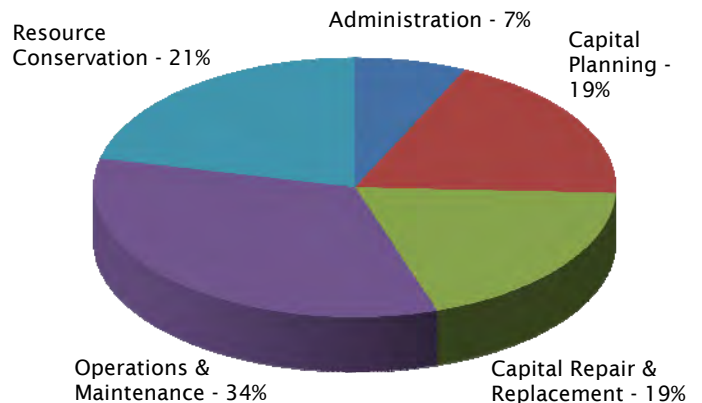
Facilities Management is estimated to be 28% under their revised FY15 expenditure budget of \$5,659,404. This variance is due primarily to the Page Justice Court remodel project that was not completed in FY15. The department was also more than \$350,000 under their budget for building utilities. The FY16 adopted expenditure budget of \$4,643,538 is 18% under their FY15 expenditure budget. This variance is due to a reduction in Capital Repair and Replacement projects. The department was approved for a one-time increase to their motor pool budget to accommodate rate increases from Mechanical Services. They also are receiving recurring funding to upgrade their HVAC maintenance contracts.

The following charts illustrate the Facilities Management Department's revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

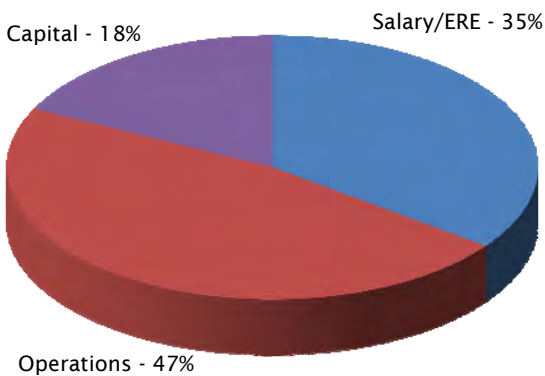
Revenue by Source Type



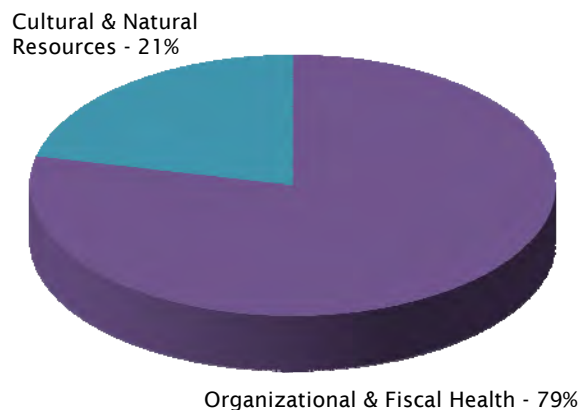
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



INTERNAL SERVICES

Facilities Management

Department-Wide Financial Statement

Revenues and Other Sources	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Other Intergovernmental	\$ -	\$ -	\$ -	\$ 19,062	\$ -
Investment Income	52,000	43,379	35,000	44,923	23,000
Use of (Increase In) Fund Balance	(1,591,530)	(3,767,092)	2,357,204	1,410,604	(134,691)
General Fund Support	7,242,993	6,901,955	3,267,200	2,584,180	4,755,229
Total Funding Sources	\$ 5,703,463	\$ 3,178,242	\$ 5,659,404	\$ 4,058,770	\$ 4,643,538

Expenditures and Other Uses	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Salary/ERE	\$ 1,568,762	\$ 1,457,555	\$ 1,620,944	\$ 1,560,405	\$ 1,623,840
Operations	2,582,741	1,219,897	2,963,144	1,306,603	2,177,775
Travel	41,200	44,128	41,200	12,688	23,435
Capital	1,510,760	456,662	1,002,016	1,146,973	818,488
Transfers to Other Funds	-	-	32,100	32,100	-
Total Uses of Funds	\$ 5,703,463	\$ 3,178,242	\$ 5,659,404	\$ 4,058,770	\$ 4,643,538

Net Indirect Support	-	-	-	-	-
Total	\$ 5,703,463	\$ 3,178,242	\$ 5,659,404	\$ 4,058,770	\$ 4,643,538

General Fund Support	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Program Revenue	\$ -	\$ -	\$ -	\$ 19,062	\$ -
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	(2,778,993)	(2,437,955)	(3,267,200)	(2,603,242)	(3,255,229)
GF Transfers to Other Funds	(4,464,000)	(4,464,000)	-	-	(1,500,000)
Total Direct Support	\$(7,242,993)	\$(6,901,955)	\$(3,267,200)	\$(2,584,180)	\$(4,755,229)

Net Indirect Support	-	-	-	-	-
Total County Support	\$(7,242,993)	\$(6,901,955)	\$(3,267,200)	\$(2,584,180)	\$(4,755,229)

FY16 Financial Statement by Program

Program Name	FY16 Program Revenue	FY16 General Fund Support	FY16 Use of Fund Balance	FY16 Program Budget	FY16 Net Indirect Support
Administration	\$ -	\$ 322,930	\$ -	\$ 322,930	\$ -
Capital Planning and Construction	15,000	394,082	460,890	869,972	-
Capital Repair and Replacement	8,000	1,503,565	(620,585)	890,980	-
Operations and Maintenance	-	1,564,193	-	1,564,193	-
Resource Conservation	-	970,459	25,004	995,463	-
Total	\$ 23,000	\$ 4,755,229	\$ (134,691)	\$ 4,643,538	\$ -

INTERNAL SERVICES

Facilities Management

Performance Measures by Program

Administration	FY14	FY15	FY16
County FTEs per Facilities FTE	40.50	41.00	N/A

Capital Planning and Construction	FY14	FY15	FY16
Building utilization, square feet per employee	460	460	460
Benchmark target utilization (FMRT)	520	520	520
Implementation of 12-year Facilities Master Plan	0/12	0/12	1/12

Capital Repair and Replacement	FY14	FY15	FY16
Annual repair and replacement funding	\$762,243	\$762,243	\$647,520
R&R funding/Replacement value of assets	0.69%	0.69%	0.63%
Industry average funding/Replacement value (IFMA)	1-3%	1-3%	1-3%

Operations and Maintenance	FY14	FY15	FY16
Annual maintenance cost per square foot	\$2.10	\$2.12	\$2.12
Industry benchmark maintenance cost per square foot (FMRT)	\$2.70	\$2.70	\$2.70
Annual custodial cost per square foot	\$1.32	\$1.33	\$1.33
Industry benchmark custodial cost per square foot (FMRT)	\$0.99	\$0.99	\$0.99

Resource Conservation	FY14	FY15	FY16
County annual utility cost per square foot	\$1.46	\$1.46	N/A
Industry Benchmark (FMRT) utility cost per square foot	\$1.99	\$1.99	N/A
Number of Energy Star certifiable facilities	4	4	N/A
Average increase in total Energy Star scores	4	4	N/A

INTERNAL SERVICES

Facilities Management

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Administrative Manager, Senior	1.00	1.00	1.00
Business Manager	1.00	1.00	1.00
Construction Manager	1.00	1.00	1.00
Director-Facilities Management	1.00	1.00	1.00
Facilities Manager	1.00	1.00	1.00
Facilities Operations Manager	1.00	1.00	1.00
Facilities Project Coordinator	1.00	1.00	1.00
Facilities Service Worker	10.00	10.00	10.00
Facilities Service Worker, Lead	1.00	1.00	1.00
HVAC/Electrical Supervisor	1.00	1.00	1.00
HVAC/Electrical Technician I	3.00	3.00	3.00
Trades Supervisor	2.00	2.00	2.00
Trades Worker I	1.00	1.00	1.00
Trades Worker II	1.00	1.00	1.00
Total Positions	26.00	26.00	26.00

*Please note that there are no staffing changes for Facilities Management for FY16.

INTERNAL SERVICES

Finance

219 E. Cherry Avenue, Flagstaff, AZ 86001 (928) 679-8800
Bonny Lynn, Director/CFO

The Finance Department provides all centralized financial, payroll, budget, and purchasing functions for the County. The primary mission of the department is the financial stewardship of County resources.

Program	SPA	Description
Administration	O&FH	The Administration Program provides leadership and direction for all financial services, including staff recruitment, development and retention, seeking and implementing best practices where applicable, modeling high quality customer service, and promoting effective partnerships with other County departments.
Budget and Strategic Planning	O&FH	Budget and Strategic Planning provides budget development, management analysis and research services to the County Manager and Board of Supervisors.
Financial Information Systems Management	O&FH	This Division is responsible for the management of all County financial information including budgets, payroll, accounts payable, general ledger, accounting, and auditing.
Financial Reporting and Audit	O&FH	This Division serves and supports all County departments and the citizens of the County by providing financial statement and audit preparation, establishing an internal control environment, generation of monthly financial reports, documenting policies and procedures, training in financial processes and assistance when departments incur vacancies in key financial positions.
Operations and Special Districts	O&FH	The Finance Operations and Special Districts Division provides the County with payroll, accounts payable, travel, use tax and Special District accounting and reporting services.
Purchasing	O&FH	The purpose of the County's Purchasing Division is to provide fair and equitable opportunities to persons and companies involved in public purchasing with the County and to maximize the value of public funds while maintaining compliance with statutory requirements.

INTERNAL SERVICES

Finance

Goals and Objectives

The primary FY16 objectives for the department are:

- Continuing to seek process and quality improvements in the annual budget cycle, including utilizing the “lean process” to identify efficiencies
- Finalizing ExecuTime time and attendance software implementation
- Complete the Needs Assessment and Vendor Selection for the County’s Enterprise Resource Planning (ERP) software
- Re-initiating grants financial management oversight, receivables tracking, program manager training, and partnership and coordination with County’s grant writer

Longer-term goals for Finance include:

- Full implementation of the ERP project, which will include replacing the County’s financial management system
- An annual goal, which is on-going, for the Finance Department is to prepare the Comprehensive Annual Financial Report (CAFR), the Single Audit Report, and the Annual Expenditure Limitation Report and receive a clean audit opinion.

Opportunities and Challenges

- The budget impact of the Enterprise Resource Planning software solution for FY16–FY18 is estimated at between \$2 million and \$2.5 million. The estimated potential resource savings realized after full implementation, training and testing is completed will come from the peripheral accounting solutions that many County departments are currently using to keep track of their revenue and expenses to support management reporting capabilities.
- The implementation of the ExecuTime time and attendance system involved participation from all County departments and employees. This project’s objective is to improve the time and attendance process for the County to reduce errors, improve processing time and reduce the cost of printing paper timesheets.
- The employee ACH program was fully implemented in FY15. Its objective was to improve the processing time of employee reimbursements and reduce the costs of printing checks for reimbursements.
- Although the full impact is unknown, the Health Care Reform Act will create additional challenges in Finance, as well as other County Departments, going forward. Currently the Finance Department is seeing increased reporting requirements and financial impacts as two of its major issues stemming from the Health Care Reform Act.

INTERNAL SERVICES

Finance

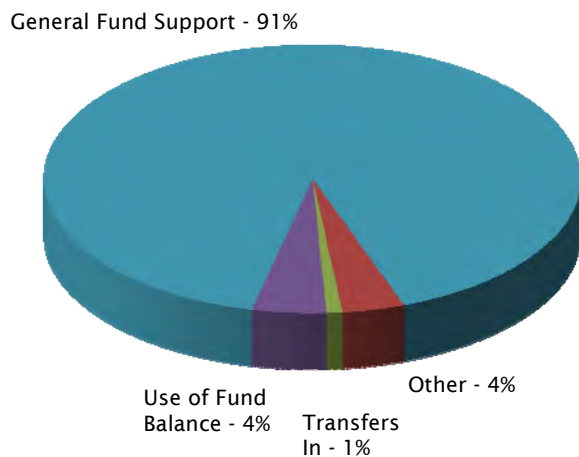
Financial Summary

The Finance Department's primary source of revenue is General Fund support. In addition, Finance receives revenue from rebates on the e-Payables and Purchasing Card programs based on utilization. For FY15, this revenue source is estimated to be 47% over the FY15 budget due to an increase in participation in the program. Finance also receives Fees for Services revenue for the Special Districts Management and Accounting program. For FY15, this revenue source is estimated to come in 59% under budget due to a decrease in active road improvement districts. This revenue has been reduced accordingly for FY16.

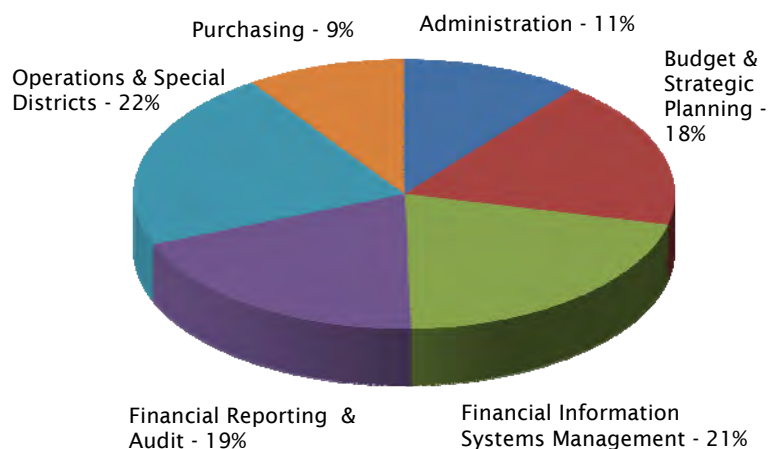
The Finance Department is estimated to be 1% under its revised FY15 expenditure budget of \$1,698,227. This was due primarily to salary savings from unfilled positions. The FY16 adopted expenditure budget of \$1,660,540 is 2% less than the FY15 expenditure budget. This variance is due to the one-time FY15 increase to the copier replacement program. The department's approved request for this program is only \$6,400 for FY16. The department also requested and received \$4,440 in one-time funding for maintenance of the new electronic timekeeping software.

The following charts illustrate the Finance Department's revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

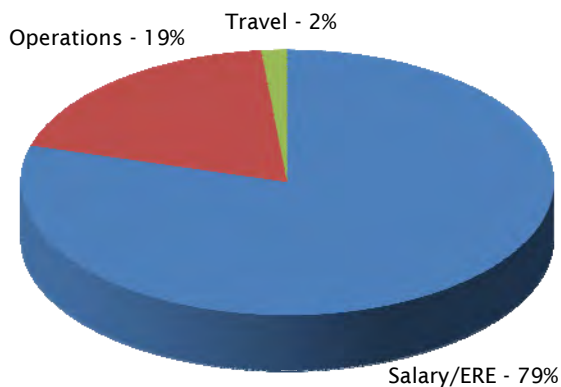
Revenue by Source Type



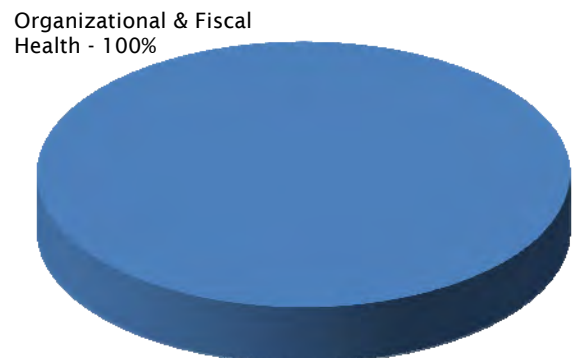
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



INTERNAL SERVICES

Finance

Department-Wide Financial Statement

Revenues and Other Sources	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Charges for Services	\$ 20,200	\$ 13,782	\$ 15,000	\$ 6,085	\$ 7,000
Investment Income	-	2,084	-	573	-
Other	50,000	66,201	50,000	73,329	62,000
Transfers from Other Funds	28,768	25,784	13,457	15,206	15,826
Use of (Increase In) Fund Balance	138,847	60,042	88,469	114,258	73,847
General Fund Support	1,466,173	1,390,813	1,531,301	1,472,395	1,501,867
Total Funding Sources	\$ 1,703,988	\$ 1,558,706	\$ 1,698,227	\$ 1,681,846	\$ 1,660,540
Expenditures and Other Uses	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Salary/ERE	\$ 1,303,578	\$ 1,174,525	\$ 1,300,238	\$ 1,215,209	\$ 1,314,164
Operations	303,802	263,181	274,927	349,348	314,107
Travel	25,608	15,278	26,283	16,034	25,869
Capital	71,000	105,722	96,779	101,255	6,400
Total Uses of Funds	\$ 1,703,988	\$ 1,558,706	\$ 1,698,227	\$ 1,681,846	\$ 1,660,540
Net Indirect Support	-	-	-	-	-
Total	\$ 1,703,988	\$ 1,558,706	\$ 1,698,227	\$ 1,681,846	\$ 1,660,540
General Fund Support	FY14 Budget	FY14 Actuals	FY15 Budget	FY15 Actuals	FY16 Budget
Program Revenue	\$ 50,000	\$ 66,201	\$ 50,000	\$ 73,329	\$ 62,000
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	(1,402,638)	(1,342,426)	(1,388,230)	(1,344,679)	(1,401,239)
GF Transfers to Other Funds	(113,535)	(114,588)	(193,071)	(201,045)	(162,628)
Total Direct Support	\$(1,466,173)	\$(1,390,813)	\$(1,531,301)	\$(1,472,395)	\$(1,501,867)
Net Indirect Support	-	-	-	-	-
Total County Support	\$(1,466,173)	\$(1,390,813)	\$(1,531,301)	\$(1,472,395)	\$(1,501,867)

