

Independent Audit and Performance Commission

Report to Mayor and Council

**Potential Costs Associated with
Implementation of the Public Safety First
Initiative**

September 30, 2009

Potential Costs Associated with Implementation of the Public Safety First Initiative

Executive Summary

On November 3, 2009, City residents will be able to cast votes as to whether the Tucson City Charter should be amended to require:

- specific mandatory staffing levels for police officers, and
- mandatory minimum response times for the Tucson Fire Department.

The Commission conducted this review to provide Mayor and Council and the public with information on the potential costs and impacts associated with the Public Safety First Initiative (PSFI).

The requirements of the PSFI are consistent with those public safety targets contained in the Financial Sustainability Plan adopted by Mayor and Council. While the Financial Sustainability Plan would fund public safety improvements with increases in General Fund revenue growth, the initiative requires annual public safety increases *regardless* of new revenues, and sets *specific* timelines for implementation. For purposes of this review, *increases* to the City's FY 2010 adopted budget levels needed to achieve the public safety service levels required by the initiative were considered new costs.

Summary of Projected Costs: Implementation of PSFI Requirements (\$\$ in millions)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Five Year Total	Future Annually Recurring Costs*
Operating: Funded with General Fund Revenues							
Funding:							
Police	\$1.1	\$9.3	\$18.8	\$29.1	\$40.6	\$98.9	\$45.9
Fire	1.2	2.9	5.9	8.3	8.5	26.8	8.5
Judicial	-	1.2	2.6	3.9	5.5	13.2	5.5
Administrative Support	0.2	1.2	2.2	3.1	4.1	10.8	4.1
Subtotal Operating	\$2.5	\$14.6	\$29.5	\$44.4	\$58.7	\$149.7	\$64.0
Capital: Funded with General Fund Revenues and/or Secondary Property Tax							
Police	-	-	-	1.6	1.6	3.2	1.6
Fire	0.1	0.9	1.4	1.4	1.4	5.2	1.4
Judicial	-	0.1	0.1	0.1	0.1	0.4	0.1
Administrative Support	na	na	na	na	na	0	na
Subtotal Capital	0.1	1.0	1.5	3.1	3.1	8.8	3.1
Total Projected Costs	\$2.6	\$15.6	\$31.0	\$47.5	\$61.8	\$158.5	\$67.1
Less Potential Revenue Increases**	\$0.1	\$0.8	\$1.6	\$2.4	\$3.3	\$8.2	\$3.3
Net Costs	\$2.5	\$14.8	\$29.4	\$45.1	\$58.5	\$150.3	\$63.8

*Future Annually Recurring Costs represents projected costs at required staffing levels at the end of FY 2015. Additional population growth will require the addition of more police officers and firefighters in FY 2016 and beyond. Net costs for these additional positions are not included in the Future Annually Recurring Costs above.

**Revenue increases from fines, fees, etc. generated by additional police officers.

Underlying the PSFI cost projections above are 586 new positions: 416 within the Police Department (333 police officers and 83 civilians), 75 within the Fire Department (70 firefighters and 5 support staff), and 95 within the Judicial area. A more detailed discussion of the cost projections is provided in the body of this report.

The cost estimates above are based on meeting the minimum requirements of the PSFI. For Police, that minimum requires 8 additional police officers in FY 2011. The Police Chief has indicated that hiring 8 officers in FY 2011 and over 80 per year in subsequent years may present recruiting / training issues, and thereby, jeopardize attainment of the initiative requirements in those years. The Chief has indicated that hiring a minimum of 20 officers in FY 2011 would better insure PSFI requirements are met in all years.¹ If the additional 12 police officers were hired in FY 2011, the net cost estimates for that year would increase by approximately \$2 million, with similar annual increases through FY 2013.

A discussion of the funding options available to the City to meet these costs (a dedicated sales tax, increases to property taxes, budget reductions to other City program areas, increased General Fund revenues) appears on page 12 of this report.

During this review certain public safety costs were identified as existing unmet needs. While these costs have not been included as costs of the initiative, the Commission notes that they are genuine, and significant, budgetary requirements and must be included in the City's strategic financial/budgetary plans in the coming years. These costs include an estimated \$40 million for a new Police headquarters and approximately \$1 million in Court facility improvements.

This Report contains a Supplemental Information section which includes additional relevant information:

- *Current City of Tucson Budget Challenges:* City of Tucson staff has prepared summary information on the City's budget and revenue challenges for FY 2011. That information appears on page 15 of this report.
- *Estimated PSFI Impacts to Pima County:* Pima County staff has prepared projections on potential impacts to the County's judicial system. They have projected annual recurring operating costs of approximately \$28 million, and capital costs of approximately \$67 million. Information on the County's analysis appears on page 16 of this report.

¹ The Chief has indicated that recruiting, selecting, and training eligible recruits at levels above 70 per year would likely not be attainable.

Conclusion

The Commission recognizes the difficulty in providing estimates due to assumptions and uncertainties. However, the above projections do provide insight into the general magnitude of the PSFI costs; the majority of these costs to be borne by the City's General Fund.

Implementation of the PSFI requirements will have a steadily increasing financial impact on the City over the coming years. To meet the minimum requirements of the initiative, it is projected that the City's budgets will need to cover additional costs ranging from \$2.5 million in FY 2011 to approximately \$64 million in FY 2016. While this study projects costs of the PSFI during FY 2011 to FY 2013 to be lower than City staff's preliminary projections, the later years, when PSFI implementation is well under way, are significantly higher than staff's earlier estimates.

Using the cost projections on page 1, the table below presents:

- the percentage increases to public safety budgets over the FY 2010 level (increased *Administrative Support* costs excluded for this purpose)
- the annual minimum net PSFI costs on a per capita basis.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Percentage Increase in Public Safety Budget* (Police/Fire/ Judicial)	1%	5%	10%	16%	20%
Minimum Net Costs per Capita (utilizing Pima Association of Governments' population forecast)	\$4.46	\$25.97	\$50.62	\$76.26	\$97.13

* FY 2010 Public Safety Budget total: \$268.5 million

If voters approve the PSFI, the City will need to be prepared to reduce the expenditures for other City departments and programs currently funded by the General Fund, given the City's projected potential budget deficit in FY 2011 of between \$46 to \$58 million, and given the current lack of dedicated new funding tied to the PSFI. Should potential new funding sources (discussed later in this report) not be approved by voters in November 2010, ongoing and significant reductions in other City departments and programs funded by the General Fund will most likely be required in subsequent years until the local economy sufficiently improves to a level that existing City revenue sources can support some of the costs of the PSFI.

Acknowledgements

The Commission wishes to thank the following individuals for both their time and provision of data and analytical work during the course of this review:

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Potential Costs Associated with Implementation of the Public Safety First Initiative

Public Safety First Initiative

On November 3, 2009, City residents will be able to cast votes as to whether the Tucson City Charter should be amended to require specific mandatory staffing levels for police officers and mandatory minimum response time for the Tucson Fire Department. A copy of the Public Safety First Initiative (PSFI) appears as Attachment A. The initiative mandates would need to be met within five years for police officers, and within four years for Fire Department response times. Minimum annual increases to attain the mandated level would also be required.