INTERNAL SERVICES

Finance

FY16 Financial Statement by Program

Program Name	FY16 Program Revenue	FY16 General Fund Support	FY16 Use of Fund Balance	FY16 Program Budget	FY16 Net Indirect Support
Budget and Strategic Planning	\$ -	\$ 297,216	\$ -	\$ 297,216	\$ -
Finance Administration	62,000	116,572	-	178,572	-
Financial Information Systems Management	-	273,493	73,847	347,340	-
Financial Reporting and Audit	-	321,387	-	321,387	-
Operations and Special Districts	22,826	334,917	-	357,743	-
Purchasing	-	158,282	-	158,282	-
Total	\$ 84,826	\$ 1,501,867	\$ 73,847	\$ 1,660,540	\$ -

Performance Measures by Program

Budget and Strategic Planning

	FY14	FY15	FY16
GFOA Distinguished Budget Award achieved	Yes	Yes	Yes
Percentage of customers pleased with Budget staff	N/A	75%	75%

Finance Administration

	FY14	FY15	FY16
Number of positions vacated	2	4	0
New team members hired within three months	1	4	0
Director meetings with HR	N/A	8	10
Director meetings with IT	N/A	10	10

Financial Information Systems Management

	FY14	FY15	FY16
Percentage of time Financial Management System is available 24/7 in a year	98.78%	98.90%	98.90%
Number of software modules supported/maintained	9	9	9
Number of reports written for departments	70	65	65
Create automated End of Month financial reports for all departments	0%	100%	100%
Create automated Payroll Distribution reports for all departments	0%	100%	100%
Percent of annual reviews by directors and Elected Officials of user setups for their department	18%	100%	100%
Percent of security additions/changes on system complete within two business days	98%	98%	98%
Percent of users setup correctly for separation of duties	94%	100%	100%

INTERNAL SERVICES

Finance

Performance Measures by Program

Financial Reporting and Audit	FY14	FY15	FY16
Unmodified opinion on annual financial statements	Yes	Yes	Yes
Prepare a Comprehensive Annual Financial Report (CAFR)	Yes	Yes	Yes
Financial reporting audit findings/deficiencies	3	0	0
Receive GFOA award for Excellence in Financial Reporting	No	Yes	Yes
Percentage of monthly reports distributed by the 15th of the following month	100%	100%	100%
Percentage of adjusting entries made within 10 working days of submission	75%	75%	85%

Operations and Special Districts	FY14	FY15	FY16
Average number of employees paid per pay period	1,054	1,150	1,150
Percentage of County departments utilizing ExecuTime Time and Attendance	N/A	50%	100%
Average accounts payable entries per week	557	550	550
Average dollars of accounts payable run per week	\$1,373,142	\$1,500,000	\$1,500,000
Percentage of employees enrolled in ACH program	N/A	10%	25%

Purchasing	FY14	FY15	FY16
Number of bids	5	8	8
Number of Request for Proposals	5	8	10
Number of Request for Qualifications/Quotes	11	8	10
Number of solicitations protested/Number sustained	0/0	0/0	0/0
Average number of purchasing card transactions per month	1,400	1,450	1,500
Average purchasing card dollars per month	\$368,993	\$388,263	\$400,000
MasterCard rebate amount	\$69,186	\$72,000	\$75,000
Bid/RFP contracts awarded to County vendors	66%	66%	70%
Bid/RFP contracts awarded to State vendors	31%	31%	25%
Bid/RFP contracts awarded to out of state vendors	3%	3%	5%

INTERNAL SERVICES

Finance

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Accountant	1.00	1.00	1.00
Accountant, Senior*	1.00	2.00	2.00
Accounting Manager-Audit	1.00	1.00	1.00
Accounting Manager-Operations	1.00	1.00	1.00
Accounting Technician I	0.50	0.50	0.50
Accounting Technician II	2.50	2.50	2.50
Administrative Manager*	1.00	-	-
Administrative Specialist I	1.00	1.00	1.00
Budget Analyst	1.00	1.00	1.00
Budget Analyst, Senior	1.00	1.00	1.00
Budget Manager	1.00	1.00	1.00
Buyer	1.00	1.00	1.00
Director-Finance (CFO)	1.00	1.00	1.00
Financial System Manager	1.00	1.00	1.00
Payroll Operations Administrator	1.00	1.00	1.00
Payroll Specialist	1.00	1.00	1.00
Purchasing Manager	1.00	1.00	1.00
Total Positions	18.00	18.00	18.00

* The Administrative Manager was reclassified to an Accountant, Senior in FY15.

INTERNAL SERVICES

Human Resources

420 N. San Francisco Street, Flagstaff, AZ 86001 (928) 679-7100
Erika Philpot, Director

Human Resources (HR) is committed to delivering high quality, innovative human resource and risk management services to attract, develop, motivate, protect, and retain a diverse workforce.

Employee and Organizational Development	O&FH	The Employee and Organizational Development Program works to increase organizational effectiveness through development and training of employees and process improvement to strengthen the organization.
Employee Benefits	O&FH	The Employee Benefits Program develops and delivers a robust, comprehensive benefits package including health, dental, vision, life, retirement plans, and a variety of optional benefits to employees and retirees.
Employee Relations	O&FH	The Employee Relations Division works with employees to establish and maintain working relationships that contribute to satisfaction, productivity, motivation, and morale.
Personnel Administration	O&FH	The Personnel Administration Division provides leadership, strategic direction, oversight, and general administrative support, County-wide, to all Human Resources functions.
Recruitment and Retention	O&FH	The Recruitment and Retention Division oversees recruitment, retention, classification, and compensation.
Risk Management and Safety	O&FH	The Risk Management and Safety Division procures, administers, develops, and coordinates centralized services to all County departments and employees.

Goals and Objectives

The primary FY16 objectives for the department are:

- Work with the Finance Department to plan for completion of IRS reporting forms for compliance with the Affordable Care Act.
- Announce and promote employee use of the new On-Site Health Clinic, which is anticipated to open in fall of 2015. Work with the On-Site Wellness Clinic vendor to schedule County events at which the clinic representatives will be present to promote the clinic and its benefits during the remainder of FY16.
- Implementation of new Learning Management System (LMS) to allow employees to register for classes.
- Expand World Day for Cultural Diversity for Dialogue and Development celebration and support the annual diversity effort with on-going diversity initiatives.
- Continue roll out of NeoGov Performance Evaluation (PE) Module to departments and to have 80% of all employees participating in the electronic performance evaluation process.
- Research and implement new Employee Relations case management tracking process
- Implement NeoGov software to further enhance and create efficiencies to County onboarding process
- Implement employee referral program to lessen advertising costs and broaden diversity of applicant pool

INTERNAL SERVICES

Human Resources

Goals and Objectives

Longer-term goals for Human Resources include:

- Increasing participation of Coconino County employees in health and wellness activities through collaboration with a new on-site health clinic provider to increase positive outcomes in our health cost savings, increased work productivity and efficiency, and reduced work injury costs.
- Continue research and review of personnel policy best practices and trends and make revisions as appropriate to maintain legal compliance and competitive advantage.
- Continue work on transition to Electronic Data Management System (EDMS)
- Continue Classification and Compensation Plan strategic market analysis and implementation of strategies to reduce turnover and move toward market competitiveness. This includes working with the consulting firm on the compression study, as well as implementing the proposed strategies and communicating compression and compensation phases and changes to employees.

Opportunities and Challenges

- Fees assessed by NAPEBT for member occupational use of the On-Site Health Clinic are projected to be lower than existing fees paid to designated medical providers for pre-employment and annual physicals, and drug testing. Lower fees paid for occupational use on work injuries will result in future savings on pricing of workers' compensation due to internally absorbed cost of initial designated provider visits for these events, and reduced wait times for appointments. These costs would be paid from the general fund.
- The cost of data reports for Affordable Care Act are unknown at present and may be a cost to the general fund. However, there may be some leverage to obtain this from within existing contracts.
- More timely performance evaluations through the use of NeoGov PE's electronic reminders and routing will decrease the need for retro merit increases and follow up.
- Motor Vehicle Record checks of CDL drivers will move from Public Works to HR, saving them the cost of a contract service used for this purpose, and also staff time spent on these reviews.

INTERNAL SERVICES

Human Resources

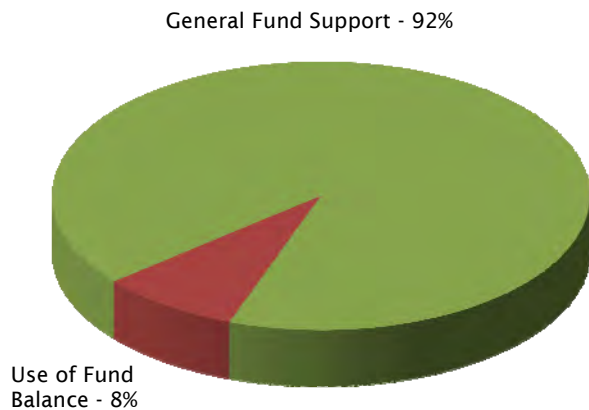
Financial Summary

The Human Resources Department's primary source of revenue is General Fund support. Interest is earned on the available fund balances in the Employee Benefits Trust and the Self Insurance Trust funds.

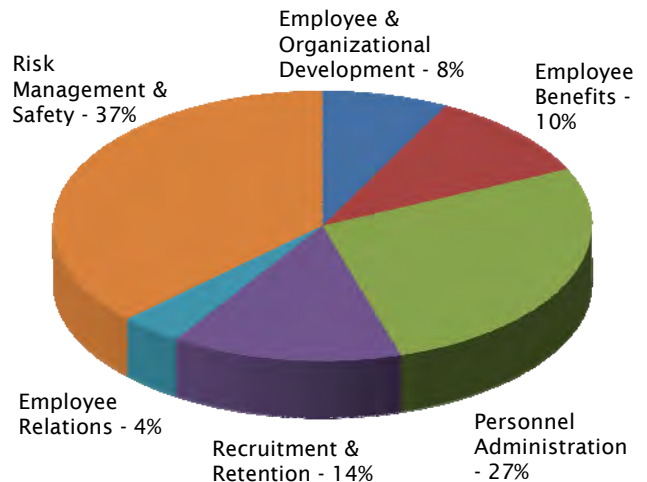
Human Resources is estimated to be 14% under their revised FY15 expenditure budget of \$1,608,170. This variance is due to operational savings from uninsured losses in the Risk Management and Safety program, as well as salary savings from unfilled positions. The FY16 adopted expenditure budget of \$1,642,827 is 2% higher than the department's FY15 expenditure budget. This variance is due to the recurring increase of two partial FTEs added mid-year FY15. The department requested and received additional one-time funds for maintenance of the Learning Management System and defibrillator supplies.

The following charts illustrate the Human Resources department's revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

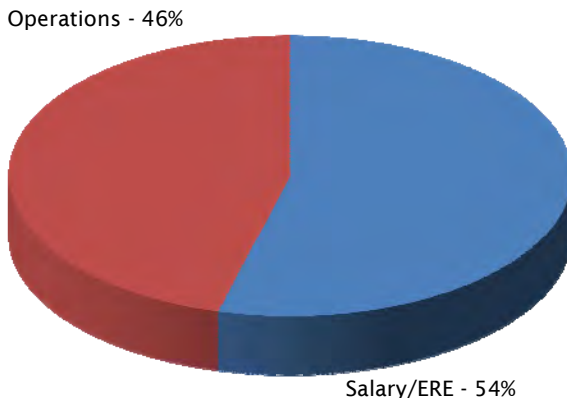
Revenue by Source Type



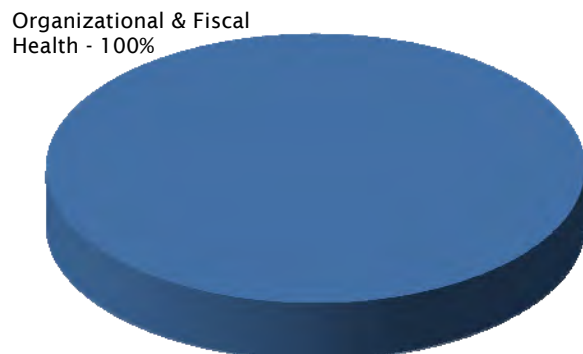
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



INTERNAL SERVICES

Human Resources

Department-Wide Financial Statement

<u>Revenues and Other Sources</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Other Intergovernmental	\$ -	\$ -	\$ -	\$ 46,205	\$ -
Investment Income	6,000	17,556	9,000	6,825	6,000
Other	-	2,822	-	26,851	-
Use of (Increase In) Fund Balance	102,737	(11,813)	136,737	(64,715)	138,000
General Fund Support	1,403,668	1,382,595	1,462,433	1,362,481	1,498,827
Total Funding Sources	\$ 1,512,405	\$ 1,391,160	\$ 1,608,170	\$ 1,377,647	\$ 1,642,827

<u>Expenditures and Other Uses</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Salary/ERE	\$ 813,608	\$ 776,271	\$ 749,991	\$ 677,387	\$ 885,721
Operations	692,886	605,089	852,268	685,848	751,195
Travel	5,911	9,800	5,911	14,411	5,911
Total Uses of Funds	\$ 1,512,405	\$ 1,391,160	\$ 1,608,170	\$ 1,377,647	\$ 1,642,827

Net Indirect Support	-	-	-	-	-
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Total	\$ 1,512,405	\$ 1,391,160	\$ 1,608,170	\$ 1,377,647	\$ 1,642,827
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<u>General Fund Support</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Program Revenue	\$ -	\$ -	\$ -	\$ 45	\$ -
Transfers in from Other Funds	-	-	-	-	-
Program Expenditures	(1,403,668)	(1,382,595)	(1,462,433)	(1,362,526)	(1,498,827)
GF Transfers to Other Funds	-	-	-	-	-
Total Direct Support	\$(1,403,668)	\$(1,382,595)	\$(1,462,433)	\$(1,362,481)	\$(1,498,827)

Net Indirect Support	-	-	-	-	-
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Total County Support	\$(1,403,668)	\$(1,382,595)	\$(1,462,433)	\$(1,362,481)	\$(1,498,827)
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FY16 Financial Statement by Program

<u>Program Name</u>	<u>FY16 Program Revenue</u>	<u>FY16 General Fund Support</u>	<u>FY16 Use of Fund Balance</u>	<u>FY16 Program Budget</u>	<u>FY16 Net Indirect Support</u>
Employee and Organizational Development	\$ -	\$ 124,610	\$ -	\$ 124,610	\$ -
Employee Benefits	-	173,165	-	173,165	-
Employee Relations	-	61,598	-	61,598	-
Personnel Administration	-	446,395	-	446,395	-
Recruitment and Retention	-	227,372	-	227,372	-
Risk Management and Safety	6,000	465,687	138,000	609,687	-
Total	\$ 6,000	\$ 1,498,827	\$ 138,000	\$ 1,642,827	\$ -

INTERNAL SERVICES

Human Resources

Performance Measures by Program

Employee and Organizational Development	FY14	FY15	FY16
Number of trainings offered (not including Supervisor's Academy or Executive Leadership Academy)	68	68	68
Number of attendees (not including Supervisor's Academy or Executive Leadership Academy)	622	637	900
Number of instructional hours (not including Supervisor's Academy or Executive Leadership Academy)	162	162	162
Percentage of seats filled	80%	82%	82%
Percentage of registered participants who attended classes	77%	77%	80%
Percentage of attendees who rated classes as "VERY USEFUL" toward improvement of job performance	85%	85%	85%
Percentage of attendees who rated having a "GREATER UNDERSTANDING" of the subject after completion of training	89%	89%	89%
Total number of instructional hours (includes Academies if offered)	205	205	205
Supervisor's Development Academy (SDA) number of participants	24	26	26
SDA pre-test scores (average percent)	56%	56%	56%
SDA post-test scores (average percent)	91%	91%	91%
SDA Number of participants retained (Since 2001: 266 SDA participants)	194	220	220
SDA Number of participants promoted (Since 2001: 266 SDA participants)	56	75	80
Executive Leadership Academy number of participants	N/A	15	15
Quick Take Leadership Certificate Series attendees	8	12	12
Department culture as measured in exit interview survey on a 4-point scale with 4 being the best	2.94	2.80	2.90
Organizational culture as measured in exit interview surveys on a 4-point scale with 4 being the best	3.08	3.08	3.08
Survey response of employees that would change the County culture (from a list of 11 items) as measured in the 1-year recruitment and retention survey	8%	8%	8%

INTERNAL SERVICES

Human Resources

Performance Measures by Program

Employee Benefits	FY14	FY15	FY16
Percentage of benefit eligible employees offered health care	N/A	99%	99%
Health care cost per employee	\$6,770	\$7,109	\$7,109
Benefits as a percentage of salary	39.30%	40.00%	40.00%
Percentage of individuals participating in Wellness Incentive Program	56%	60%	65%
Percentage of employees indicating benefits as a reason for leaving as measured by Exit Interview survey data	1.52%	2.10%	1.75%
Benefits satisfaction as measured in exit interview survey on a 4-point scale with 4 being the best	3.31	3.36	3.30
Number of EAP visits	500	500	600
EAP average number of visits for employees accessing services	3.00	3.50	3.00
Percent of employees indicating satisfaction with EAP services received	99%	99%	99%
Percentage of employees enrolled in a deferred compensation program	12%	13%	14%
FMLA Number of approved requests	122	120	130
Number of military leave of absence	12	7	7
Number of active FMLA cases per pay period	34	28	34

Employee Relations	FY14	FY15	FY16
Total liability avoided due to favorable unemployment decisions	\$76,683	\$70,000	\$70,000
Employee Appeals Board favorable decisions	2 of 2	0	0
Number of EEOC claims received	1	1	1
Number of EEOC claims successfully mediated or dismissed	1	1	1
Percentage of exiting employees completing questionnaires	34%	40%	40%
Top reason why employees are leaving the County	Career Opportunity	N/A	N/A
Second reason why employees are leaving the County	Retirement	N/A	N/A
Number of employee relations consultations	128	122	122
Number of performance evaluations submitted to HR	745	950	950
Percentage of performance evaluations completed	76%	97%	97%

INTERNAL SERVICES

Human Resources

Performance Measures by Program

Personnel Administration	FY14	FY15	FY16
Overall satisfaction with on-boarding process ratings "Above Average" or "Excellent"	68.75%	76.00%	80.00%
Overall satisfaction with New Employee Orientation II - "Above Average" or "Excellent"	78.00%	80.00%	85.00%
Total hits on HR Intranet page	6,131	16,524	18,000
Total unique users visiting HR Intranet page	1,999	8,838	9,300
Number of County policies under review by Human Resources	30	20	20
Number of County policies approved by Board of Supervisors	12	18	18
Completion of scanning personnel files (personnel records folders)	N/A	100%	100%
Completion of scanning personnel files (confidential employee records folders)	100%	N/A	N/A

Recruitment	FY14	FY15	FY16
Percentage of applicants rating satisfaction with County recruitment process	99%	99%	99%
Time to Fill: Number of days from opening of requisition to date of hire (not counting continuous recruitments)	66	65	65
Applicant EEO statistics: Percentage of applicants who are from a minority class (voluntary disclosure)	36%	37%	37%
Applicant EEO statistics: Hispanic	11%	11%	11%
Applicant EEO statistics: Native American Indian	14%	14%	14%
Applicant EEO statistics: African American	6%	6%	6%
Number of outreach events attended	12	12	12
Turnover Rate: Formula = Total number of employees on 1st of each month (A); Total number of terminations each month (B); (B/A) * 100 = Percent of monthly turnover	18.15%	14.96%	15.00%
Turnover Rate (excluding retirement separations)	15.08%	12.43%	12.50%
Vacancy Rate: Formula = Total number of vacant positions/Total number of approved positions x 100	10.70%	10.00%	10.00%
Percentage of job openings filled with qualified internal candidates	37%	38%	38%
Percentage of employees rating their satisfaction of the County's Service Award Recognition Program as "satisfied" or "very satisfied" (based on completed surveys)	93%	93%	93%
Number of submittals to the Position Evaluation Review Committee	36	36	36
Number of changes made as a result of review	30	30	30

INTERNAL SERVICES

Human Resources

Performance Measures by Program

Risk Management	FY14	FY15	FY16
Number of recordable industrial injuries	82	80	75
Total number of industrial injuries	111	100	90
Restricted or lost work days due to work injury	1,209	1,200	1,100
Experience Modification Factor (E-mod)	1.07	1.28	1.21
Workers' Compensation Loss Ratio: Claims paid/Premium paid	23%	25%	23%
Number of safety trainings offered	66	75	85
Number of employees attending safety training	1,367	875	1,500
Total number of liability claims filed against the County	35	35	35
Total anticipated liability claims expenditures including reserves	\$298,259	\$120,000	\$150,000
Average cost per claim	\$8,522	\$7,000	\$9,000
Cost effective claims handling: Formula = Amount claimed - Actual settlement = Dollars saved	\$9 million	\$10 million	\$10 million
Losses to County property	\$9,609	\$50,000	\$30,000

Department Staffing (Full Time Equivalents)

Positions by Title	FY14	FY15	FY16
Administrative Specialist I*	-	0.75	0.75
Assistant Director-Human Resources	1.00	1.00	1.00
Director-Human Resources	1.00	1.00	1.00
Human Resources Analyst*	3.63	4.00	4.00
Human Resources Manager	2.00	1.00	1.00
Human Resources Specialist	-	1.00	1.00
Human Resources Technician	2.00	2.00	2.00
Risk Manager	1.00	1.00	1.00
Total Positions	10.63	11.75	11.75

* The addition of the Administrative Specialist I and the increase in the Human Resources Analyst position were approved as mid-year increases in FY15.

INTERNAL SERVICES

Information Technology

211 N. Agassiz Street, Flagstaff, AZ 86001 (928) 679-7900
Kris Estes, Director

The Information Technology (IT) Department is a centralized service department that provides networking, Geographic Information Systems (GIS), programming services and analysis, computer purchasing, software purchasing and upgrades, limited software applications training for County users, and miscellaneous technology consulting services to other County departments.

Program	SPA	Description
Administration	O&FH	Administration provides the leadership and oversight for the operations of the Department, which includes providing strategic direction, financial management, personnel management, quality improvement, partnership development, public relations, and marketing.
Geographic Information Systems (GIS)	O&FH	GIS provides a technology based framework that allows Coconino County to streamline business processes, create efficient workflows, and increase access to and improve quality of information.
Network and Operations	O&FH	The mission of this division is to maintain and continuously improve the IT infrastructure to support and deliver IT systems and service to Coconino County citizens and internal customers in a cost-effective and efficient manner.
Programming Business Applications	O&FH	This Division supports the public, County departments and partner agencies through the daily operational support and automation of business processes by providing services such as project management, analysis, development, and/or procurement of third party technology solutions and maintenance of existing systems.

INTERNAL SERVICES

Information Technology

Goals and Objectives

The primary FY16 objectives for the department are:

- Creating the FY16–FY21 Draft Strategic Plan and presenting it to the Board of Supervisors.
- Performing quarterly customer service meetings with County departments.
- Establishing IT steering committee
- With Human Resources and Finance, supporting implementation of new Enterprise Resource Planning system
- Development of draft strategic plan for Electronic Document Management System
- Establishing project plan for County website redesign
- Implementation of Facilities Computerized Maintenance Management System (CMMS)
- Completion and implementation of County IS Security Assessment
- Completion of annual refresh of the County Disaster Recovery Backup and Business Resumption Plan
- Finalizing migration to Windows Server 2012
- Assessing and recommending options for creating a university or partnership GIS internship program
- Creation of Geographic Information Systems (GIS) business plan.

Longer-term goals for the Information Technology department include:

- Implementation of Facilities Computerized Maintenance Management System (CMMS).
- Increasing the security policy that governs the overall security to network assets.
- Creating a GIS Steering Group to plan, prioritize, and set direction for the County's GIS services.

Opportunities and Challenges

- Coconino County will continue implementation of IT Infrastructure Library (ITIL) practices to manage its operational processes. ITIL is a comprehensive set of best practice guidelines, that have evolved into a de facto standard for operational process management. It contains specialist documentation on the planning, provision, and support of IT services. ITIL provides the basis for improvement of the use and effect of an operationally deployed IT infrastructure.
- Coconino County citizens, businesses, and employees expect advancing technology to support their daily tasks and interactions with the County. In order to service its constituents to the fullest extent possible, the County and IT must examine how technology can best support the functions of government.
- There are a number of new, developing and existing technologies that will be vital to Coconino County as our technology usage grows. These tools include web technologies, social media, workflow automation, electronic document management, IT security, and GIS to name a few.
- The major challenge with speed at which technology changes and grows is the cost to implement new tools. Technology can be very expensive especially when it is constantly changing.

INTERNAL SERVICES

Information Technology

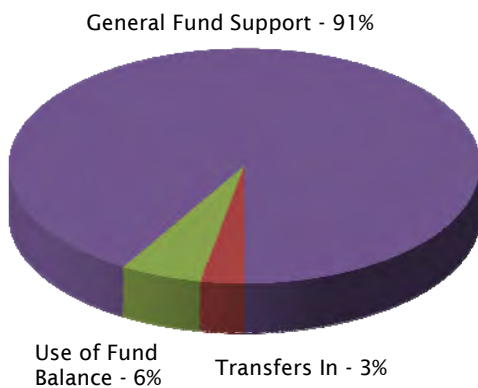
Financial Summary

The Information Technology Department's primary source of revenue is General Fund support. In addition, the department receives a small amount of revenue from map sales in the GIS division as well as earned interest on the available fund balance in the PC replacement fund. The Public Works Department also transfers funds to IT to cover the cost of one FTE that provides dedicated support to Public Works.

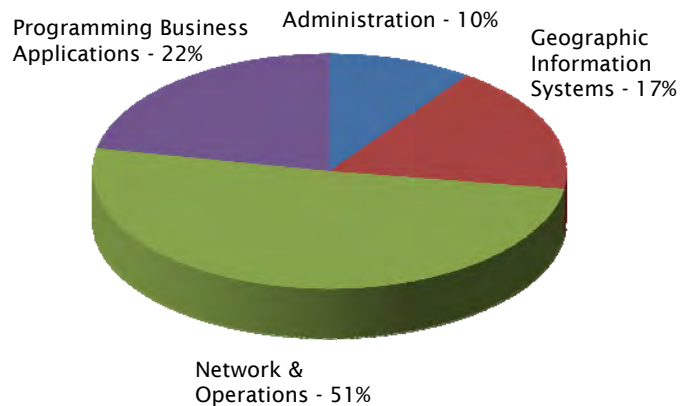
The IT Department is estimated to be 6% over its revised FY15 expenditure budget of \$2,995,736. This variance is due to roughly \$280,000 in capital infrastructure expenses that were not in the FY15 budget. The FY16 adopted expenditure budget of \$3,051,399 is 2% higher than in FY15. This variance is due to two one-time increases approved by the Board. \$40,000 was approved for a study on the future use of our existing OnBase EDMS software to three new departments. Another \$40,000 was approved to implement a security audit on the County's networks.

The following charts illustrate the Information Technology department's revenues by source type, expenditures by program, expenditures by category, and budget by strategic priority area.

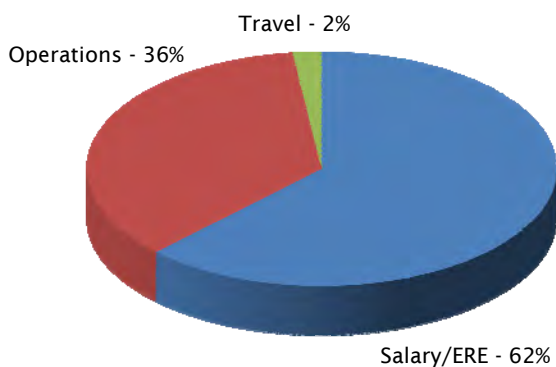
Revenue by Source Type



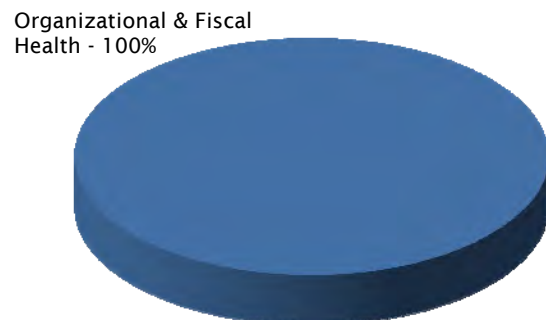
Expenditures by Program



Expenditures by Category



Expenditures by Strategic Priority Area



INTERNAL SERVICES

Information Technology

Department-Wide Financial Statement

<u>Revenues and Other Sources</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Charges for Services	\$ 500	\$ 13,097	\$ 500	\$ 3,050	\$ 500
Investment Income	4,001	22,195	8,000	10,219	5,000
Transfers from Other Funds	87,854	87,298	90,085	90,985	91,768
Use of (Increase In) Fund Balance	355,672	248,473	192,000	544,528	170,000
General Fund Support	2,761,153	2,466,333	2,705,151	2,536,648	2,784,131
Total Funding Sources	\$ 3,209,180	\$ 2,837,395	\$ 2,995,736	\$ 3,185,429	\$ 3,051,399
<u>Expenditures and Other Uses</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Salary/ERE	\$ 1,960,350	\$ 1,753,839	\$ 1,903,775	\$ 1,769,316	\$ 1,904,438
Operations	1,181,430	1,007,122	1,031,561	1,107,171	1,086,561
Travel	67,400	40,231	60,400	28,820	60,400
Capital	-	36,203	-	280,121	-
Total Uses of Funds	\$ 3,209,180	\$ 2,837,395	\$ 2,995,736	\$ 3,185,429	\$ 3,051,399
Net Indirect Support	-	-	-	-	-
Total	\$ 3,209,180	\$ 2,837,395	\$ 2,995,736	\$ 3,185,429	\$ 3,051,399
<u>General Fund Support</u>	<u>FY14 Budget</u>	<u>FY14 Actuals</u>	<u>FY15 Budget</u>	<u>FY15 Actuals</u>	<u>FY16 Budget</u>
Program Revenue	\$ 500	\$ 13,097	\$ 500	\$ 3,050	\$ 500
Transfers in from Other Funds	87,854	87,298	90,085	90,985	91,768
Program Expenditures	(2,626,180)	(2,374,008)	(2,572,409)	(2,407,356)	(2,653,072)
GF Transfers to Other Funds	(223,327)	(192,720)	(223,327)	(223,327)	(223,327)
Total Direct Support	\$(2,761,153)	\$(2,466,333)	\$(2,705,151)	\$(2,536,648)	\$(2,784,131)
Net Indirect Support	-	-	-	-	-
Total County Support	\$(2,761,153)	\$(2,466,333)	\$(2,705,151)	\$(2,536,648)	\$(2,784,131)

FY16 Financial Statement by Program

<u>Program Name</u>	<u>FY16 Program Revenue</u>	<u>FY16 General Fund Support</u>	<u>FY16 Use of Fund Balance</u>	<u>FY16 Program Budget</u>	<u>FY16 Net Indirect Support</u>
Administration	\$ -	\$ 300,710	\$ -	\$ 300,710	\$ -
Geographic Information Systems (GIS)	92,268	443,560	-	535,828	-
Network and Operations	5,000	1,371,656	170,000	1,546,656	-
Programming Business Applications	-	668,205	-	668,205	-
Total	\$ 97,268	\$ 2,784,131	\$ 170,000	\$ 3,051,399	\$ -

INTERNAL SERVICES

Information Technology

Performance Measures by Program

Administration	FY14	FY15	FY16
Number of IT projects	43	56	65
Educational hours received per IT employee	20	23	35

Geographic Information Systems (GIS)	FY14	FY15	FY16
Number of annual and average daily visitors to GIS Interactive Mapping web applications	600/200K	650/250K	700/250K
Parcels created	329	399	400

Network and Operations	FY14	FY15	FY16
Number of PCs managed	1,150	1,100	1,150
Approximate Help Desk calls per year	3,100	3,500	4,000
Supported data/voice nodes	800	881	881
Virtualized and physical servers	100	80	65
Malware detections	N/A	N/A	46,000

Programming Business Applications	FY14	FY15	FY16
Number of hits to County website	212,000	230,000	253,000

INTERNAL SERVICES

Information Technology

Department Staffing (Full Time Equivalents)

<u>Positions by Title</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>
Administrative Specialist I	-	0.25	0.25
Business Applications Specialist	1.00	1.00	1.00
Business Manager	1.00	1.00	1.00
Director-Information Technology	1.00	1.00	1.00
GIS Analyst I	3.00	3.00	3.00
GIS Analyst II	1.00	1.00	1.00
GIS Technician	1.00	1.00	1.00
IT Business Analyst	1.00	-	-
IT Manager-GIS	1.00	1.00	1.00
IT Manager-Network and Operations	1.00	1.00	1.00
IT Manager-Programming and Business Application:	1.00	1.00	1.00
IT Process Project Coordinator	-	2.00	2.00
IT Project Manager	1.00	-	-
Network Engineer	2.00	2.00	2.00
Network Engineer, Lead	1.00	1.00	1.00
Programmer Analyst I	1.00	1.00	1.00
Programmer Analyst II	1.00	1.00	1.00
Systems Administrator, Lead	1.00	1.00	1.00
Technical Specialist II	2.00	2.00	2.00
Technical Specialist III	2.00	2.00	2.00
Technical Support Supervisor	1.00	1.00	1.00
Total Positions	24.00	24.25	24.25

* The Administrative Specialist I position was a mid-year approval in FY15. This is an FTE share with Human Resources.