PSFI REQUIREMENTS

	Mandated Target	Required Annual Increases
Police	2.4 full-time sworn police officers per every 1000 City residents by FY 2015 <i>(5% vacancy rate permitted)</i>	Minimum yearly increase, through FY 2015, of 0.1 police officers per every 1000 residents
Fire Department	Meet a 4 minute response time ² for fire apparatus and emergency medical units, and meet an 8 minutes response time for advanced life support units, 90 percent of the time by FY 2014.	Minimum 10 percent yearly increases through FY 2014

Among others, the initiative is being sponsored by the Tucson Fire Fighters Association, - Local 479, Tucson Police Officers Association, Southern Arizona Home Builders Association, Tucson Association of Realtors, and Jim Click Automotive.

Purpose of Commission Review and Review Process

The Commission scheduled this review to provide Mayor and Council and interested City residents with information on the potential costs and impacts associated with the Public Safety First Initiative. The Commission established a subcommittee to meet with City staff and interested stakeholders to review those costs and to provide information included in this report. Five Subcommittee meetings were held during August and September. The Subcommittee meetings

² Response time is defined as the travel time that begins when units are en route to the emergency and ends with arrival at the scene.

were held in compliance with State of Arizona Open Public Meeting Law (24 hour notice of meetings, posted agenda, and written record of the meetings).

This review was not an “audit” of the preliminary costs projections provided earlier by City staff, but rather a review of the requirements mandated by the initiative, and then, a review of the methodology and assumptions employed by City staff in estimating costs to be incurred in meeting those requirements. Although City staff was relied on to provide underlying cost details, the Commission modified certain costs projections during the review process.

The City’s Financial Sustainability Plan and Public Safety

In April 2006, Mayor and Council approved the City’s first Financial Sustainability Plan³. The Plan consolidated strategic priorities, long-term plans, and financial projections into a single service and financial blueprint. It identified future service levels consistent with the strategic priorities and the resources required to provide those services, thereby providing a basis for future City budgets. Funding for service improvements would come from anticipated increases in General Fund revenues.

The Plan identified four priority areas for the next 10 years: Police and Judicial, Fire, Streets, and Parks and Recreation. The following priorities for Police and Fire were identified:

- Police Department: Attain a staffing level of 2.4 officers per thousand residents to improve service and timely response with an increased emphasis on prevention.
- Fire Department: Attain a 4 minute fire response time with increased medical response.

The Plan allocated increases in General Fund revenues to the priority areas as follows:

<u>Department</u>	<u>Allocated % of Increased Revenues</u>
Police / Judicial	24%
Fire	17%
Street Maintenance	11%
Parks and Recreation	8%
Other City Needs	40%
Total	<u>100%</u>

During FY 2007 and FY 2008, increased General Fund revenues enabled the City to move forward with implementation of the Plan’s goals. During those two years, a total of 80 new police officer positions and 87 firefighter or paramedic positions were added as part of the budget process. The local, state, federal, and global economy, which was slowing in late 2007, and crashed in the fall of 2008, resulted in no new revenues for FY 2009 and FY 2010. As a result, further implementation of the Plan’s goals has been delayed. The FY 2007 and 2008

³ For additional information on the City’s Financial Sustainability Plan, visit:
www.tucsonaz.gov/budget/docs/FSPlan10YearVision.pdf

staffing levels for Police and Fire were, however, maintained in subsequent budgets.

Costs of the Initiative

City of Tucson Costs Defined:

Although the City's Financial Sustainability Plan and the PSFI have the same public safety goals, the initiative would by law require:

- annual public safety increases, *regardless* of new General Fund revenues, and
- *specific* timelines for implementation.

General Fund revenues were lower in FY 2009 than in FY 2008. FY 2010 General Fund Revenues are also projected to be below those in FY 2008, and forecasts for the next several fiscal years indicate a slow economic recovery.

Therefore, for the purpose of the Commission's review, costs of the PSFI have been defined as:

- Increases to the City's annually adopted budgets for Police and Fire that will be required to meet the *minimum* annual mandates of the initiative. *Note: Should the initiative be approved by voters, logistical and training/staffing considerations may require the City to implement public safety expansion at levels exceeding the minimum required, and as a result, costs may be higher than the estimates presented here.*
- Increases to the City's annually adopted budgets for Police and Fire resulting from civilian staff within those departments needed to provide support to the increased number of police officers and firefighters.
- Increases to other City department budgets related to meeting initiative mandates.

Costs of the initiative do not include:

- Costs needed to increase staffing from current *actual* levels to FY 2010 *budgeted* staffing levels,
- Capital improvement costs required in future years largely related to existing public safety needs or deficiencies.

While these costs have not been included as costs of the initiative, the Commission notes that they are genuine, and significant, budgetary requirements and must be included in the City's strategic financial/budgetary plans for the next five years.

Offsets to projected costs include potential increases to revenues resulting from increased staffing.

The remainder of this report provides details on the estimated costs as defined above. The Commission recognizes the difficulty in providing estimates due to

variation in population growth⁴, general inflation assumptions⁵, the uncertain impacts additional officers will have on arrests and related judicial system costs, and other factors. The estimates below, however, do provide insight into the general magnitude of the PSFI costs; the majority of these costs would be borne by the General Fund. Should General Fund revenues increase during the next five years, those revenue increases would be available for consideration as offsets against the projected PSFI costs, for restoring funding to service and program reductions made within the City's budget in recent years, or to provide for other existing unmet needs.

Police Costs:

Operating

Using the Pima Association of Governments' current population forecast, the City would need to hire 333 additional police officers by 2015 to meet the PSFI mandate of 2.4 officers/1000 residents (see Attachment B)⁶. With the City's FY 2010 ratio at 1.90 officers/1000 residents, the following annual *minimum* increase levels would be required:

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Targeted Staffing Levels / 1000 Residents *	2.0	2.1	2.2	2.3	2.4
Staffing Levels Required Under PSFI	1,121	1,197	1,278	1,360	1,445
Additional Officers Required under PSFI	8	76	81	83	85

**current ratio is 1.9 officer/1000 residents; Initiative requires .1 annual increase*

Personnel costs projections for Police include command structure staffing requirements.⁷ The positions are considered part of the 333 new officers, but costs are projected at the marginally higher salaries. In addition to the 333 police officers, it is estimated that an additional 83 civilian positions⁸ would be required to provide direct administrative support within the Police Department. Summary total costs projections for Police are:

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Future Annual Recurring Costs
Estimated Annual Police Operating Costs (Millions)	\$1.1	\$9.3	\$18.8	\$29.1	\$40.6	\$45.9

⁴ Under the PSFI, the police staffing levels per 1000 residents are determined by utilizing the Pima Association of Governments' (PAG) population estimates for FY 2011 through FY 2015. PAG periodically updates these forecasts.

⁵ Costs projections in this review include annual inflation at 2.5% for personnel and 2% for commodities.