** Several positions were reclassified in FY15, but the total number of FTEs remain the same.

Special Taxing Districts



SPECIAL TAXING DISTRICTS

Special taxing districts are usually created to fill a need for services in an area that might otherwise be limited from receiving these services for various reasons including size, location, or financial limitations. Through the formation of a special taxing jurisdiction, funding can be created for programs by placing the responsibility on those directly benefiting from that service. Funds are collected through the assessment of a tax on all real property or on all sales within the boundaries of the special taxing district.

State statutes specify the formation process and reporting requirements for special taxing districts including submission of an annual budget to the County Board of Supervisors and the County Treasurer no later than July 20th of each year.

Arizona Statutes currently allow for the formation of 35 various types of special taxing districts, including municipal improvement districts, community facilities districts, fire districts, county improvement districts, rural road improvement districts, special road districts, power districts, electrical districts, hospital districts, flood control districts, county free library districts, county jail districts, regional public transportation authorities, and public health services districts.

Currently within Coconino County there are:

- 17 Fire Districts
- 5 Domestic Water Districts
- 1 Facilities District
- 2 Hospital Districts
- 2 Sanitation Districts
- 1 Flood Control District
- 1 Special Lighting District
- 1 Community College District
- 9 School Districts
- 4 Joint Technology Districts
- 1 Library District
- 1 Jail District
- 1 Public Health Services District
- 2 Active Road Improvement Districts

Please refer to the financial summaries that follow for detailed budget information for those districts under the control of the Coconino County Board of Supervisors acting as the Board of Directors for each district.

Note: The Jail District budget is presented within the Sheriff's Department budget under the Justice System service area. The Flood Control District budget is presented within the Community Development service area. The Public Health Services District budget is presented within the Health and Social Services service area.

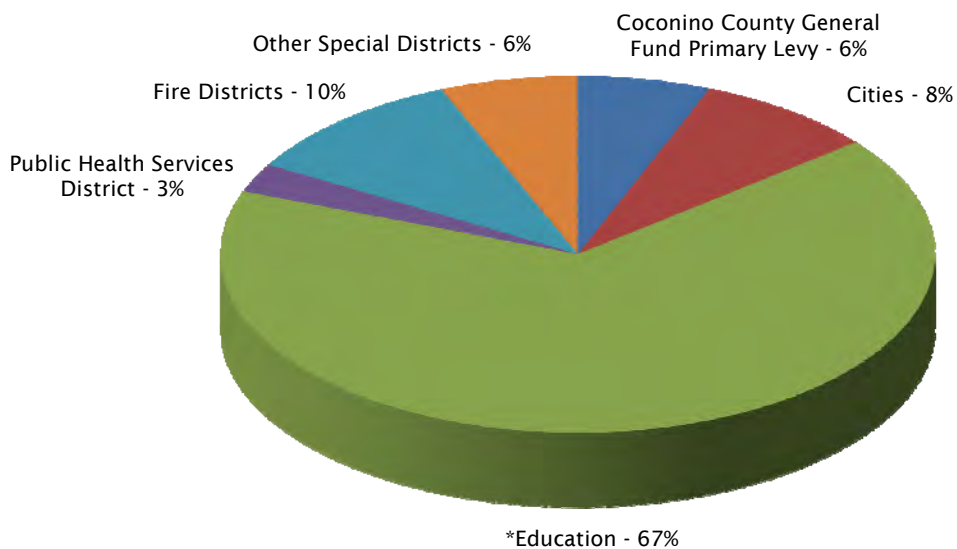
SPECIAL TAXING DISTRICTS

Coconino County Property Taxes

The Coconino County Board of Supervisors is required to set the tax rates for all County taxing jurisdictions. However, each rate is determined by the Board of Directors of the district through a public hearing process. County staff evaluate the tax rates and budgets submitted by each district to ensure compliance with any levy limits or other statutory requirements of the districts. Some special districts on the above list do not levy a property tax.

As the Ex-Officio Tax Collector, the Coconino County Treasurer mails all property tax notices and manages the property tax collection on behalf of each taxing jurisdiction. The Treasurer is also responsible for the distribution of those dollars to each taxing entity. The Coconino County General Fund will only receive \$0.06, or 6.0 cents, of every property tax dollar collected for fiscal year 2016. A breakdown of property tax levies by type is shown on the following page.

FY2016 (Tax Year 2015) Tax Levy by District Type



* The pie chart excludes the State homeowner's rebate for primary school taxes on class 3 properties.

SPECIAL TAXING DISTRICTS

Taxing Jurisdiction Contact Information

Taxing Authority	Contact Phone Number
Coconino County General Fund	928-679-7184
Library District	928-679-7184
Fire District Assistance	928-679-7184
State School Tax Equalization	602-542-4331
City of Flagstaff	928-774-5281
City of Williams	928-635-4451
Sedona Fire District	928-282-6800
Summit Fire District	928-526-9537
Highlands Fire District	928-525-1717
Pinewood Fire District	928-286-9885
Forest Lakes Fire District	928-535-4644
Greenhaven Fire District	928-353-4138
Mormon Lake Fire District	928-354-2231
Sherwood Forest Fire District	928-635-9837
The Woods Fire District	928-635-1345
Kaibab Estates West Fire District	928-637-2555
Blue Ridge Fire District	928-477-2751
Junipine Fire District	928-635-1010
Tusayan Fire District	928-638-3473
Ponderosa Fire District	928-773-8933
Westwood Estates Fire District	928-556-0662
Flagstaff Ranch Fire District	928-226-3300
Lockett Ranch Fire District	928-864-4726

Taxing Authority	Contact Phone Number
Flood Control District	928-679-7184
Public Health Services District	928-679-7184
Forest Lakes Domestic Water	928-535-5438
Williams Facilities District	928-635-4451
Williams Hospital District	928-635-4441
Page Hospital District	928-645-0112
Coconino Community College	928-226-4211
Flagstaff USD #1	928-527-6000
Williams USD #2	928-635-4473
Grand Canyon USD #4	928-638-2461
Chevelon Butte USD #5	928-535-4729
Fredonia USD #6	928-643-7333
Page USD #8	928-608-4101
Sedona-Oak Creek USD #9	928-204-6800
Maine Consolidated SD #10	928-635-2115
Tuba City USD #15	928-283-1000
Ash Fork USD #31	928-637-2561
Joint Vocational Tech Institute	928-645-2737
NATIVE Joint Technology District	928-524-4168
Valley Academy Education District	928-771-3233
Mountain Institute Joint Technology	928-771-0791
County Education District	928-679-8070

* For more information on individual district rates and levies, please contact each taxing jurisdiction directly.

SPECIAL TAXING DISTRICTS

Fire Districts

Fire districts provide services to the public that are deemed necessary for fire protection, preservation of life, and to assist the State Fire Marshal in the enforcement of fire protection standards, including enforcement of the uniform fire code. Each fire district may levy a secondary property tax not to exceed \$3.25 per one hundred dollars of assessed valuation against all property situated within the district.

Additionally, according to Arizona Revised Statute 48-807 the Board of Supervisors shall levy a County Fire District Assistance Tax (FDAT) on the taxable property in the County not to exceed \$0.10 per one hundred dollars of assessed valuation. The amount that each fire district receives is equal to 20% of the property tax levy adopted by each fire district with a maximum FDAT distribution not to exceed \$400,000.

Coconino County does not have financial management responsibility for the fire districts. Staff prepares the calculation of the FDAT tax levy and the Board of Supervisors acknowledges each fire district budget. The County does not manage a fire district or adopt a fire district's budget, nor does it have any authority to change a fire district's budget. The County Treasurer is responsible for mailing out the property tax bill and collecting the taxes for each fire district and for clearing each fire district's warrants per statute.

Below is a list of the 17 County fire districts and the amount of Fire District Assistance Tax each will receive in FY16.

<u>Fire District</u>	<u>FDAT Distribution</u>
Sedona	\$ 89,553
Summit	349,135
Highlands	349,135
Pinewood	306,547
Forest Lakes	89,588
Greenhaven	21,153
Mormon Lake	18,072
Sherwood Forest	17,709
The Woods	977
Kaibab Estates West	11,119
Blue Ridge	99,285
Junipine	7,399
Tusayan	56,765
Ponderosa	91,619
Westwood Estates	9,067
Flagstaff Ranch	34,444
Lockett Ranch	24,226
Total	\$ 1,575,793

SPECIAL TAXING DISTRICTS

Library District

The Library District is a political subdivision of the State of Arizona. The Board of Supervisors levies a library tax based on secondary property valuations. The tax is levied and collected upon all property in Coconino County, including incorporated cities and towns.

Coconino County has a management responsibility for the Library District. The County appoints a representative to the Library District Board. The Library District Board drafts and proposes an annual budget to the County Board of Supervisors acting as the Library District Board of Directors. Coconino County adopts the Library District's budget and authorizes the tax rate.

The Library District has many goals in communities across the County for FY16 including:

- Piloting an online summer reading program at the Flagstaff Public Library
- Organizing a weekly summer reading program at the Forest Lakes Community Library
- Working with the Park Service to replace carpet at the Grand Canyon Community Library
- Continued collaboration with Coconino Community College to offer GED courses at the Tuba City Public Library
- Staff training on new computers and software at the Fredonia Public Library
- Increased programming for the Latino community at the Sedona Public Library
- Review of circulated material at the Coconino County Jail to make room for new items
- Computer upgrades and replacements at the Page Public Library

The FY16 Library District tax rate will be maintained at \$0.2556 per \$100 of assessed valuation. Below is a list of the County libraries and the FY16 contributions they will receive:

<u>Library</u>	<u>FY16 Allocation</u>
Ashfork	\$ 8,668
Automation Replacement	136,240
Bookmobile	76,250
County-wide Automation Personnel	148,500
Flagstaff	2,164,534
Forest Lakes	80,753
Fredonia	66,487
Grand Canyon	90,977
Growth Fund	17,798
Havasupai	5,367
Jail Library	62,171
Law Library	92,472
Page	319,551
Sedona	373,043
Tuba City	201,252
Williams	92,251
Total	<u>\$ 3,936,314</u>

SPECIAL TAXING DISTRICTS

Road Improvement Districts

Arizona Revised Statute Title 48, Chapter 6 authorizes the creation of road improvement districts for the purpose of, among other actions, maintaining, landscaping, grading, re-grading, or otherwise improving the whole or any portion of one or more streets in the proposed district.

County road improvement districts can have one of three purposes: to bring a non-County road to County standards, to improve an existing County road to meet current road standards, or to provide maintenance and dust control to non-paved roads. A road improvement district which constructs a road to County standards will be accepted into the County's road system and it will be regularly maintained through the Public Works department. A road maintenance district will provide a mechanism for County residents to make improvements to their roadway, guarantee a minimum level of service, and establish full financial participation among neighbors as residents are required to pay an annual maintenance fee.

A road improvement or maintenance district is formed by petition. The petition must be signed by a majority of the persons owning real property or by owners of 51% or more of real property within the limits of the proposed district for an improvement district or 70% of property owners within the boundaries of a maintenance district. The petition is the formal request to the County to prepare a preliminary construction estimate for the improvements and for annual maintenance costs.

The Board of Supervisors act as the Board of Directors for County road improvement districts. The Board adopted a policy in 2000 that allows the County to absorb costs associated with engineering, bond counsel, and financial advisor fees for improvement districts where the costs of the projects do not exceed \$200,000. In those districts where total construction costs exceed \$200,000, a flat County contribution may be made to the district. For improvement districts where roads are improved to County standards, Coconino County may contribute a percentage of the total costs based upon the functional classification of the roadway(s) being improved, providing funds are available. Specifically, Coconino County may contribute 40% for major collector roads, 25% to minor collector roads, and 10% for local roadways or country lanes. The functional classification will be determined by the Coconino County Public Works Department.

In FY02 Coconino County created a revolving loan fund to finance non-building improvements for road districts. Under this program, the County may advance monies to an improvement district to finance the construction of a road with a total cost of \$300,000 or less. A repayment schedule is adopted and assessments are made on the property owners within the district twice per year.

FY16 debt service payments for active districts are shown below:

<u>Road Improvement District</u>	<u>FY16 Budget</u>
Hashknife Debt Service	\$ 47,379
North Stardust and Antelope Debt Service	55,771
Total FY16 Budget	\$ 103,150

SPECIAL TAXING DISTRICTS

Public Health Services District (PHSD)

On December 15, 2009 the Coconino County Board of Supervisors formed a Public Health Services District (PHSD) through unanimous vote of the Board. The Board authorized a maximum PHSD property tax rate of \$0.25 per \$100 of assessed value. In FY16 the tax rate for the PHSD will be maintained at \$0.25.

Background

County Board of Supervisors were given the authority to form Public Health Services Districts in 2000 after the State of Arizona transferred more of the public health costs to counties and eliminated the payments from cities that had helped pay those costs. The Boards were given the authority to form districts through a unanimous vote or through voter approval. A district can be funded by either a sales tax (capped at 0.10%) or a property tax (capped at \$0.25 per \$100 of assessed value).

Public Health Services District Programs

Upon forming the Public Health Services District, it was determined that all former Health Department programs should fall under the PHSD along with the Community Services-operated Homecare program.

After much discussion on declining revenues as a result of declining property values, it was determined that the Community Services Homecare program should no longer be funded out of the Public Health Services District beginning in FY15. As part of this discussion, the Health District also evaluated the other services that they provide in an attempt to find redundancies and efficiencies. Their review resulted in a structural change in the Dental Program, which created salary and operational savings for the District. They were also able to cut costs in the Administration, Reproductive Health, Vital Records, and Animal Management programs without creating a big impact on the services that are provided in these programs.

Below is a list of each PHSD program along with some of the activities that fall within that program. The budget detail for the Public Health Services District can be found on page 246 in the Health and Social Services section.

Administration

- Leadership and Financial Management
- Community Relations and Partnerships
- Emergency Preparedness
- Quality Improvement

Mandated Payments and Services

- AHCCCS
- ALTCS
- Title 36
- Sexual Assault Exams

Other Services

- Vital Records: Birth and Death Certificates
- Environmental Records Requests
- Investigate Barking Dog Complaints
- Medical Examiner Services

Primary Prevention Services

- Injury Prevention
- Oral Health Services
- Clinic Services
- Health Education

Secondary Prevention Services

- Animal Management
- Environmental Health Services
- Guardianship Investigations
- HIV Services

Tertiary Prevention Services

- Communicable Disease Treatment
- Juvenile Detention Healthcare
- Animal Management
- Environmental Health Services

SPECIAL TAXING DISTRICTS

Flood Control District

District Boundaries

The Flood Control District is a special secondary property taxing jurisdiction which includes the cities of Williams and Sedona, the town of Tusayan, and all other unincorporated areas of the County. It excludes the cities of Flagstaff, Page, and Fredonia.

Background

A secondary property tax is levied on properties within the district boundaries to fund flood control project needs according to a project prioritization schedule. Taxes collected within the City of Williams (6% of total Flood Control District taxes) are reverted back to the City for use on flood control projects within city boundaries as determined by the City as the flood plain managers. Taxes collected within the City of Sedona (19% of total Flood Control District taxes) are reverted back to the City for use on flood control projects within city boundaries with review by the County as the flood plain manager. Because the County acts as flood plain manager for the City of Sedona funds, Coconino County allocates proportional administration expenses against the Sedona distribution. Outside of the incorporated cities of Williams and Sedona, taxes collected are managed by the Flood Control District operating fund. These funds are often leveraged with HURF dollars to incorporate flood control improvements into road construction projects within the boundaries of the Flood Control District.

The maximum rate allowed by Statute is \$0.50 per \$100 of assessed value. The secondary tax rate for this district had remained flat at \$0.20 from FY06 to FY11. In FY12 the rate was increased to \$0.40 because the County was not meeting the funding needs to construct projects on the 10-year flood control project list. Additional funding was also needed to address the needs in the burn area of the 2010 Schultz Fire. The rate will remain at \$0.40 for FY16.

The budget detail for the Flood Control District can be found in the Community Development service area on page 264, and more detail on Flood Control District capital projects can be found in the Capital section on page 345.

SPECIAL TAXING DISTRICTS

Other Districts

There are a number of other special districts for which the County is required to set tax rates as determined by the taxing jurisdictions. The County has no oversight into how these funds are spent or managed. The only action the Board takes for these districts is to adopt the tax rates.

Updated tax rates are published in the adopted budget each year following rate setting and adoption by the Coconino County Board of Supervisors. Please refer to pages 332 through 334 for the FY16 Tax Rate Schedule.

Kachina Village Improvement District

The Kachina Village Improvement District (KVID) was formed to create an operating water and wastewater system for the Kachina Village subdivision which is managed and operated by County staff. KVID is managed as a division of the Public Works Department and is funded by charges for services (customer fees). Budget detail for KVID can be found in the Community Development service area on page 269.

Jail District

The Jail District operates out of the Sheriff's Department. This district was formed for the express purpose of raising the necessary funds, through a County sales tax, to pay for the construction and operation of a new jail and Sheriff's administration facility in Flagstaff and a short-term holding facility in the City of Page. Capital funds were raised through the issuance of Pledged Revenue Obligations in January of 1998 and August of 2000. Budget detail for the Jail District can be found in the Justice System service area on page 212.

Tusayan Special Lighting District

The Tusayan Special Lighting District was established to pay for street lights on Highway 64 in Tusayan, near the Grand Canyon National Park. It is supported by a secondary property tax assessed on each of the frontage properties along the highway based on a formula set by the district. The budget pays for the electric bill which is about \$1,000 per month, as well as some capital improvements for the incorporated City of Tusayan.

SPECIAL TAXING DISTRICTS

FY16 (Tax Year 2015) Tax Rates

	<u>DRECT</u> <u>TAX LEVY</u>	<u>ASSESSED</u> <u>VALUE LIMITED/</u> <u>UNLIMITED</u>	****TAX RATE PER \$100 VALUATION****			<u>2014/2015</u> <u>TOTAL TAX</u> <u>RATE</u>
			<u>(LIMITED)</u> <u>PRIMARY</u>	<u>(UNLIMITED)</u> <u>SECONDARY</u>	<u>TOTAL</u> <u>TAX RATE</u>	
COCONINO COUNTY						
General Fund	8,817,093	1,537,418,218	0.5735		0.5735	0.5646
Library District Fund	3,936,313	1,540,028,458		0.2556	0.2556	0.2556
Fire District Assistance Fund	1,540,028	1,540,028,458		0.1000	0.1000	0.1000
TOTAL COUNTY			0.5735	0.3556	0.9291	0.9202
Education Equalization	7,783,304	1,540,028,458	0.5054	0.0000	0.5054	0.5089
TOTAL COUNTY AND STATE			1.0789	0.3556	1.4345	1.4291
CITY OF FLAGSTAFF						
Primary	5,627,083	683,396,020	0.8234		0.8234	0.8418
Secondary	5,728,437	684,728,330		0.8366	0.8366	0.8366
TOTAL CITY OF FLAGSTAFF			0.8234	0.8366	1.6600	1.6784
CITY OF WILLIAMS						
Primary	606,740	38,066,352	1.5939	0.0000	1.5939	1.6040
TOTAL CITY OF WILLIAMS			1.5939	0.0000	1.5939	1.6040
SPECIAL DISTRICTS						
<u>FIRE DISTRICTS</u>						
SEDONA FIRE F.D.	3,041,622	125,427,724		2.4250	2.4250	2.1330
SUMMIT F.D.	3,334,318	102,594,402		3.2500	3.2500	3.2500
HIGHLANDS F.D.	2,807,813	86,394,243		3.2500	3.2500	3.2500
PINEWOOD F.D.	1,756,035	54,066,771		3.2479	3.2479	3.2490
FOREST LAKES F.D.	513,201	15,790,793		3.2500	3.2500	3.2500
GREENHAVEN F.D.	121,171	8,981,939		1.3491	1.3491	1.3385
MORMON LAKE F.D.	103,524	5,626,311		1.8400	1.8400	1.7900
SHERWOOD FOREST F.D.	101,444	3,522,377		2.8800	2.8800	2.8800
THE WOODS F.D.	5,595	932,505		0.6000	0.6000	0.4000
KAIBAB ESTATES WEST F.D.	63,693	2,712,882		2.3478	2.3478	2.3478
BLUE RIDGE F.D.	568,746	26,954,806		2.1100	2.1100	1.9600
JUNIPINE F.D.	42,386	1,304,185		3.2500	3.2500	3.2500
TUSAYAN F.D.	325,177	10,109,336		3.2166	3.2166	3.2166
PONDEROSA F.D.	524,836	21,421,867		2.4500	2.4500	2.4500
WESTWOOD ESTATES F.D.	51,941	3,035,165		1.7113	1.7113	2.4000
FLAGSTAFF RANCH F.D.	197,309	6,665,837		2.9600	2.9600	2.1500
LOCKETT RANCH F.D.	138,780	8,842,257		1.5695	1.5695	1.6800

SPECIAL TAXING DISTRICTS

FY16 (Tax Year 2015) Tax Rates

	<u>DRECT</u> <u>TAX LEVY</u>	<u>ASSESSED</u> <u>VALUE LIMITED/</u> <u>UNLIMITED</u>	****TAX RATE PER \$100 VALUATION****			<u>2014/2015</u> <u>TOTAL TAX</u> <u>RATE</u>
			<u>(LIMITED)</u> <u>PRIMARY</u>	<u>(UNLIMITED)</u> <u>SECONDARY</u>	<u>TOTAL</u> <u>TAX RATE</u>	
OTHER SPECIAL DISTRICTS						
FLOOD CONTROL	2,444,973	611,243,368		0.4000	0.4000	0.4000
PUBLIC HEALTH SERVICE DISTRICT	3,850,071	1,540,028,458		0.2500	0.2500	0.2500
FOREST LAKES DOMESTIC WATER	254,710	15,445,681		1.6491	1.6491	1.6659
WILLIAMS FACILITIES DISTRICT	7,500	1,592,539		0.4709	0.4709	0.4741
WILLIAMS HOSPITAL DISTRICT	993,833	102,488,682		0.9697	0.9697	0.9697
PAGE HOSPITAL DISTRICT	1,480,898	148,086,692		1.0000	1.0000	0.9847
COCONINO COMMUNITY COLLEGE						
Maintenance and Operations	7,478,002	1,537,418,218	0.4864		0.4864	0.4788
Bond Interest and Redemption	1,911,175	1,540,028,458		0.1241	0.1241	0.1268
TOTAL COCONINO COMMUNITY COLLEGE			0.4864	0.1241	0.6105	0.6056
SCHOOL DISTRICTS						
FLAGSTAFF U.S.D. #1						
Maintenance and Operations	42,961,343	1,052,355,072	4.0824		4.0824	3.7886
Unrestricted Capital	1,825,836	1,052,355,072	0.1735		0.1735	0.0357
Adjacent Ways	227,309	1,052,355,072	0.0216		0.0216	0.0259
15% M&O Override	7,645,360	1,052,355,072		0.7265	0.7265	0.7138
Class B Bond Interest & Redemption	4,751,383	1,052,355,072		0.4515	0.4515	0.6227
TOTAL FLAGSTAFF U.S.D. #1			4.2775	1.1780	5.4555	5.1867
WILLIAMS U.S.D. #2						
Maintenance and Operations	3,369,189	97,660,477	3.4499		3.4499	3.6928
Unrestricted Capital	542,504	97,660,477	0.5555		0.5555	0.4216
10% M&O Override	389,568	97,660,477		0.3989	0.3989	0.3758
TOTAL WILLIAMS U.S.D. #2			4.0054	0.3989	4.4043	4.4902
GRAND CANYON U.S.D. #4						
Maintenance and Operations	1,155,088	13,525,625	8.5400		8.5400	11.8834
Unrestricted Capital	481,431	13,525,625	3.5594		3.5594	0.2160
9.3% M&O Override	164,891	13,525,625		1.2191	1.2191	0.9833
TOTAL GRAND CANYON U.S.D. #4			12.0994	1.2191	13.3185	13.0827
CHEVELON BUTTE U.S.D. #5						
Maintenance and Operations	494,798	47,209,092	1.0481		1.0481	0.8217
Unrestricted Capital	70,058	47,209,092	0.1484		0.1484	0.1992
Minimum State School Tax	557,870	47,209,092	1.1817		1.1817	1.3161
TOTAL CHEVELON BUTTE U.S.D. #5			2.3782	0.0000	2.3782	2.3370

SPECIAL TAXING DISTRICTS

FY16 (Tax Year 2015) Tax Rates

	<u>DRECT</u> <u>TAX LEVY</u>	<u>ASSESSED</u> <u>VALUE LIMITED/</u> <u>UNLIMITED</u>	****TAX RATE PER \$100 VALUATION****			<u>2014/2015</u> <u>TOTAL TAX</u> <u>RATE</u>
			<u>(LIMITED)</u> <u>PRIMARY</u>	<u>(UNLIMITED)</u> <u>SECONDARY</u>	<u>TOTAL</u> <u>TAX RATE</u>	
FREDONIA U.S.D. #6						
Maintenance and Operations	1,130,978	20,966,558	5.3942		5.3942	5.2677
Unrestricted Capital	16,962	20,966,558	0.0809		0.0809	0.1556
TOTAL FREDONIA U.S.D. #6			5.4751	0.0000	5.4751	5.4233
PAGE U.S.D. #8						
Maintenance and Operations	5,605,752	136,789,043	4.0981		4.0981	4.3947
Adjacent Ways	38,575	136,789,043	0.0282		0.0282	0.0292
5% K-3 Override	132,959	136,789,043		0.0972	0.0972	0.1773
TOTAL PAGE U.S.D. #8			4.1263	0.0972	4.2235	4.6012
SEDONA-OAKCREEK U.S.D. #9						
Maintenance and Operations	1,515,177	125,563,674	1.2067		1.2067	1.3847
Unrestricted Capital	41059.3214	125,563,674	0.0327		0.0327	0.0000
Minimum State School Tax	1,112,745	125,563,674	0.8862		0.8862	0.8413
15% M&O Override	235,055	125,563,674		0.1872	0.1872	0.1888
Class B Bond for Sedona-Oakcreek	1,511,284	125,563,674		1.2036	1.2036	1.2547
TOTAL SEDONA-OAKCREEK U.S.D. #9			2.1256	1.3908	3.5164	3.6695
MAINE CONSOLIDATED S.D. #10						
Maintenance and Operations	1,702,047	28,141,850	6.0481		6.0481	5.3429
Unrestricted Capital	12,579	28,141,850	0.0447		0.0447	0.2342
TOTAL MAINE CONSOLIDATED S.D. #10			6.0928	0.0000	6.0928	5.5771
TUBA CITY U.S.D. #15						
Adjacent Ways	870,691	12,797,883	6.8034		6.8034	0.0000
Class B Bond	523,574	12,797,883		4.0911	4.0911	0.0000
TOTAL TUBA CITY U.S.D. #15			6.8034	4.0911	10.8945	0.0000
ASH FORK U.S.D. #31						
Maintenance and Operations	340,649	4,828,205	7.0554		7.0554	7.2032
Unrestricted Capital	15,899	4,828,205	0.3293		0.3293	0.1815
TOTAL ASH FORK U.S.D. #31			7.3847	0.0000	7.3847	7.3847
CAVIAT JOINT VOCATIONAL TECH INSTITUTE	660,648	1,321,296,775		0.0500	0.0500	0.0500
NATIVE JOINT TECHNOLOGY DISTRICT	6,399	12,797,883		0.0500	0.0500	0.0500
VALLEY ACADEMY EDUCATION DISTRICT	62,782	125,563,674		0.0500	0.0500	0.0500
MOUNTAIN INSTITUTE JOINT TECHNOLOGY	2,414	4,828,205		0.0500	0.0500	0.0500
COUNTY EDUCATION DISTRICT	4,006	190,979	2.0977		2.0977	2.1123

Capital



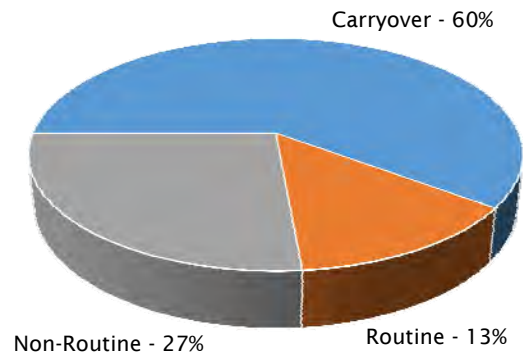
CAPITAL

Definition of Capital and Breakdown of the Capital Budget

Capital Expenditures are expenditures used to acquire long-term assets or improve the useful life of existing County assets and result in depreciation reductions over the life of the acquired asset. Coconino County's capitalization thresholds (the dollar values above which asset acquisitions are added to the capital assets accounts), depreciation methods, and estimated useful lives of capital assets are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	All	N/A	N/A
Construction in Progress	\$5,000	N/A	N/A
Buildings	5,000	Straight-Line	25 - 40 Years
Machinery and Equipment	5,000	Straight-Line	3 - 25 Years
Infrastructure	5,000	Straight-Line	15 - 50 Years

The FY16 Adopted Budget includes a total capital budget of \$25,616,497. Of this budget, \$4,902,113 is budgeted for recurring, routine capital expenditures. The remaining \$20,714,384 is budgeted for non-recurring capital improvement projects. Of this amount, \$13,948,203 is being carried over for projects that began in a prior fiscal year but aren't scheduled for completion until FY16. The table below breaks down routine and non-routine capital by expenditure category.



Routine Capital

Facilities Maintenance	\$ 265,000
Office Equipment	116,227
Highway Equipment	2,617,612
Shop Equipment	32,370
Road Construction	275,000
Vehicle Replacement	608,704
Sheriff Security Equipment	87,200
Flood Control Construction	900,000

Total Routine Capital \$ 4,902,113

Non-Routine Capital

Building Improvements	\$ 755,480
Public Works Equipment	30,000
Road Construction	6,000,000
Jail Renovations/Expansion	3,632,181
Parks and Open Space	7,626,859
Water/Wastewater	2,669,864

Total Non-Routine Capital \$ 20,714,384

CAPITAL

Summary of Capital Project Revenues and Expenses

<u>Revenues and Other Sources</u>	<u>FY15 Budget</u>	<u>FY15 Estimates</u>	<u>FY16 Budget</u>
Federal and State Grants	\$ 9,736,949	\$ 8,498,294	\$ -
Taxes	14,988,645	5,109,265	15,771,823
Charges for Services	298,516	107,353	445,479
Transfers from Other Funds	268,174	775,339	194,417
Use of Fund Balance	6,690,262	3,770,309	9,132,334
General Fund Support	940,085	904,140	72,444
Total Funding Sources	\$ 32,922,631	\$ 19,164,700	\$ 25,616,497

<u>Expenditures and Other Uses</u>	<u>FY15 Budget</u>	<u>FY15 Estimates</u>	<u>FY16 Budget</u>
Capital	\$ 32,922,631	\$ 19,164,700	\$ 25,616,497
Total Uses of Funds	\$ 32,922,631	\$ 19,164,700	\$ 25,616,497

FY2016 Non-Routine Capital by Project

Project: Health and Community Services (King Street) Common Area Painting
Department: Facilities Management
Funding Source: Facilities Capital Repair and Replacement Fund Balance
Project Cost: \$10,000
Project Description: This project consists of regular preventative maintenance to re-paint public areas of the facility to keep the appearance of the building in an acceptable, presentable manner.
Effect on Operating Budget: None

Project: Courthouse Flat Roof Replacement
Department: Facilities Management
Funding Source: Facilities Capital Repair and Replacement Fund Balance
Project Cost: \$224,000
Project Description: The existing single-ply membrane roof is failing and has exceeded its warranted useful life by several years. This work will keep the building envelope leak-free and benefit human safety as well as structural safety of the facility.
Effect on Operating Budget: Roof replacement should better seal the building envelope and result in slightly reduced heating and cooling costs.

CAPITAL

Project: Administration Building Roof Replacement
Department: Facilities Management
Funding Source: Facilities Capital Repair and Replacement Fund Balance
Project Cost: \$90,000
Project Description: This project replaces the existing single-ply roof membrane which has exceeded its warranty and useful life by more than a year. The roof has active roof leaks. Replacement will continue to provide a safe working environment for the users and public occupying the facility as well as protect the building envelope integrity and structural integrity.

Effect on Operating Budget: Roof replacement should better seal the building envelope and result in slightly reduced heating and cooling costs. In addition, the replacement roof should lessen man-hours spent dealing with the existing water leaks into the structure.

Project: Old Jail Point of Use Termination
Department: Facilities Management
Funding Source: Facilities Capital Repair and Replacement Fund Balance
Project Cost: \$35,000
Project Description: Termination of all abandoned, unused utilities with exception of the court holding and sally port area of the jail.

Effect on Operating Budget: This is a cost savings initiative since the remaining facility is not occupied. A small savings on lightly used electricity, gas and water services should be expected.