⁶ The costs projections used in this report were based on current PAG population estimates, resulting in an additional 333 police officers. Tucson Police Department's preliminary projections were based on an earlier, and higher, PAG population estimate, resulting in 350 additional police officers being required, and hired at a level rate of 70 per fiscal year.

⁷ Sergeants, Lieutenants, Captains.

⁸ These include positions such as Criminalists, Identification Technicians, Police Record Specialists, and Dispatchers.

Attachment C provides details on the projected costs for Police. Increased Police operating costs would be funded with City General fund revenues.

The PSFI permits a 5% vacancy rate for police officers. Reducing costs for this permitted vacancy rate was considered, but rejected for the following reasons:

- Recent police officer vacancy rates have been between 5-7%. Budget “surplus” from these vacancies has been utilized to meet other unbudgeted needs within the Police Department. To reduce costs for the 5% allowable rate would require adding back a like amount for other Police non-staffing needs.
- Budgeting at the 95% level would require filling 100% of budgeted positions to meet initiative requirements, presenting potential vacancy management difficulties.

The costs estimates above are based on meeting the minimum requirements of the PSFI. For Police, that minimum requires 8 additional police officers in FY 2011. The Police Chief has indicated that hiring 8 officers in FY 2011 and over 80 per year in subsequent years may present recruiting / training issues, and thereby, jeopardize attainment of the initiative requirements in those years. The Chief has indicated that hiring a minimum of 20 officers in FY 2011 would better insure PSFI requirements are met in all years. If the additional 12 police officers were hired in FY 2011, the costs estimates for that year would increase by approximately \$2 million, with similar annual increases through FY 2013.

Capital

With 333 new police officers being added, the Commission included in PSFI costs, the opening of a new Police substation in FY 2014, estimated at a cost of \$20 million and using General Obligation (GO) bond financing⁹. Levelized annual debt service (20 year repayment period at 5% interest) would be approximately \$1.6 million per year beginning in FY 2014. If funded with GO bonds, secondary property taxes would be the revenue source.

While earlier City staff cost projections included \$40 million in capital costs for a new Police headquarters, the Commission did not include those costs as being generated by the initiative, considering them to be largely an existing unmet need of the City. ***While not a cost of the initiative, this need must be considered over the next five years as the City manages its financial challenges. Assuming bond funding, levelized annual debt service on \$40 million (20 year repayment period at 5% interest) would be approximately \$3.2 million per year.***

⁹ Voters would need to approve a new General Obligation Bond package for this funding source to be available.

Fire Costs:

The PSFI would require Tucson Fire Department to meet by FY 2014:

- a 4 minute response time¹⁰ for fire apparatus and emergency medical units, 90 percent of the time
- an 8 minute response time for advanced life support units, 90 percent of the time

While the required staffing levels for Police can be calculated using population projections, estimating the TFD requirements to meet the response time requirements of the PSFI are not as clear cut.

Tucson Fire has been tracking response times by engine and station location for several years. The tracking results show that the department currently meets the 90%, 8 minute PSFI mandates for advanced life support units. For fire apparatus and emergency vehicles, the targeted 4 minute response time is met, on average, approximately 60% of the time. Response time results are weakest in the Northwest and Southeast areas of the City; these areas would be targeted for improvements to meet the initiative levels. TFD utilizes a software program that analyzes call volumes and response times to help select optimal locations for fire stations and related apparatus. The analysis has shown that the relocation of TFD Station 8 and construction of new stations in the Northwest and Southeast sections of the community will enable PSFI response times to be met.¹¹ The Commission notes that predicting response times is difficult, but believes the methodology used in estimating TFD requirements, as discussed below, are logical and represent a sincere attempt to meet the PSFI response time requirements.

Operating

It is estimated that 70 additional commissioned TFD employees would be needed to reach response times mandated (21 positions in FY 2011, 21 positions in FY 2012, and 28 positions in FY 2013). In addition, two commissioned Fire Officers and three civilian staff would be added to the department to provide management, maintenance and administrative support.¹² Summary PSFI cost projections for Fire are:

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Future Annual Recurring Costs
Estimated Annual Fire Operating Costs (Millions)	\$1.2	\$2.9	\$5.9	\$8.3	\$8.5	\$8.5

Attachment D provides details on the projected costs for Fire. Increased Fire operating costs would be funded with City General fund revenues.

¹⁰ Response time is defined as the travel time that begins when units are en route to the emergency and ends with arrival at the scene.

¹¹ TFD uses a constant staffing model to determine staffing needs per apparatus at each station. This model generated the estimated additional staff required to meet the improved response times.

¹² Logistics Officer, Training Officer, Certified Mechanic, Fire Equipment Specialist, and Administrative Assistant.

Capital

Estimates for the relocation of Station 8 and construction of two new stations total approximately \$17.6 million with most of the funding required in FY 2012 and FY 2013. As with Police capital improvements, these projects would likely use GO bond financing. Annual debt service (20 year repayment period at 5% interest) would range from approximately \$100,000 in FY 2011 to \$1.4 million by FY 2013 and beyond. If funded with GO bonds, secondary property taxes would be the revenue source.

Judicial Costs

Operating

Although the PSFI does not specify increases in judicial staff, those increases would occur. Additional arrests would occur with additional police officers and both Arizona Revised Statutes and State case law have established maximum allowable Public Defender case loads and case processing times.

Public Defenders Office:

Attorneys in the State of Arizona are required to carry caseloads that would allow them to effectively represent their clients. In 1984, the Arizona Supreme Court addressed reasonable caseload limitations in the case of *State v. Joe U. Smith*, 140 Ariz. 355, 681 P. 2nd 1374. Different caseload limitations or "ceilings" were determined for misdemeanors and felonies.

The City Public Defender's Office only represents clients in misdemeanor cases. In *State v. Joe U. Smith*, the Arizona Supreme Court held that maximum misdemeanor caseload for full-time attorneys should not exceed 300 cases per year. In 1996, the Arizona Supreme Court again reinforced this caseload limit in *Zarabia v. Bradshaw*, 185 Ariz. 1, 912 P. 2d 5.

With these case load limits, it is estimated that 11 new positions would be needed in the Public Defender's Office during the next five years (6 Public Defenders and 5 legal support staff).

City Court:

The Court is required to conduct certain court events and process cases within specific time frames (see Attachment E). These requirements are established by Arizona Revised Statutes, the Arizona Rules of Court, Arizona Supreme Court Administrative Orders and other documents such as Code of Judicial Administration. The Court also has similar requirements for administrative matters associated with cases such as processing payments, refunding appearance bonds, disbursing restitution payments, and processing bank deposits.

To meet these processing timelines, City Court has estimated an additional 58 positions will be needed over the next five years. Additional staffing requirements were based on the following ratios: 1 Court Clerk for every 7 additional police officers; 1 Magistrate for every additional 70 police officers; 1

Probation Officer for every 160 additional police officers. Additionally, 3 management positions would be required within City Court.