Project: Community Development Building Grading and Drainage
Department: Facilities Management
Funding Source: Facilities Capital Repair and Replacement Fund Balance
Project Cost: \$80,000
Project Description: Necessary earthwork required at Community Development to alleviate some negative draining issues into the facility. This is the final phase in reducing moisture with intent of hindering the growth of mold.

Effect on Operating Budget: None

Project: Jail Server Room Air Conditioner Replacement
Department: Sheriff
Funding Source: Jail District Repair and Replacement Fund Balance
Project Cost: \$15,000
Project Description: The server room air conditioner ensures that IT equipment is kept at an optimal temperature. This existing unit has reached the end of its useful life.

Effect on Operating Budget: The Sheriff's Office should see a slight reduction in electrical costs due to the installation of a higher-efficiency unit.

CAPITAL

Project: Jail HVAC Condensing Unit Replacement
Department: Sheriff
Funding Source: Jail District Repair and Replacement Fund Balance
Project Cost: \$40,000
Project Description: Four of the existing condensing units have reached the end of their useful life and need to be replaced. Replacement units will ensure that the HVAC system operates without failures.

Effect on Operating Budget: Replacement condensing units operate more efficiently than those of 15 years ago. The Sheriff's Office should see a reduction in its electricity costs going forward.

Project: LEAF HVAC Condensing Unit Replacement
Department: Sheriff
Funding Source: General Fund/Jail District Repair and Replacement Fund Balance
Project Cost: \$32,181
Project Description: As the LEAF facility is now 15 years old, the HVAC condensing units have reached the end of their useful life. Replacement units will ensure that the HVAC system operates without failures.

Effect on Operating Budget: Replacement condensing units operate more efficiently than those of 15 years ago. The Sheriff's Office should see a reduction in its electricity costs going forward.

Project: Jail Facility Boiler Heating Coil Replacement
Department: Sheriff
Funding Source: Jail District Repair and Replacement Fund Balance
Project Cost: \$40,000
Project Description: Two existing boilers are showing signs of leakage from the heating coils, which can cause catastrophic failure to the boiler.

Effect on Operating Budget: Replacement will have little effect on operating, other than reduced chance of higher replacement costs in the event of catastrophic failure.

Project: Jail Facility Kitchen Evaporative Cooler Replacement
Department: Sheriff
Funding Source: Jail District Repair and Replacement Fund Balance
Project Cost: \$50,000
Project Description: The existing evaporative cooler is 15 years old and has reached the end of its useful life.

Effect on Operating Budget: Replacement equipment should be more efficient than the original cooler, resulting in lower energy costs. Replacement will also result in lower repair costs and less chance of failure resulting in costly temporary cooling.

CAPITAL

Project: Jail Facility Domestic Water Boiler Replacement
Department: Sheriff
Funding Source: Jail District Repair and Replacement Fund Balance
Project Cost: \$50,000
Project Description: This project would add an additional boiler specifically for kitchen and laundry use, as was specified in the original design of the jail facility. Currently a single boiler is being used for all domestic hot water in the facility.

Effect on Operating Budget Because this is an additional piece of equipment, gas utility costs will likely increase. But the addition of this boiler will extend the life of the existing boiler by an estimated five years. It will also give the system some redundancy in the case of equipment failure.

Project: Page Detention Facility Washer/Dryer Replacement
Department: Sheriff
Funding Source: Jail District Repair and Replacement Fund Balance
Project Cost: \$10,000
Project Description: This project will replace the facility's existing non-industrial washer/dryer with a heavy-use, industrial type.

Effect on Operating Budget: Replacing the washer/dryer with equipment better suited to heavy use should decrease electrical usage and reduce the need for frequent repair and replacement.

Project: Jail Facility Kitchen Steam Kettle Replacement
Department: Sheriff
Funding Source: Jail District Repair and Replacement Fund Balance
Project Cost: \$60,000
Project Description: This project replaces the original equipment from the facility construction in 2000. The existing steam kettles are losing the capability to heat water.

Effect on Operating Budget: The existing equipment has become very inefficient, so a small decrease to natural gas costs should result from the replacement.

Project: Fuel Island Gasoline and Diesel Fuel Dispenser Replacement
Department: Public Works
Funding Source: Highway User Revenue Fund Balance/Mechanical Services Fund Balance
Project Cost: \$30,000
Project Description: Replacement of three fuel dispensing units that are 20 years old and have been requiring constant repairs.

Effect on Operating Budget: New fuel dispensing units will have less down-time and maintenance costs.

CAPITAL

Project: Townsend-Winona Road Mill/Overlay
Department: Public Works
Funding Source: Highway User Revenue Fund Balance/Road Maintenance Sales Tax
Project Cost: \$6,000,000
Project Description: This design and construction project is expected to consist of mill and fill or overlay of the existing asphalt sections, possible shoulder buildup, guardrail adjustment, and bridge deck rehabilitation work.

Effect on Operating Budget: None

Capital Planning

The County has worked to establish recurring funds for routine capital projects such as PC replacement, server replacement, and facilities repair and replacement. The establishment of these funds has helped delay major improvements to facilities and IT and has reduced what could have been potential major capital projects in those areas by keeping up on maintenance of our major capital facilities and infrastructure.

All capital projects are planned out to make sure adequate funding is available to support capital projects and to maintain the on-going operating and maintenance costs associated with them. All major funds as well as departments with the need have ten-year plans to assist in planning and appropriating funds for capital projects.

County Parks and Open Space Capital Projects (Major Fund)

Non-routine capital projects for County Parks and Open Space (CPOS) in the Parks and Recreation Department are planned out under a ten-year planning scenario, similar to what is used for the General Fund. The final CPOS sales tax revenues were received in FY15, leaving a specific fund balance available for County Open Space projects. These projects are specified in the FY16 CPOS budget, with any unused project funds carried over into future years.

<u>Project</u>	<u>FY16 Budget</u>
Fort Tuthill County Park Expansion	\$ 2,321,388
Fort Tuthill County Park Fairgrounds Improvements	4,100,000
Fort Tuthill Water/Wastewater Infrastructure	2,669,864
Kachina Area Forest and Wetlands Acquisition	600,000
Doney Park Urban Trail	605,471
Total	\$ 10,296,723

CAPITAL

Facilities Capital Projects

Non-routine facilities capital projects are being planned out through the Facilities Master Plan process that is still on-going. Upon completion of this master plan, the County will be able to identify capital projects that will result in the best long-term facility uses and potential capital upgrades that may result in energy efficiency savings. In the meantime, the Facilities staff has created a plan for projects through FY23.

Project	FY16	FY17	FY18	FY19
Re-Roof Courthouse Flat Roofs	\$224,000	\$ -	\$ -	\$ -
Point of Use Termination Old Jail	35,000	-	-	-
Fort Valley 1 Grading and Drainage	80,000	-	-	-
Administration Roof Replacement	90,000	-	-	-
Common Area Painting King Street	10,000	-	-	-
Administration Building Carpet Replacement	-	80,000	-	-
King Street Chiller/Condensor, Retro-Commission	-	281,000	-	-
110 Building Domestic Water Pump Replacement	-	48,000	-	-
110 Building Exhaust Fan Replacement	-	38,000	-	-
110 Building Common Area Painting	-	21,000	-	-
Courthouse Carpet Replacement	-	-	175,000	-
Juvenile Fire Alarm System Replacement	-	-	35,000	-
110 Building Chiller Replacement	-	-	140,000	-
110 Building Roof Replacement	-	-	110,000	-
Administration Building Common Area Painting	-	-	20,000	-
Historic Flooring (Carpet) at Courthouse	-	-	-	250,000
New Rooftop Units at Courthouse	-	-	-	275,000
Common Area Painting Courthouse	-	-	-	25,000
Total:	\$439,000	\$468,000	\$480,000	\$550,000

Project	FY20	FY21	FY22	FY23
Reconstruct 110 Building Parking Lot	\$ 50,000	\$ -	\$ -	\$ -
Replace Gas Packs at Williams Justice Court	45,000	-	-	-
Replace Administration Building Boiler	135,000	-	-	-
Common Area Painting Juvenile	25,000	-	-	-
Connect Courthouse Generator to Building Power	100,000	-	-	-
Replace Administration Building Chiller	-	135,000	-	-
Common Area Painting Williams Justice Court	-	5,000	-	-
Reconstruct JCDF Parking Lot	-	-	100,000	-
Replace/Rebuild Administration Building Elevator	-	-	150,000	-
King Street Boiler Replacement	-	-	165,000	-
110 Building Boiler Replacement	-	-	-	125,000
Reconstruct King Street Parking Lot	-	-	-	240,000
Total:	\$355,000	\$140,000	\$415,000	\$365,000

CAPITAL

HURF/RMST Capital Projects (Major Fund)

A Road Maintenance Sales Tax of 0.3 cents per dollar was passed by County voters on the November 2014 ballot, giving the County an additional revenue source to complete road construction projects. The following is an eight-year schedule of projects that will utilize a combination of Road Maintenance Sales Tax revenue and Highway User Revenue Funds.

Project	FY16 Budget	FY17 Budget	FY18 Budget	FY19 Budget
Townsend-Winona Road mill/overlay	\$6,000,000	\$ -	\$ -	\$ -
Cosnino Road reconstruction	-	2,400,000	-	-
Kachina Trail mill/overlay	-	320,000	-	-
Kachina Trail reconstruction, widen shoulders	-	675,000	-	-
Lake Mary Road reconstruction/Willow Creek Bridge replacement	-	700,000	-	-
Bellefont Trail modification	-	-	3,000,000	-
Stardust Trail mill/overlay	-	-	2,000,000	-
Burris Lane storm drain/sidewalk/widen shoulder	-	-	-	2,000,000
Skeet Drive mill/overlay, widen shoulders	-	-	-	735,000
Neptune Drive mill/overlay, widen shoulders	-	-	-	475,000
	\$6,000,000	\$4,095,000	\$5,000,000	\$3,210,000

Project	FY20 Budget	FY21 Budget	FY22 Budget	FY23 Budget
Old Route 66 mill/overlay, widen shoulders	\$2,800,000	\$ -	\$ -	\$ -
Spring Valley Road (East end) mill/overlay, widen shoulders	1,750,000	-	-	-
Ancient Trail mill/overlay, widen shoulders	-	470,000	-	-
Mormon Lake Road mill/overlay, widen shoulders	-	1,777,000	-	-
Double A Ranch Road mill/overlay	-	-	2,000,000	-
Perkinsville Road mill/overlay	-	-	1,540,000	-
Slayton Ranch Road mill/overlay, widen shoulders	-	-	-	1,305,000
Townsend-Winona Road mill/overlay (phase 3)	-	-	-	-
Townsend-Winona Road roundabout	-	-	-	-
	\$4,550,000	\$2,247,000	\$3,540,000	\$1,305,000

CAPITAL

County-Wide Copier Replacement

The Purchasing Division of the Finance Department manages the replacement of County-wide copy machines at the end of their life cycle. As this can be a costly process, a schedule has been created for upcoming replacements by the General Fund. Below is the copier replacement schedule by department through FY2020.

<u>Department</u>	<u>FY16 Budget</u>	<u>FY17 Budget</u>	<u>FY18 Budget</u>	<u>FY19 Budget</u>	<u>FY20 Budget</u>
Board of Supervisors	\$ -	\$ -	\$ 8,664	\$ -	\$ -
Community Development	-	-	-	-	10,708
Recorder	-	-	2,448	8,446	-
Finance	-	-	-	9,697	-
Human Resources	-	-	-	-	7,478
Assessor	-	-	-	8,446	-
Treasurer	-	-	-	8,446	-
Constable	2,741	-	-	-	-
Adult Probation	-	-	-	8,446	7,478
Sheriff	-	-	3,225	3,453	5,535
Flagstaff Justice Court	-	-	2,791	-	-
Superior Court	5,535	-	5,583	-	25,829
Juvenile Probation	-	-	-	13,150	9,058
County Attorney	-	-	8,664	-	10,708
Parks and Recreation	-	-	7,510	-	-
Legal Defender	-	-	-	8,446	-
Page Justice Court	-	-	-	3,453	-
Williams Justice Court	-	-	-	3,453	-
Total	\$ 8,276	\$ -	\$ 38,885	\$ 75,436	\$ 76,794

CAPITAL

Flood Control Capital Projects (Major Fund)

Due to the Schultz Fire and following flood, many Flood Control District projects were put on hold to deal with the emergency at hand. With several years of flood control projects dedicated to the burn area completed, it is anticipated that County projects will begin again. Below is the current schedule of projects by neighborhood for the Flood Control District through FY2025.

Project	FY16 Budget	FY17 Budget	FY18 Budget	FY19 Budget	FY20 Budget
Initial Engineering Assessments	\$ 300,000	\$ -	\$ 225,000	\$ 150,000	\$ 225,000
Fort Valley	-	800,000	-	-	-
Pinewood	-	-	1,000,000	-	-
Kachina/Mountaineer	-	-	-	1,000,000	-
Mountain Dell	-	-	-	-	1,000,000
Total	\$300,000	\$800,000	\$1,225,000	\$1,150,000	\$1,225,000

Project	FY21 Budget	FY22 Budget	FY23 Budget	FY24 Budget	FY25 Budget
Kaibab Estates West	\$1,000,000	\$ -	\$ -	\$ -	\$ -
Tusayan	1,000,000	-	-	-	-
Mount Elden Area	-	1,000,000	-	-	-
Blue Ridge	-	1,000,000	-	-	-
Bellemont	-	-	1,000,000	-	-
Doney Park	-	-	1,000,000	-	-
Pine Del	-	-	-	1,000,000	-
Mountain View Ranchos	-	-	-	-	1,000,000
Mormon Lake Area	-	-	-	-	1,000,000
Total	\$2,000,000	\$2,000,000	\$2,000,000	\$1,000,000	\$2,000,000

Other Major Funds

Routine repair and replacement projects for the Jail District and the Public Health Services District are incorporated into the departments' ten year plans. At this time the only projects for these Districts are seen in the non-routine descriptions in the previous pages.

Glossary



COCONINO
COUNTY ARIZONA

GLOSSARY

Accrual Basis of Accounting - A method of accounting in which revenues are recorded when measurable and earned, and expenses are recognized when goods are received or a service is used.

Activity - An effort which contributes toward the achievement of a specific set of objectives or goals. Several activities may fall under one goal as there are sometimes several steps or tasks required to reach the desired end result.

Ad Valorem Taxes - Generally referred to as property taxes, ad valorem taxes are taxes levied on real and personal property according to the property's assessed valuation and the current tax rate.

Adopted Budget - A plan of financial operations approved by the Board of Supervisors and established by resolution which reflects approved tax rates, estimates of revenues, expenditures, transfers, departmental objectives and performance/workload indicators for a fiscal year.

Agency Funds - These funds account for assets held by an entity in a trustee capacity or as an agent for individuals, private organizations, other governmental organizations or other funds. This is a type of fiduciary fund.

AHCCCS - AHCCCS is an acronym for "Arizona Health Care Cost Containment System." Arizona counties make a contribution to the State-managed AHCCCS system based on a formula proscribed by State law. The AHCCCS program provides indigent health care.

ALTCS - ALTCS is an acronym for "Arizona Long-Term Care System", which provides indigent long-term care. Counties make a contribution to ALTCS based on a formula established by State law.

Annual Financial Audit - The independent review of the financial position and reporting procedures of a local government entity, for which Coconino County is reported to the State Auditor General and the Board of Supervisors.

Annualize - To calculate the full-year cost of any budget changes made mid-fiscal year for the purpose of adding that cost to a prepared annual budget.

Appropriation - An authorized amount approved by the Board of Supervisors for a specified unit or agency of the County government against which expenditures may be incurred and obligations made for specific purposes within a specified fiscal year.

Assessed Valuation - The valuation of real estate or certain personal property for purposes of taxation, which is a statutorily determined percentage of market value.

Assessment Ratio - The ratio at which the tax rate is applied to the tax base.

Asset - Resources owned or held by a government that have monetary value.

Attrition - A method of reducing personnel by not filling positions made vacant through resignation, reassignment, transfer, retirement, termination or means other than layoff.

Balanced Budget - A budget in which the sum of estimated net revenues and appropriated fund balances are equal to appropriated expenditures.

Base Budget - The base cost of continuing existing funding for provided services in the current budget year.

Benchmark - An indicator of results against which an organization compares itself.

Bond - A long-term promise to repay a specified amount (on the face of the bond) on or by a particular date; used primarily to finance capital projects.

General Obligation Bond - A bond backed by the credit and taxing power of the government.

Revenue Bond - A bond backed by revenues specific to a project or undertaking, such as a jail or new building construction.

Bond Refinancing - The payoff and re-issuance of bonds in order to obtain an improved interest rate and/or bond conditions.

Budget - A plan for financial activity for a specified period of time (in Coconino County, a fiscal year runs from July 1st to June 30th).