Prosecutor's Office:

Additional Attorneys and Court Clerks would be required to handle the anticipated increases in cases. City Staff estimated that approximately one attorney would be needed for each 29 additional Police officers, and one additional Court Clerk for every 25 additional Police officers.

A total of 95 staff positions would be hired over five years to manage the increased court case loads.

A summary of PSFI cost projections for the Judicial area follows:

Costs in Millions	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Future Annual Recurring Costs
City Court	-	\$.6	\$ 1.4	\$ 2.1	\$ 3.1	\$ 3.1
Public Defender	-	\$.2	\$ 0.4	\$ 0.6	\$ 0.8	\$ 0.8
City Prosecutor's Office	-	\$.4	\$ 0.8	\$ 1.2	\$ 1.6	\$ 1.6
Total Judicial	-	\$ 1.2	\$ 2.6	\$ 3.9	\$ 5.5	\$ 5.5

Attachments F, G and H provide details on the projected costs for City Court, Public Defender and the City Prosecutor's Office. Increased Judicial operating costs would be funded with City General fund revenues.

Capital

To handle the additional Court staff (58 of the total Judicial function's 95 new employees), the City Prosecutor's Office and the Public Defender's Office will need to be relocated¹³ and the Court facility will need to be remodeled. Court staff estimates remodeling costs at approximately \$2 million. Remodeling would be designed in FY 2012 with construction in FY 2013. Since existing court needs would also be addressed by the remodel, not all of the court improvements were considered a direct result of the PSFI: the Commission allocated 50% of capital needs to initiative costs. Again, while some capital improvements were not considered a cost of the initiative, the remaining 50% of costs must be considered as the City's attempts to manage its future financial challenges. Annual debt service on \$1 million (20 year repayment period at 5% interest) would be approximately \$80,000 annually beginning in FY 2012. If funded with GO bonds, secondary property taxes would be the revenue source.

General Administrative Support Costs

While no legal mandates within the PSFI require additions to City support staff, logic indicates that some increases would be needed here as well. Using the City's FY 2007 Full Cost Allocation Plan, City staff has estimated that \$10,500 in central support costs would be required for each additional police and firefighter

¹³City staff did not present estimated costs for the relocation of the City Prosecutor's and Public Defender's Offices.

position added. Central support includes City Manager's Office, City Clerk, City Attorney, Finance, Budget, Human Resources, Information Technology, Procurement, and others.

Since these support positions are not mandated by the PSFI, and with General Fund revenues likely to remain level or have marginal improvement over the next several years, increases in support staff would likely not occur quickly. The City would have to attempt to handle the increased support needs via improved processing, management, training, and technologies. However, with a combined 586 new positions over five years in the Police, Fire and Judicial areas, increased staffing would be needed at some level. Based on these considerations, the Commission elected to use a conservative \$6,300 per new position (60% of the City staff estimate of \$10,500) in projecting Administrative costs:

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Future Annual Recurring Costs
Administrative Costs (Millions)	\$0.2	\$1.2	\$2.2	\$3.1	\$4.1	\$4.1

Potential Revenue Offsets to Projected Costs

With additional police officers, certain revenues would be expected to increase. Offsets to the costs described above would include any increased revenues from fine and fee receipts. The Commission requested City Court staff to estimate increased revenues in the following areas; misdemeanor violations, civil traffic violations, parking and civil ordinance violations, and various fees such as the time payment fee, case processing fee, default fee and diversion program fees.¹⁴ City staff estimated the net revenue increases as follows:

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Future Annual Recurring Revenues
Potential Revenue Offsets in Millions	\$0.1	\$0.8	\$1.6	\$2.4	\$3.3	\$3.3

One additional revenue source was identified: the land on which Fire Station 8 resides (250 King Ave) would be available for sale or other City use once the station is relocated. No estimate has been prepared as to the value of this land and therefore, any potential sale proceeds were not included as a revenue offset.

¹⁴ A component of most fines is the State surcharge which must be remitted to the State of Arizona. In addition, some state fees are a component of the total amount of a court ordered sanction. The total of these surcharges and fees equates to roughly 45% of the amount collected, leaving approximately 55% available to the City.

Funding Options

Four options have been identified to provide the funds required to implement the PSFI:

- Increases to property taxes
- Increases to the City sales tax rate and/ or a dedicated sales tax
- reductions to other General Fund department/program budgets
- General Fund revenue growth

The property and sales tax options were discussed in Deputy City Manager Richard Miranda's June 26, 2009 memo to Mayor and Council (Attachment I). Staff estimated that annually increasing the primary property tax rate by approximately \$0.30 per \$100 of assessed valuations (from the current \$0.31 to \$1.75 by the fifth year), would potentially generate increased revenues ranging from \$10 million in the first year to \$52 million in the fifth year. Increasing the sales tax by half a percent was estimated to potentially provide an additional \$40 million annually. Both of these options would require a City ballot initiative to approve an increase in either the sales tax rates or raise the property tax limits. The earliest these initiatives could go to the voters of Tucson would be November 2010. The City would incur approximately \$400,000 to hold a special election.

Should the PSFI receive voter approval and increased revenues not be secured, the City will need to look to the third option, reductions to other General Fund department/program budgets, to meet the initiative's mandated costs (see Attachment I for some options presented by City staff).

With the slowly improving economy, Tucson's revenue growth may still be years away. Any increased growth in General Fund revenues would potentially be available to partially provide for the following:

- restore funding to service and program reductions made within the City's budget in recent years,
- provide for existing unmet needs,
- cover some of the costs of the PSFI.

Supplemental Information

The Information on the following pages is included in this review as the Commission believes it provides additional insight into the City's and County's current financial environment. The Commission did not, however, review the supporting documentation, the detailed assumptions, or the calculations used by City or County staff in the generation of the projections that are discussed on the following pages.

Current City Budget Challenges

Budget Update

City staff presented the Commission Subcommittee with their current projections on revenues for FY 2011 and the overall General Fund situation¹⁵. City staff projected generally flat revenues in FY 2011, with reductions in certain State shared taxes. A summary of the items presented follows.

Unaudited General Fund Unreserved Fund Balance @ June 30, 2009	\$18.1
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The General Fund Unreserved Fund Balance represents expendable, available resources and is often referred to as the “rainy day fund” or simply “reserves”. While available to cover expenditures, the City has targeted the Unreserved Fund Balance at a level equal to 10% of annual expenditures. Adequate levels result in more favorable interest rates on the debt issued by the City. The June 30, 2009 balance of \$18.1 million represents a reserve level of 4.4%.

Projected Reductions Required: FY 2011 General Fund	
Reductions Required as Identified in Financial Recovery Plan (July 2009)	\$12.6
Increases to Employer Pension Contributions	12.0
Increases in Health Insurance	2.7
Reductions in State Shared Income Tax	18.6
Potential Minimum Deficit	\$45.9
Elimination of Planned Personnel Savings	5.7
10% Reduction in State Shared Vehicle License Tax	2.2
10% Reduction in State Sales Tax	4.1
Potential Maximum Deficit *	\$57.9

Staff is preliminarily estimating that balancing the FY 2011 General Fund budget will require expenditure reductions of between \$46 million and \$58 million, amounting to reductions ranging from 10.9 percent to 13.8 percent.

* The Commission has not included in the above deficit projection any potential costs related to implementation of the PSFI. If the Initiative is approved, those additional PSFI costs would add to the deficit.

¹⁵ City Staff presented similar information in its *Budget and Revenue Update* to Mayor and Council at the September 15, 2009 Study Session.

PSFI Impacts on Pima County

County staff briefed the Commission Subcommittee on the potential financial consequences to the County should the PSFI be approved by voters. The following assumptions were used to generate their figures:

- The initiative would require police commissioned strength to increase by 350¹⁶ positions;
- The increase in commissioned strength would generate a 30% increase in County workload; and
- Increased police staffing would lead to a significant increase in prisoners at the County Jail.

These assumptions led the County to project increased PSFI related operating costs in the areas listed below. These costs include indirect costs incurred by the County to support the increased resources provided directly to the operating departments. The following figures provide the annually recurring operating costs, reached by FY 2015, to the County.

	<u>Operating Costs</u> ¹⁷
Superior/Juvenile Court	\$ 8,317,000
Sheriff	12,469,300
County Attorney	1,156,800
Office of Court Appointed Counsel	<u>2,131,900</u>
Total Operating	<u>\$27,851,000</u>

The increased operating costs, which include additional personnel, will also require new and expanded County facilities. For example, increased police resources will lead to a greater prisoner population at the County Jail, and therefore, jail expansion. The County estimates that it will incur the following capital costs over the next five years related to the PSFI.

	<u>Capital Costs</u> ¹⁷
Superior/Juvenile Court	\$ 1,521,000
Sheriff	64,400,000
County Attorney	1,190,000
Public/Legal Defender	<u>65,300</u>
Total Capital	<u>\$67,176,300</u>

With the estimated costs increases, and assuming that the County does not want to scale back existing services, County staff estimates an 8.2% increase in the combined primary and secondary property tax by FY 2015. Should such an increase occur, the annual property taxes on a home valued at \$200,000 would increase \$75 (from the current \$910 to \$985).

¹⁶ The City costs projections used in this report were based on an additional 333 police officers which utilizes the current PAG population estimates. The County projections were based on an earlier, and higher, PAG population estimate. However, County staff considers the estimated 30% increase in felony case processing to be a conservative estimate because the rate of increase in felony filings typically exceeds the rate of increase in police officers by as much as 9%. For example, since 1995 Tucson police staffing increased by 33.5% and the felonies filed through TPD for the same period increased by 43.1%.

¹⁷ County projections shown here do not include an inflation factor.

County staff indicated that property tax increases of this magnitude require voter approval. Should voters reject the proposed increase, the County would have to reduce non-public safety services to continue providing a reasonable level of law enforcement services on behalf of County residents.

A copy of a letter on this subject dated September 5, 2009, from Lindy Funkhouser, Assistant County Administrator for Justice and Law Enforcement Policy, to Deputy City Manager Richard Miranda is included as Attachment J.

ATTACHMENTS

Tucson, Arizona April 14, 2009
(Date)

CITY OF TUCSON
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CITY OF TUCSON – INITIATIVE PETITION

OFFICE OF THE
CITY CLERK

To the Honorable Mayor and Council, and the City Clerk of the City of Tucson, State of Arizona:

We, the undersigned, residents of the City of Tucson, Arizona, and duly qualified electors therein, do hereby submit and propose to you, for adoption, the following ordinance, and request that action be taken by you relative to the adoption or rejection of such proposed ordinance, at the earliest possible moment, and that the same be forthwith submitted to a vote of the people, to-wit:

OFFICIAL TITLE: PUBLIC SAFETY FIRST INITIATIVE

TEXT OF PROPOSED AMENDMENT:

AMENDING CHAPTER XVIII OF THE TUCSON CHARTER, BY ADDING A NEW SECTION 5, PUBLIC SAFETY, PROVIDING THE MINIMUM STAFFING LEVEL FOR THE TUCSON POLICE DEPARTMENT SHALL EQUAL 2.4 FULL-TIME SWORN CIVIL SERVICE POLICE OFFICERS PER EVERY ONE THOUSAND (1,000) RESIDENTS OF THE CITY OF TUCSON ACCORDING TO THE YEARLY POPULATION ESTIMATE FROM THE PIMA ASSOCIATION OF GOVERNMENTS, AND ADOPTING NATIONAL FIRE PROTECTION ASSOCIATION 1710, A STANDARD FOR THE ORGANIZATION AND DEPLOYMENT OF FIRE SUPPRESSION OPERATIONS, EMERGENCY MEDICAL OPERATIONS, AND SPECIAL OPERATIONS TO THE PUBLIC BY CAREER FIRE DEPARTMENTS, 2004 EDITION (“NFPA 1710”), AS A MINIMUM CRITERIA FOR THE TUCSON FIRE DEPARTMENT THAT INCLUDES MINIMUM RESPONSE TIMES FOR FIRE APPARATUS AND EMERGENCY MEDICAL UNITS AND MINIMUM STAFFING LEVELS FOR FULL-TIME COMMISSIONED CIVIL SERVICE FIREFIGHTERS AS NEEDED TO ACHIEVE THE MINIMUM RESPONSE TIMES.

BE IT ENACTED BY THE PEOPLE OF THE CITY OF TUCSON:

SECTION 1. Declaration of Policy.

The Tucson community relies on its police officers and firefighters to ensure public safety and protection. This charter amendment ensures that the Tucson Police and Fire Departments have the minimum full-time staffing and response times to provide adequate police and fire services.

SECTION 2. Charter Amendment.

Chapter XVIII of the Tucson Charter is amended by adding a new Section 5 captioned “PUBLIC SAFETY” as follows:

- (a) THE PURPOSE OF THIS SECTION IS TO ENSURE A MINIMUM LEVEL OF PUBLIC PROTECTION FOR THE CITIZENS OF THE CITY OF TUCSON WITH WELL-TRAINED AND EXPERIENCED POLICE AND FIRE DEPARTMENT PERSONNEL BY ESTABLISHING MANDATORY MINIMUM STAFFING

PETITION NUMBER 2009-I001

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Tucson, Arizona

April 14, 2009

(Date)

Page 2 of 27

CITY OF TUCSON
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LEVELS FOR POLICE OFFICERS, MANDATORY MINIMUM RESPONSE TIMES FOR FIRE APPARATUS AND
OFF EMERGENCY MEDICAL UNITS AND MINIMUM STAFFING LEVELS FOR FULL-TIME COMMISSIONED
CITY CIVIL SERVICE FIREFIGHTERS AS NEEDED TO ACHIEVE THE MINIMUM RESPONSE TIMES. THE
"EFFECTIVE DATE" SHALL BE THE DATE ON WHICH THIS ORDINANCE TAKES EFFECT.