Budget Amendment - A change to the Adopted Budget for the purposes of re-allocating appropriations during a fiscal year.

Budgetary Basis - The basis of accounting used by a government agency to estimate financing sources and uses in its budget, which are generally GAAP, cash, or modified cash accrual bases.

Budget Calendar - The schedule of key dates that a government follows in the preparation and adoption of its budget.

GLOSSARY

Budgetary Control - The management of a government in accordance with its approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

Capital Assets - Assets of a determined value (\$5,000 or more for Coconino County), which generally have a useful life of several years; also called fixed assets.

Capital Budget - A spending plan for improvements to or acquisition of County-owned land, facilities, and/or infrastructure. The capital budget (1) balances revenues and expenditures, (2) specifies the sources of revenues, (3) lists each project of acquisition, and (4) must ordinarily be approved by the legislative body.

Capital Outlay - Expenditures for items of a set substantial value (\$5,000 or more in Coconino County) such as computer systems or vehicles.

Capital Project - A major construction, acquisition or renovation activity which adds value to a government's physical assets or significantly increases its useful life; also called a capital improvement.

Capital Projects Fund - A type of governmental fund established to account for expenditures related to capital projects.

Capitalized Interest - A portion of the proceeds of an issue that is set aside to pay interest in the securities for a specified period of time. Interest is commonly capitalized for the construction period of a revenue-producing project and sometimes for a period thereafter, so that debt service expense does not begin until the project is expected to be operational and producing revenues. Sometimes referred to as "funded interest."

Carryover Funds - Unexpended budgeted funds from the previous fiscal year, which may be carried into the next fiscal year to make payments to complete a project or continue a program.

Cash Basis - A basis of accounting in which transactions are recognized only when cash is increased or decreased.

Cause and Effect Map - A visual representation of all factors influencing a Strategic Priority Area.

Certificate of Participation (COP) - An instrument producing a pro rata share in a specific pledged revenue stream, usually lease payments by the issuer that are subject to annual appropriation. The certificate generally entitles the holder to receive a share, or participation, in the lease payments from a particular project. The lease payments are passed through the lessor to the certificate holders. The lessor typically assigns the lease and lease payments to a trustee, which then distributes the lease payments to the certificate holders.

Chart of Accounts - A chart that assigns a unique number to each type of transaction (e.g., salaries or property taxes) and to each budgetary unit in the organization. The chart of accounts provides a system for recording revenues and expenditures that fits the organizational structure and adheres to statutory and financial reporting requirements.

Commodities - Expendable items that are consumable or have a short life span, such as office supplies, gasoline, and small equipment.

Community Initiatives (CI) - A program under the Board of Supervisors in which each District Supervisor, upon approval from the entire Board and with legal review, may appropriate funding to community agencies and groups limited to secular non-profit organizations.

Community Investment Program (CIP) - Also known as a capital improvement plan, this is a detailed plan for the expenditure of funds towards capital projects, usually over five years.

Compensated Absences - Compensated absences are absences for which employees will be paid, such as vacation, sick leave, or other leave.

Constant or Real Dollars - The presentation of dollar amounts adjusted for inflation to reflect the real purchasing power of money as compared to a certain point in time in the past.

Consumer Price Index - A statistical description of price levels provided by the U.S. Department of Labor and used as a measure of the increase in the cost of living to reflect economic inflation.

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contractual Services - Services rendered to a government by private firms, individuals or other governmental agencies, e.g. rents, maintenance agreements and professional consulting services.

GLOSSARY

Cost-of-Living Adjustment (COLA) - An increase in salaries to offset the adverse effect of inflation on compensation.

County Assistance Fund - This is funding through the State General Fund, and Coconino County has been authorized for a one-time payment in FY14.

County Parks and Open Space (CPOS) Tax - This is a tax passed by the voters authorizing the County to collect up to \$30 million in revenue to be spent on parks and open space projects in the County.

County Permitting System - This is a multi-departmental permitting system purchased by the County in FY04. This software allows the County to efficiently track all licenses and permits, including building permits, animal licenses, and food services permits across multiple departments.

County Sales Tax - A general excise tax levied on all applicable categories of sales expressed as a percentage of the State Sales Tax. Coconino County's Sales Tax is 10% of the State Sales Tax, which, for most retail sales, constitutes a 1/2 cent per dollar of sales.

Debt Service Fund - A type of governmental fund established to account for the payment of general long-term debt, which includes principal and interest.

Dedicated Tax - A tax levied to support a specific government program or purpose.

Deficit - The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Department - The basic organizational unit of government which is functionally unique in its delivery of services.

Depreciation - The amount of expense charged against earnings by an organization to write off the cost of a capital asset over its useful life, giving consideration to wear and tear, obsolescence and salvage value. If the expense is assumed to be incurred in equal amounts in each business period over the life of the asset, the depreciation method used is straight line (SL). If the expense is assumed to be incurred in decreasing amounts in each business period over the life of the asset, the method used is said to be accelerated.

Designated Fund Balance - Current operating funds that have been limited for a specific purpose by specific action of the Board of Supervisors for fiscal reserve purposes or by an administrative unit authorized by the Board to designate funds.

Development-Related Fees - Fees and charges generated by building, development and growth in a community.

Emergency Reserve - This is a portion of General Fund revenues set aside for unbudgeted emergency expenditures and revenue smoothing purposes.

Employee Related Expenditures (ERE) - The ERE included in the Adopted Budget are the County's share of an employee's fringe benefits and taxes. ERE provided by Coconino County include FICA (Social Security), Medicare, employee and dependent health insurance, dental, vision, unemployment, life and AD&D insurance, retirement and workers compensation.

Encumbrance - A reservation of funds for an anticipated expenditure prior to actual payment of that specific item. Funds usually are reserved or encumbered with a purchase order prior to the actual cash payment being disbursed.

Enterprise Fund - A proprietary fund established to account for governmental facilities and services that are entirely or predominantly self-supporting by user charges.

Environmental Scans - These are service areas identified at the Strategic Advance to have similar goals and priorities where the possibility exists to provide services as a unit working together, not just as individual departments.

Excise Tax - County excise taxes apply to any transactions that are subject to the state's transaction privilege tax and are commonly used to support and enhance county services. See County Sales Tax.

Expendable Trust Funds - These funds account for assets held by an entity in a trustee capacity where the principle and income may be expended in the course of the funds' designated operations.

Expenditure - A decrease in net financial resources. Expenditures include payment in cash for current operating expenses, capital outlays and debt service.

GLOSSARY

Expenditure Limit - In 1980 the Arizona Constitution was amended to limit the expenditures for counties and other local governments. Adjustments are allowed for increases in inflation or deflation and population growth. Set expenditure limitations can only be adjusted by a vote of the constituents.

Expense - Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

Facilities Master Plan - This is a plan that is being developed to make the most efficient and effective use of available County space while meeting the existing and long-term projected space needs of every department.

Factor - Something that contributes to a Strategic Priority Area happening (or prevents it from happening); provides one cause-effect link to a result within a cause-and-effect map.

FDAT - FDAT, an acronym for "Fire District Assistance Tax", is a property tax not to exceed \$0.10 per one hundred dollar of assessed valuation. This tax helps support fire districts in addition to their secondary property tax levy. The amount each district receives is equal to 20% of their secondary property tax levy, up to \$400,000.

Fiduciary Fund - A fund held by a governmental unit in a fiduciary capacity for an external party.

Fiscal Policy - A government agency's adopted policy for managing revenues, spending and debt related to the government services and programs it provides and its capital investment; fiscal policy establishes agreed-upon principles and guidelines for the planning and programming of government budgets and their funding.

Fiscal Year (FY) - The 12-month period to which the annual operating budget applies. The Coconino County fiscal year begins July 1 and ends June 30. The County's fiscal year is expressed in terms of the ending date, for example, "FY 2014" refers to the fiscal year that begins July 1, 2013 and ends June 30, 2014.

Flood Control District - This is a special taxing district that addresses flood control problems and issues through capital projects in Williams, Sedona, and some unincorporated areas of the County.

Full Accrual Accounting - A basis of accounting in which revenue is recognized when earned and expenses are recognized when incurred.

Full-Time Equivalent (FTE) - A measure of the authorized hours for a position, or a group of positions, expressed in terms of the authorized hours for a full-time position (2,080 annual hours). For example, a van driver authorized and budgeted for 1,040 annual hours would be an FTE of .5; or three half-time positions would equal 1.5 FTE's.

Function - A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible (e.g., public safety).

Fund - A fiscal and accounting entity with a self-balancing set of accounts which is segregated for the purpose of carrying on specific activities or objectives in accordance with specific regulations, restrictions, or limitations. The County has several funds. Governmental accounting information is organized into funds, each with separate revenues, expenditures, and fund balances.

Fund Balance/Equity - The difference between a fund's assets and its liabilities. Portions of the fund balance may be reserved for various purposes, such as contingencies or encumbrances, carried forward into the next fiscal year, or reverted back to a granting agency if such is contractually stipulated.

GASB 34 - Refers to Statement 34 issued by the Government Accounting Standards Board (GASB) which establishes new requirements for the annual financial reports of State and local governments. The statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make their decisions (or who may do so in the future): legislators, their staff and members of oversight bodies; investors, creditors and others who provide resources to governments; and citizen groups and the public in general.

Generally Accepted Accounting Principles (GAAP) - These are the uniform minimum standards for financial accounting and reporting, reflecting the rules and procedures that define accepted accounting principles.

GLOSSARY

General Fund - The governmental fund used to account for all revenues and expenditures of the County that are not required to be accounted for in other funds. Revenues are primarily from property taxes, County sales tax, vehicle license taxes, license and permit fees, and State-shared sales tax. General Fund expenditures include costs for every service area and function, as well as transfers out to other funds. The General Fund is the largest fund in the County budget.

Goal - A goal is the purpose towards which an endeavor is directed. A goal supports a department's mission statement and is a County-wide priority. Goals should include expected performance levels (i.e. citizen satisfaction levels, turnaround times, efficiencies, etc.) and are results-oriented, specific, state outcomes in measurable terms, and are attainable within a specifically stated time frame.

Governmental Fund - A generic classification used by GASB to refer to all funds other than proprietary and fiduciary funds. The General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service funds are the types of funds referred to as governmental funds. Governmental funds are said to be expendable; that is, resources are received and expended, with no expectation that they will be returned through user or departmental charges. Revenues and expenditures (not expenses) of governmental funds are recognized on the modified accrual basis of accounting.

Grant - A contribution made by one governmental unit or other organization to another to support a specific function. Grants may be classified as either operational or capital, depending upon the grantee.

Grant Reversion - When a government entity in receipt of a grant returns any unexpended funds from the grant award to the granting agency.

Highway User Revenue Fund (HURF) - This revenue is derived from the gas tax, a portion of which is returned to counties by the State.

Home Rule - A limited grant of discretion from a State government to a local government, concerning either the organization of functions or the raising of revenue. Without home rule, local governments are restricted to whatever functions, organization, revenue policies, and borrowing restrictions are specified by the State government.

HTE - The County Financial Management System.

Improvement District - In accordance with Arizona Revised Statute Title 48, Chapter 6, a special district created for the purpose of, among other actions, maintaining, landscaping, grading, regarding or otherwise improving the whole or any portion of one or more streets in the proposed district.

Indicator of Progress - A measure, or a combination of measures, that allows the observer to know how well the Strategic Priority Area is being achieved.

Indirect Cost - A cost necessary for the functioning of an organization as a whole but which cannot be directly assigned to one service.

Infrastructure - The physical assets of a government (for example streets or bridges).

Interfund Transfer - The transfer of money from one fund to another in a governmental unit. Interfund transfers usually have to be approved by the governing body and are normally subject to restrictions in State and local law.

Intergovernmental Revenue - Revenues from other governments, such as the State and Federal government, in the form of grants, entitlements, shared revenues or payments in lieu of taxes.

Internal Service Funds - One or more funds that account for the goods and services provided by one department to another within government on a cost-reimbursement basis. This is a type of proprietary fund.

Investment Trust Funds - Those funds that account for investments made by the County on behalf of other governmental agencies. This is a type of fiduciary fund.

Jail District - This is a taxing district approved by the voters to enact a sales tax to fund the Coconino County Jail and its operations. It is a separate legal entity.

Kachina Village Improvement District (KVID) - A water/wastewater treatment plant established to service the citizens of the Kachina Village subdivision.

Land Development - Capital improvements to preserve land or to enhance its public use. This includes fencing, outdoor lighting, drainage/storm runoff, and planting vegetation, as well as forest thinning.

Lapse Budget - A term for budgeted appropriations that were not expended in a given fiscal year.

GLOSSARY

Leadership Team - A committee made up of appointed County officials.

Lease Purchase - This method of financing allows the County to construct or acquire property and pay for it over a period of time by installment payments rather than an outright purchase. The time payments include an interest charge, which is typically lower than standard rates because the recipient does not have to pay income tax on the interest.

Levy - To impose taxes for the support of governmentally provided services.

Levy Limit - In 1980 the Arizona Constitution was amended to limit the amounts which could be levied on property by counties and other local governments.

Limited Appointment - A position whose appointment is made for a specific project within a specific time frame. Limited appointments range from six to 36 months in duration.

Line Item Budget - A budget that reflects appropriation by specific expenditure categories. Coconino County does not publish a line item budget but uses it for internal management.

Long-Term Debt - This is all debt, including bonds, debentures, bank debt, mortgages, and capital lease obligations with a repayment period greater than one year.

Lottery Revenue - The State allocates a portion of the lottery proceeds to counties based on a formula.

Major Fund - A fund consisting of: 10% or more of the associated total revenues, expenditures/expenses, assets or liabilities of all governmental or all enterprise funds, and 5% or more of revenues, expenditures/expenses, assets or liabilities of all governmental funds and enterprise funds.

Mandate - A legal requirement that a jurisdiction produce a specific result, conduct a specific activity, or provide a specific service, sometimes at a specific level.

Marginal Cost - The additional cost of providing service to one more resident or consumer. Once capacity is reached, additional service capacity must be funded, and marginal cost increases substantially.

Measure - Measures are the indicators which provide means of measuring how well a department or program is doing in meeting a stated goal. Measures say whether the division is on target. They answer the question of "How well are we doing?" and quantify effectiveness and/or efficiency in terms of providing service.

Mission Statement - A written description stating the broad purpose of an organization and its function. Coconino County's mission statement appears at the beginning of this budget document.

Modified Accrual Basis of Accounting - A type of accounting in which revenue is recognized when it is measurable and available to finance the expenditures of the current period and expenditures are generally recorded when the related fund liability is incurred (with some exceptions).

Mountain Line - The Flagstaff general bus transportation system.

National Forest Fee Revenue - This is revenue generated by logging activities on National Forest Service land that goes to support Public Works projects and County School Districts. A portion of this revenue is allocated to Title III.

Net Budget - The legally Adopted Budget less all interfund transfers and interdepartmental charges.

Net Cost to the County - An amount of funds, other than State and Federal grants, program-specific fees, and fund balance required to fund a program at a desired level. For example, a program with a budget of \$100,000 less Federal grant revenue of \$25,000 and local fee revenue of an \$25,000 would result in a \$50,000 "net cost to the County."

Net Present Value (NPV) - A method used to calculate the economic value of capital projects. NPV uses a discount rate to take into account the discrepancy between the present costs of undertaking a project and its future stream of benefits. The greater the NPV of a project, the more economically attractive it will be.

Object of Expenditure - An expenditure classification, referring to the lowest and most detailed level, such as electricity, office supplies, office furniture, etc.

Objective - An activity to be achieved in well-defined and measurable terms within a specific time frame.

Obligations - Amounts which a government may be legally required to meet out of its resources, including both actual liabilities and encumbrances not yet paid.

GLOSSARY

One-Time Increment - An expenditure that, once added to the budget, will increase expenditures for one fiscal year and disappear from the next fiscal year's budget. An example of a one-time increment would include funding to purchase a specific piece of equipment.

Operating Budget - That portion of a budget which deals with recurring expenditures such as salaries, electric bills, postage, printing and duplicating, paper supplies, and gasoline. Taken together, the operating and the capital budgets should equal the total amount of spending for the fiscal period.

Operating Expenses - The cost for personnel, materials and equipment required for a department to function.

Operating Revenue - Funds that the government receives as income to pay for ongoing day-to-day operations; includes taxes, fees from specific services, interest earnings and grant revenues.

Outcome - The quantified result of an accomplished goal as determined by its measure.

Other Taxing District - Special taxing districts created to fill a need for services in an area that might otherwise be limited from receiving these services for various reasons.

Output Indicator - A unit of work accomplished without reference to the resources required for the work (for example, number of permits issued, number of arrests made, miles of road refurbished). Output indicators do not reflect the effectiveness or efficiency of the work performed.

Outside Agency/County Partner - County partnerships with local organizations to provide services to the community that Coconino County is unable to provide or that are better provided by an agency that specializes in the service provided.