(b) THE MINIMUM STAFFING LEVEL FOR THE TUCSON POLICE DEPARTMENT SHALL EQUAL 2.4 FULL-TIME SWORN CIVIL SERVICE POLICE OFFICERS PER EVERY ONE THOUSAND (1,000) RESIDENTS OF THE CITY OF TUCSON ACCORDING TO THE YEARLY POPULATION ESTIMATE FROM THE PIMA ASSOCIATION OF GOVERNMENTS. THE NUMBER OF VACANCIES PERMITTED UNDER THIS STANDARD SHALL NOT EXCEED FIVE PERCENT (5%) OF THE MINIMUM STAFFING LEVEL.

(c) THE CITY SHALL ADOPT IN ITS ENTIRETY NATIONAL FIRE PROTECTION ASSOCIATION 1710, A STANDARD FOR THE ORGANIZATION AND DEPLOYMENT OF FIRE SUPPRESSION OPERATIONS, EMERGENCY MEDICAL OPERATIONS, AND SPECIAL OPERATIONS TO THE PUBLIC BY CAREER FIRE DEPARTMENTS, 2004 EDITION ("NFPA 1710"), AS A MINIMUM CRITERIA FOR THE TUCSON FIRE DEPARTMENT. AMONG OTHER PROVISIONS, NFPA 1710 ESTABLISHES MINIMUM RESPONSE TIMES FOR FIRE APPARATUS AND EMERGENCY MEDICAL UNITS, INCLUDING MINIMUM STAFFING LEVELS FOR FULL-TIME COMMISSIONED CIVIL SERVICE FIREFIGHTERS AND OTHER FACTORS AS NEEDED TO ACHIEVE THE MINIMUM RESPONSE TIMES. . THE NUMBER OF VACANCIES PERMITTED UNDER THIS STANDARD SHALL NOT EXCEED FIVE PERCENT (5%) OF THE MINIMUM STAFFING LEVELS.

(d) ADEQUATE HIRING AND TRAINING OF TUCSON POLICE OFFICERS AND FIREFIGHTERS SHALL BE MAINTAINED TO INSURE THAT THE MINIMUM STAFFING LEVELS AND MINIMUM RESPONSE TIMES ESTABLISHED IN THIS SECTION ARE ACHIEVED. THE HIRING STANDARDS OR QUALIFICATIONS REQUIRED TO BECOME A TUCSON POLICE OFFICER OR FIREFIGHTER IN EFFECT UPON THE EFFECTIVE DATE SHALL NOT BE LOWERED TO COMPLY WITH THE MINIMUM STAFFING LEVELS AND/OR MINIMUM RESPONSE TIMES.

(e) THE MANDATORY MINIMUM STAFFING LEVEL FOR THE POLICE DEPARTMENT AS SET FORTH IN THIS SECTION SHALL BE ACHIEVED ON OR BEFORE FIVE (5) FISCAL YEARS AFTER THE EFFECTIVE DATE, WITH A MINIMUM YEARLY INCREASE OF 0.1 POLICE OFFICERS PER EVERY ONE THOUSAND RESIDENTS (1,000) OF THE CITY OF TUCSON ACCORDING TO THE YEARLY POPULATION ESTIMATE FROM THE PIMA ASSOCIATION OF GOVERNMENTS UNTIL THE MINIMUM STAFFING LEVELS ESTABLISHED IN THIS SECTION ARE ACHIEVED.

(f) THE MANDATORY MINIMUM RESPONSE TIMES FOR THE FIRE DEPARTMENT AS SET FORTH IN THIS SECTION SHALL BE ACHIEVED ON OR BEFORE FOUR (4) FISCAL YEARS AFTER THE EFFECTIVE DATE, ACHIEVING THE NFPA 1710 MINIMUM RESPONSE TIMES FIFTY PERCENT (50%) OF THE TIME IMMEDIATELY UPON THE EFFECTIVE DATE, WITH A MINIMUM YEARLY INCREASE OF TEN PERCENT (10%) UNTIL THE MINIMUM RESPONSE TIMES ESTABLISHED BY NFPA 1710 IN THIS SECTION ARE ACHIEVED.

(g) NOTWITHSTANDING ANY CHARTER PROVISIONS TO THE CONTRARY, VIOLATIONS OF THIS SECTION MAY BE REDRESSED BY CIVIL ACTION ONLY.

PETITION NUMBER 2009-1001

Tucson, Arizona April 14, 2009
(Date)

Page 3 of 27

Section 3. NFPA 1710.

A full and complete copy of NFPA 1710 is attached to the title and text of this charter amendment and shall be available upon request from the City Clerk and the Tucson Fire Department.

Section 4. Severability.

If any provision of this charter amendment is declared void or unenforceable, it shall be severed from the remainder of this charter amendment, which shall otherwise remain in full force and effect.

CITY OF TUCSON
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OFFICE OF THE
CITY CLERK

PETITION NUMBER 2009-1001

**Public Safety First Initiative
TUCSON POLICE DEPARTMENT**

ATTACHMENT C

POLICE: PROJECTED ADDITIONAL PERSONNEL REQUIREMENTS (FTEs)

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	
Additional Police Officers (333 Total)	8	76	81	83	85	333
Additional Civilians (83 Total)	2	19	20	21	21	83

POLICE: PROJECTED OPERATING COSTS:

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Recurring Costs in Future Fiscal Years</u>
Sworn Officers ¹	800,000	4,770,000	10,680,000	16,930,000	23,630,000	26,280,000
Sworn Officers Overtime ¹	16,400	176,000	355,000	545,000	747,000	765,000
Command Structure ¹	41,000	1,005,000	2,055,000	3,158,000	4,314,000	4,422,000
Civilian ²	140,000	1,480,000	2,770,000	4,230,000	5,800,000	5,950,000
Fuel ³	10,000	100,000	200,000	300,000	420,000	430,000
Vehicle Maintenance ⁴	20,000	230,000	450,000	680,000	920,000	970,000
Jailboard ⁵	52,000	550,000	1,110,000	1,710,000	2,350,000	2,470,000
Public Safety Training Academy ⁶	25,000	718,000	726,000	745,000	776,000	797,000
Vehicle Replacement ⁷	-	-	-	-	-	1,645,000
Public Liability Insurance (self-insurance fund) ⁸	23,000	240,000	471,000	708,000	951,000	950,000
Substations' operating and maintenance ⁹	-	-	-	-	300,000	300,000
Helicopter (purchase and maintenance) ¹¹	-	-	-	-	240,000	515,000
Uniform and Equipment ¹²	-	-	8,300	90,000	179,000	375,000
PCWIN System Requirements ¹⁰	-	UNK	UNK	UNK	UNK	UNK
Estimated Police Department Costs	1,127,400	9,269,000	18,825,300	29,096,000	40,627,000	45,869,000

Assumptions:

¹\$100,000 per officer in first year of hire (Includes salary, pension costs, and other benefits @ FY2009 rates \$68,000, uniform \$500, vehicles \$20,000, equipment (gun, supplies, taser) \$3,000, Uniform Allowance \$2,000, Overtime \$3,000, Holiday Pay \$2,500, IT software licensing/hardware \$1,000

2.5% Annual inflation for personnel costs (no additional increases for pension contributions) and 2% annual inflation for non-personnel added

Command structure requires maintaining staffing ratio of 1 Sgt per 6 officers added, 1 lieutenant per 23 officers added, and 1 capt per 45 officers added; 2.5% added for annual inflation

Officer costs are prorated due to timing of training classes. \$70,000 each subsequent year. 2.5% increases for annual inflation.