Pay-as-you-go Basis - A term used to describe a financial policy whereby capital outlays are financed from current and available revenues rather than borrowing.

Payment in Lieu of Taxes (PILT) - This revenue is received from the Federal government by counties with public lands. Some counties have a large percentage of their area in public lands and find themselves responsible for providing services to thousands of visitors each year. This revenue partially offsets those expenses incurred from public land use and compensates for revenue lost due to the presence of public, non-taxable Federal property in a county. Annually, Coconino County receives at least ten cents per acre for the 4.7 million acres of Federal land in the County. The United States Congress determines the PILT appropriation, and the Bureau of Land Management (BLM) manages the program.

Performance Budget - A budget format that includes (1) performance goals and objectives and (2) demand, workload, efficiency, and effectiveness (outcome or impact) measures for each governmental program.

Performance Indicators - Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

Performance Measure - As defined by GFOA, a specific quantitative measure or qualitative assessment of results obtained through a program or activity. It summarizes the relationship between inputs and outputs in achieving outcomes with respect to effectiveness, cost (efficiency) and quality.

Performance Measurement - As defined by GFOA, a process for determining how a program is accomplishing its mission, goals, and objectives through the delivery of products, services, or processes.

Personal Property - For property tax purposes in Arizona, personal property is designated as all types of property except land, buildings or other real property improvements. Taxable personal property includes movable items used for agricultural, commercial, industrial or rental-residential purposes. Personal property is not attached permanently to real property and may be removed by its owner without damage to the real property. Mobile homes are also personal property unless the owners file an affidavit affixing the mobile home to their real property.

Pledged Revenues - These are moneys obligated for the payment of debt service and the making of other deposits required by the bond contract.

Gross pledge or gross revenue pledge - A pledge that all revenues received will be used for debt service prior to deductions for any costs or expenses.

Net pledge or net revenue pledge - A pledge that net revenues will be used for payment of debt service.

GLOSSARY

Primary Property Taxes and Values - Primary or "limited" values are used to calculate primary property taxes which are collected to fund the maintenance and operation of school districts, community college districts, counties, cities and State government. Primary values and taxes are both "limited" as to how much they can increase if no changes have been made to the property.

Program - A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.

Program Budget - A budget which allocates money to the functions or activities of a government rather than to specific items of cost to specific departments.

Program Funding Report (PFR) - Reports prepared by departments for each program they offer to show how their programs align with the County's Strategic Priority Areas. Every PFR is reviewed and evaluated by the County Manager and the Board of Supervisors to assist with funding recommendations as part of the budget process each year.

Program Performance Budget - A method of budgeting whereby the services provided to the residents are broken down into identifiable service programs or performance units. A unit can be a department, a division or a workgroup. Each program has an identifiable service or output and objectives to effectively provide the service. The effectiveness and efficiency of providing the service by the program is measured by performance indicators.

Program Revenue - Revenues earned by a program including fees for services, license and permit fees, and fines.

Property Tax System - Arizona's property tax system is unique in that it uses two types of property values for taxing purposes, primary and secondary (see definitions of each). Property taxes are applied to each \$100 of assessed valuation on real and personal property. The total FY2014 property tax rate for the Coconino County General Fund is .5466 per \$100.

Proposed Budget - A plan of financial operations submitted by the County Manager to the Board of Supervisors. This plan reflects estimated revenues, expenditures, transfers, departmental goals, objectives, and performance/workload indicators.

Proprietary Funds - Sometimes referred to as "income determination," "non-expendable," or "commercial-type" funds. They are used to account for a government's ongoing organizations and activities that are similar to those often found in the private sector (enterprise and internal service funds). Revenues and expenses (not expenditures) are accounted for on the full accrual basis.

Public Hearing - An open meeting regarding proposed operating or capital budget allocations that provides citizens with an opportunity to voice their views on the merits of the proposals.

Purpose - A broad statement of the goals in terms of meeting public service needs that a department is organized to meet.

Real Property - Real estate, including land and improvements (buildings, fencing, paving) classified for purposes of assessment.

Regressive Tax - A tax that is relatively more burdensome on lower-income households.

Reserves - Fund balances that cannot be used for recurring expenditures but are available for emergency or one-time expenditures.

Reserves For Unforeseen Contingencies - Funding for nonrecurring, unanticipated expenditures; the funds protect the local government from having to issue short-term debt to cover such needs.

Residual Equity Transfer - A one-time transfer of cash from an existing fund to a new fund would fall under the definition of a non-capitalized asset residual equity transfer.

Resolution - A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

Resources - The total amount available for appropriation including estimated revenues, fund transfers, and beginning fund balances.

Revenue - An increase in assets or financial resources.

Revenue Bond - A bond that is payable from a specific source of revenue and to which the full faith and credit of an issuer with taxing power is not pledged. Revenue bonds are payable from identified sources of revenue and do not permit the bondholders to compel taxation or legislative appropriation of funds not pledged for payment of debt service. Pledged revenues may be derived from operation of the financed project, grants and excise or other specified non-ad-valorem taxes.

GLOSSARY

Revenue Neutral Position - A position is considered to be revenue neutral when its expenditure impact, i.e., its total cost, is directly offset by the generation of incremental (or "new") revenue.

Roadrunner - The Sedona transit system.

Salary Savings - The reduced expenditures for salaries that result when a position remains unfilled for part of a year or when a more senior employee is replaced by a newer employee at a lower salary.

Secondary Property Taxes and Values - Secondary or "full cash" values are synonymous to market values. They are used to calculate secondary property taxes to support voter-approved budget overrides, bond issues and other debt service, such as special districts. Coconino County collects secondary taxes for the Library District Fund, Fire District Assistance Fund and Flood Control District.

Service Area - These are made up of departments with similar goals and priorities with a common purpose and common issues to address.

Service Level - Services or products which comprise actual or expected output of a given program. Focus is on results, not measures or workload.

Source of Revenue - Revenues are classified according to their source or point of origin.

Special Assessment - A tax or levy customarily imposed against only those specific parcels of real estate that will benefit from a proposed public improvement like a street or sewer.

Special Districts - An independent government unit organized to perform a single governmental function or a restricted number of related functions. Special districts usually have the power to incur debt and levy taxes; certain types of special districts are entirely dependent upon enterprise earnings and cannot impose taxes. Examples of special districts are water districts, drainage districts, paving districts, flood control districts, hospital districts and fire protection districts.

Special Revenue Fund - A governmental fund used to account for revenues legally earmarked for a particular purpose. For example, if revenues from a hotel/motel occupancy tax are earmarked for tourism and convention development, a hotel/motel tax fund would account for the revenues and expenditures associated with such purposes.

SRP In-Lieu Contribution - The Salt River Project (SRP), a quasi-governmental agency in Arizona, pays a "contribution" to the County as prescribed by State statute based upon the current tax rates.

State Shared Sales Tax - Sales Tax collected by the State and distributed to cities and counties based on a formula set by State statute.

Strategic Advance - A meeting of the Board of Supervisors, Elected Officials, and Leadership Team to develop strategies for becoming a high performance organization.

Strategic Priority Area - An area of focus identified by the County Leadership that expresses the key outcomes that matter to citizens, in terms that citizens might use.

Strategies - Approaches chosen to achieve a Strategic Priority Area.

Supplemental Appropriation - An additional appropriation made by the government body after the budget year has started. In Coconino County, this is accomplished by process of budget amendment approved by the Board of Supervisors.

Target Budget - Desirable expenditure levels provided to departments in developing the coming year's recommended budget; based on the prior year's Adopted Budget, excluding one-time expenditures, projected revenues and reserve requirements.

Tax Levy - The resultant product when the tax rate per one hundred dollars of assessed value is multiplied by the tax base.

Taxes - Compulsory charges levied by a government for the purpose of financing services performed for the common benefits of the people. This term does not encompass special assessments.

Tentative Budget - A preliminary adoption of the budget that sets the expenditure "ceiling" that legally cannot be exceeded during a given fiscal year.

Tipping Fees - The cost for use of solid waste facilities charged to individual users. This may be levied on tonnage or cubic foot or cubic yard of solid waste. In Coconino County the tipping fees are levied by the cubic yard and do not cover the entire cost of solid waste handling.

Title III - A portion of National Forest Fee revenue allocated by the board.

Title V - Subsidized employment to those 55 and over to train in new skills and reenter the workforce.

GLOSSARY

Transfers In/Out - Amounts transferred from one fund to another to assist in financing the services of the recipient fund.

Unawarded Grants - Budgeted capacity for new or continued State and Federal funding that has not been awarded at the time of budget adoption.

Unencumbered Fund Balance - Amount of an appropriation neither expended nor encumbered; generally available for future purposes.

User Fees/Charges - Fees imposed for direct receipt of a public service on the party receiving the service.

VanGo - The Flagstaff ADA compliant para-transit system.

Variable Cost - A cost that increases or decreases relative to increases/decreases in the amount of service provided.

Vehicle License Tax - Also known as Auto-Lieu, a tax paid to the State by drivers when registering vehicles as part of the total registration cost, a portion of which is returned to the counties by the State.

Working Cash - Excess of readily available assets over current liabilities; cash-on-hand equivalents which may be used to satisfy cash flow needs.

Workload Indicator - A unit of work to be done (for example, number of permit applications received/processed, number of criminal investigations, etc.)

Zero-based Budgeting - Zero-based budgeting is a method by which decision makers conduct an annual evaluation of each program's purpose and priority, weighing it against all other spending possibilities; as a consequence of this evaluation, decision makers may decide not to renew funding for an existing program, or opt to fund an enhanced spending package, provide for another decision unit, or to provide base level funding for an entirely new initiative.

ACRONYM LIST

<u>ACRONYM</u>	<u>DEFINITION</u>
4FRI	Four Forest Restoration Initiative
ACJC	Arizona Criminal Justice Commission
ADA	Americans with Disabilities Act
ADEQ	Arizona Department of Environmental Quality
ADHS	Arizona Department of Health Services
ADOH	Arizona Department of Housing
ADOT	Arizona Department of Transportation
ADR	Alternate Dispute Resolution
AHCCCS	Arizona Health Care Cost Containment System
AIMS	Arizona's Instrument to Measure Standards
ALTCS	Arizona Long Term Care System
AOC	Administrative Office of the Courts
APS	Arizona Public Service
ARRA	American Recovery and Reinvestment Act
ARS	Arizona Revised Statutes
ASRS	Arizona State Retirement System
ASU	Alcohol Stabilization Unit
BFO	Budgeting for Outcomes
BIA	Bureau of Indian Affairs
BLM	Bureau of Land Management
BOS	Board of Supervisors
CAFR	Comprehensive Annual Financial Report
CAMA	Computer Assisted Mass Appraisal
CASA	Citizens Against Substance Abuse
CBBC	Collaborating to Build Better Communities
CCAO	Coconino County Attorney's Office
CCC&Y	Coconino Coalition for Children and Youth
CCCSD	Coconino County Community Services Department
CDBG	Community Development Block Grant
CECE	Citizen Empowerment and Community Engagement
CERT	Community Emergency Response Team
CES	Cooperative Extension Services
CEV	Community Economic Vitality
CI	Community Initiative
CID	County Improvement District
CIP	Capital Improvement Plan
CJ	Criminal Justice
CJCC	Criminal Justice Coordinating Council
CJI	Criminal Justice Integration
CNR	Cultural and Natural Resources
COLA	Cost of Living Adjustment
COP	Certificate of Participation
CORP	Corrections Officer Retirement Plan
CPOS	Coconino Parks and Open Space
CPWAC	Coconino Plateau Water Advisory Council
CREC	Coconino Rural Environmental Corps
CV	Community Vitality
DES	Department of Economic Security
DOR	Department of Revenue
DPS	Department of Public Safety
EAP	Employee Assistance Program

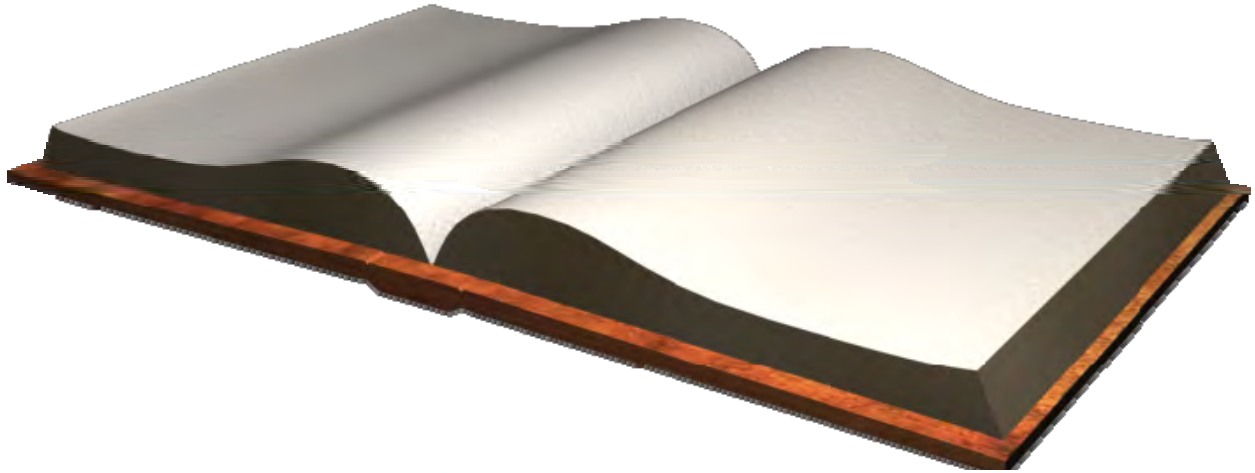
ACRONYM LIST

<u>ACRONYM</u>	<u>DEFINITION</u>
ECoNA	Economic Collaborative of Northern Arizona
EDA	Economic Development Assessment
EDC	Economic Development Council
EDMS	Electronic Document Management System
EEC	Economic Estimates Commission
EECBG	Energy Efficiency and Conservation Block Grant
EGAD	Employee Growth and Development
EOC	Emergency Operations Center
EORP	Elected Officials Retirement Plan
ERE	Employee Related Expenditures
ESA	Educational Services Agency
EV&D	Economic Vitality and Development
FACTS	Family and Community Teaming for Students
FARE	Fines, Assessments, Restitution Enforcement Program
FCP	Flagstaff Cultural Partners
FDAT	Fire District Assistance Tax
FEMA	Federal Emergency Management Association
FMP	Facilities Master Plan
FMPO	Flagstaff Metropolitan Planning Organization
FMAP	Federal Medical Assistance Percentages
FMS	Financial Management System
FTCP	Fort Tuthill County Park
FTE	Full Time Equivalent
FUSD	Flagstaff Unified School District
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Government Accounting Standards Board
GDP	Gross Domestic Product
GED	General Equivalency Diploma
GF	General Fund
GFFP	Greater Flagstaff Forest Partnership
GFOA	Government Finance Officers Association
GIS	Geographic Information Systems
HMP	Hazard Mitigation Plan
HR	Human Resources
HURF	Highway User Revenue Fund
IGA	Intergovernmental Agreement
IFC	Integrated Family Court
IT	Information Technology
JC	Justice Court
KKONA	Kinship Kare of Northern Arizona
KVID	Kachina Village Improvement District
LGA	Local Government Assessment
MG	Master Gardener
MOE	Maintenance of Effort
NACASA	Northern Arizona Center Against Sexual Assault
NACOG	Northern Arizona Council of Governments
NAIPTA	Northern AZ Intergovernmental Public Transportation Authority
NAPEBT	Northern Arizona Public Employee Benefit Trust
NAREG	Northern Arizona Renewable Energy Purchasing Group
NAU	Northern Arizona University

ACRONYM LIST

<u>ACRONYM</u>	<u>DEFINITION</u>
NM.....	National Monument
NP.....	National Park
NPV.....	Net Present Value
NRA.....	National Recreation Area
OD.....	Organizational Development
O&FH.....	Organizational and Fiscal Health
PC.....	Personal Computer
PF.....	Public Fiduciary
PFR.....	Program Funding Report
PH.....	Public Health
PHSD.....	Public Health Services District
PILT.....	Payment in Lieu of Taxes
PIO.....	Public Information and Outreach
PS.....	Public Safety
PSRS.....	Public Safety Retirement System
RAC.....	Resource Allocation Committee
RANNA.....	Resource Action Network Northern Arizona
RFP.....	Request for Proposal
RPI.....	Rural Policy Institute
RTAC.....	Rural Transportation Advisory Council
SCADA.....	Supervisory Control and Data Acquisition
SEDI.....	Sustainable Economic Development Initiative
SPA.....	Strategic Priority Area
SRP.....	Salt River Project
SRS.....	Secure Rural Schools
TGC.....	The Guidance Center
TNT.....	Truth in Taxation
UWNA.....	United Way of Northern Arizona
VITA.....	Volunteer Income Tax Assistance
VLT.....	Vehicle License Tax
WIA.....	Workforce Investment Act
WIC.....	Women, Infants, and Children

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COCONINO
COUNTY ARIZONA

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