²\$70,000 per civilian in first year (Includes salary and benefits @ FY2009 rates, equipment/supplies); \$60,000 each subsequent year. 2.5% annual inflation rate for personnel and 2% annual inflation rate for non-personnel included

Potential salary/benefit cost increases (above the overall 2.5% annual increase) have not been included (e.g. pension, health, COLA/merit, union-negotiated). 2% annual inflation has been included for non-personnel costs.

³Based on \$2,520 annually per vehicle (1 vehicle for every 2 officers). 2% annual inflation added

⁴Based on \$5,511 annually per vehicle (1 vehicle for every 2 officers). 2% annual inflation added
Vehicle estimates based on marked and unmarked police cruisers; does not include leased or motorcycles.

⁵Based on current cost of jailboard per sworn authorized positions (\$6,550).
Includes 5% per per year increases for inflation based on historic annual increases in Pima County first day and extra day rates.

⁶Based on fixed training costs per class plus books and supplies offset by AZPOST reimbursements.
Includes 2.5% personnel cost annual inflation and 2% non-personnel cost annual inflation.

⁷Average Replacement cost per year starting in year 7 of operation (1 car per 2 officers).

⁸City Risk Manager's projection of \$200,000 additional per year based on increase in authorized strength.

⁹Assumes construction of two new substations. Based on historical experience of \$150,000 per year per substation.

¹⁰The implementation of the Pima County Wireless Integrated Network (PCWIN) bond project will eventually require increased City funding for replacement radios and dispatch center functions. Assumes additional officers will require additional radios and dispatchers.
Potential costs unknown at this time.

¹¹Additional helicopter required in fifth year(costs spread over 5 years); recurring costs include maintenance, certification and fuel

¹²Uniform and Equipment allowance paid after 2nd year; 2% per year for annual inflation

**Public Safety First Initiative - Preliminary Information
TUCSON FIRE DEPARTMENT**

ATTACHMENT D

FIRE: PROJECTED ADDITIONAL PERSONNEL REQUIREMENTS (FTEs)						
		<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>
Additional Commissioned FTE's	(70 Total)	21	21	28	-	-
Additional Civilians	(5 Total)	2	-	3	-	-
						70 5

FIRE: PROJECTED OPERATING COSTS:						Recurring Costs in Future Fiscal Years
	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	
Commissioned FTE's-6/26/09 Base Projection ¹	-	1,600,000	3,420,000	6,120,000	6,120,000	6,120,000
Commissioned FTE's - 2.5% Increases ¹	-	40,000	173,140	470,570	635,335	635,335
Public Safety Training Academy ²	882,000	899,640	1,223,510	-	-	-
Operating Costs - Station Support ³	-	-	343,360	744,230	759,115	759,115
Building & Grounds - Major Repair ⁴	-	-	133,890	290,445	296,255	296,255
Vehicle Maintenance & Fuel ⁵	-	22,950	99,650	179,410	183,005	183,005
Add'l Logistics Captain ⁶	109,615	112,355	115,165	118,045	120,995	120,995
Add'l Training Officer ⁷	109,615	112,355	115,165	118,045	120,995	120,995
Add'l Certified Mechanic & Fire Eq. Specialist ⁸			112,945	115,770	118,660	118,660
Add'l Administrative Asst. ⁹			39,925	40,925	41,945	41,945
Add'l Public Liability Insurance ¹⁰	7,500	15,300	26,010	26,530	27,060	27,060
Medical Supplies ¹¹	-	-	46,820	95,510	97,420	97,420
Alpha Trucks (Lease Purchase)	102,910	98,050	93,190	-	-	-
Vehicle/Apparatus Replacement ¹²	-	-	-	-	-	-
PCWIN System Requirements ¹³	-	UNK	UNK	UNK	UNK	UNK
Estimated Fire Department Costs	1,211,640	2,900,650	5,942,770	8,319,480	8,520,785	8,520,785

Assumptions:

¹Includes salary, pension costs, and other benefits @ FY2009 rates. For every 1 position (i.e. seat on a truck) added, 3.5 people need to be hired based on the Fire Department's constant staffing model. This model ensures that each position (seat) is filled during each of our three (3) shifts plus coverage for time off (.5).

²Assumes 25% attrition in recruit class and per recruit cost of \$31,500. The \$31,500 includes recruit payroll, uniforms, turnout gear, equipment, training, certification costs, physical/written exams & recruitment costs such as flyers and advertising.

³These costs include operating expenditures associated with station support (i.e. utilities, station supplies, personal protective equipment etc.) FY08 actual costs were evaluated on a per square foot basis and applied to each new station.

⁴Currently, the City does not budget for major repair work associated with building & grounds (i.e. replacement of HVAC systems/roofs; concrete/asphalt repair etc). This line item includes not only repair work at the new stations, but also repair work needed at the Public Safety Training Academy (PSTA), as the new personnel continue to train and cause wear and tear on the fire grounds and training props. This line amount is 1/40th of construction costs for the new stations (expected life of building at 40 years) and establishes a reserve to cover future costs for major repairs on a pay as you go basis.

⁵These costs include parts and labor for vehicle maintenance on apparatus, along with fuel costs. Data source: TFD Vehicle Maint. Division.

⁶Additional logistics captain needed for project management of new stations and station support.

⁷Additional training officer needed at the Public Safety Training Academy.

⁸Additional certified mechanic & fire equipment specialist needed to support additional apparatus/eq. placed in service.

⁹Additional administrative assistant needed to support additional personnel.

¹⁰Annual incremental increase in public liability insurance costs per City Risk Manager.

¹¹Medical supplies for additional paramedics.

¹² Replacement of pumpers usually occurs on a 10-12 yr cycle (\$550,00/unit); Replacement of medic trucks usually occurs on a 6-8 yr cycle (\$225,000/unit); Replacement of alpha trucks are expected to occur on a 5-7 yr cycle (\$88,300/unit). Actual timing of replacement depends on vehicle/apparatus mileage. Replacement plan for mobile data terminals should occur on a 5 yr cycle (\$13,100/unit). The replacement plan for EPCR equipment is unknown at this time.

¹³ The implementation of the Pima County Wireless Integrated Network (PCWIN) bond project will eventually require increased City funding for replacement radios and dispatch center functions. Potential costs are unknown at this time.

*Costs reflect a 2.5% annual increase in personnel (no additional increases for pension contributions) and a 2% increase in nonpersonnel, starting in FY12.

ATTACHMENT E

Event	Authority
Initial appearance must be conducted within 24 hours of arrest	Arizona Rules of Criminal Procedure, Rule 4.1
Out of custody criminal cases processed in 180 days In-custody criminal cases processed in 150 days	Arizona Rules of Criminal Procedure, Rule 8.2
Hearing petitions for Orders of Protection and Injunctions against Harassment	Arizona Rules of Protective Order Procedure, Rule 1.C
Conducting hearings on contested Orders of Protection within 5 business days for exclusive use of a home and earliest possible or within 10 business days for those not involving exclusive use of a home	Arizona Rules of Criminal Procedure, Rule 8.1 a
Citation must be filed with court within 10 court days	ARS 28-1593
Bond Review Hearing must be held no more than 10 days after arraignment	Arizona Rules of Criminal Procedure, Rule 7.4 d.
Petition to Revoke Probation. Revocation arraignment must be conducted within 7 days after service of summons or initial appearance notice.	Arizona Rules of Criminal Procedure, Rule 27.8
Appeal - Filed NLT 14 days after trial, civil or criminal.	Arizona Rules of Criminal Procedure, Rule 8.1 a
Adherence to Minimum accounting Standards - dictates process, procedures and time frames for handling monies collected by the court. Court collected \$27.4 million in FY09.	Arizona Code of Judicial Administration, Chapter 4, §1-401

Public Safety First Initiative
Tucson City Court

ATTACHMENT F

CITY COURT: PROJECTED ADDITIONAL PERSONNEL REQUIREMENTS (FTEs)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Court Clerks (48 Total)	1	11	12	12	12
Magistrates (5 Total)	-	1	1	1	2
Supervisors (2 Total)	-	-	1		1
Manager (1 Total)	-	-	-	1	-
Probation Officers (2 Total)	-	-	1	-	1

CITY COURT: PROJECTED OPERATING COSTS:

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Recurring Costs in Future Fiscal Years
Court Clerks ^{1&7}	\$37,964	\$456,517	\$923,498	\$1,402,133	\$1,892,771	\$1,892,800
Magistrates ^{2&7}		\$155,970	\$315,839	\$479,705	\$803,641	\$803,641
Supervisors ^{3&7}			\$66,871	\$68,543	\$135,414	\$135,400
Manager ^{4&7}				\$97,447	\$99,883	\$99,900
Probation Officers ^{5&7}			\$47,795	\$48,990	\$96,785	\$96,800
Equipment ⁶	\$3,000	\$36,720	\$46,818	\$44,560	\$48,700	\$48,700
Estimated Court Total Costs	\$40,964	\$649,207	\$1,400,821	\$2,141,378	\$3,077,194	\$3,077,241

Assumptions:

¹\$37,964 in the first year. Includes salary/benefits including pension. Need is based on the formula of 1 clerk for every 7 police officers added.

²\$155,970 per judicial officer in the first year. Includes salary/benefits. Need is based on the formula of 1 judicial officer for every 70 TPD officers.

³Used mid-point salary of \$44,148 plus salary/benefits which totals \$66,871 per Court Supervisor. Need is based on the formula of one Supervisor per 15 employees is assumed.

⁴Used mid-point salary of \$64,334 plus salary/benefits which totals \$97,447 for Court Section Manager. Need is based on the formula for one Manager per 20 employees is assumed.

⁵Minimum salary is \$31,554 plus salary/benefits which totals \$47,795 per Probation Officer. Need is based on the formula of one Probation Officer per two Magistrates.

⁶\$3,000 equipment costs per new employee. Includes desk, chair, computer, office supplies, etc. 2% inflation factor after first year was included in equipment costs.

⁷ A 2.5% inflation factor after first year of hiring was incorporated into personnel costs.

**Public Safety First Initiative
Public Defender's Office**

ATTACHMENT G

Public Defender's Office: PROJECTED ADDITIONAL PERSONNEL REQUIREMENTS (FTEs)

		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Public Defenders	(6 Total)	-	1	2	1	2
Law Clerks ¹	(2 Total)		1		1	
Legal Secretaries	(2 Total)		1		1	
Customer Service Clerk	(1 Total)			1		

Public Defender's Office: PROJECTED OPERATING COSTS:

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Recurring Costs in Future Fiscal Years
Public Defenders ^{2&9}	\$0	\$89,098	\$269,521	\$365,357	\$552,686	\$552,700
Law Clerks ^{3&9}	\$0	\$57,562	\$59,001	\$118,038	\$120,989	\$121,000
Legal Secretaries ^{4&9}		\$47,795	\$48,990	\$98,010	\$100,370	\$100,400
Customer Service Clerk ^{5&9}			\$35,633	\$36,524	\$37,433	\$37,400
Equipment ⁶		\$9,180	\$9,363	\$9,546	\$6,492	\$9,546
Infrastructure Costs/Additional Office Space ⁷	UNK	UNK	UNK	UNK	UNK	UNK
Additional Management Staff ⁸	UNK	UNK	UNK	UNK	UNK	UNK
Estimated Public Defenders Office Costs	\$0	\$203,635	\$422,508	\$627,475	\$817,970	\$821,046

Assumptions:

¹Staffing assumes that the current under staffing for two Law Clerk positions would be filled at a cost of \$115,124 plus an additional \$8,000 in equipment costs.

\$57,562 per Law Clerk in the first year of hire (includes salary, pension, and other benefits).

Potential salary/benefit cost increases have not been included (e.g. pension, health, COLA, merits, etc.).

²\$89,098 per Public Defender in the first year of hire (includes salary, pension, and other benefits).

Potential salary/benefit cost increases have not been included (e.g. pension, health, COLA, merits, etc.).

Need is based on the formula used from 2006 based on assumptions of a caseload per attorney of 396 cases.

This number exceeds that which is allowed by the AZ Supreme Court per State vs. Joe U. Smith which requires a ceiling cap of 300 cases per attorney per year and .019 attorney for every additional police officer hired..

³\$57,562 per Law Clerk in the first year of hire (includes salary, pension, and other benefits).

Potential salary/benefit cost increases have not been included (e.g. pension, health, COLA, merits, etc.).

⁴\$47,795 per Legal Secretary in the first year of hire (includes salary, pension, and other benefits).

Potential salary/benefit cost increases have not been included (e.g. pension, health, COLA, merits, etc.).

⁵\$35,633 per Customer Service Clerk in the first year of hire (includes salary, pension, and other benefits). Need is based on formula of .014 support staff for every additional police officer hired. Potential salary/benefit cost increases have not been included (e.g. pension, health, COLA, merits, etc.).

⁶\$3,000 equipment costs per new employee. Includes desk, chair, computer, file cabinets, office supplies, etc.
2% inflation factor after first year was included in equipment costs.

⁷These figures do not include infrastructure costs to accommodate this substantial increase in workload and staffing. It is anticipated that the Public Defender's Office will have to be moved to a larger facility. The additional costs for those factors are not included in this projection.

⁸The increase in personnel will require additional supervisors and accompanying salary adjustments.

⁹ A 2.5% personnel inflation factor after first year of hiring was incorporated into personnel costs.

**Public Safety First Initiative
City Prosecutor's Office**

ATTACHMENT H

CITY PROSECUTOR'S: PROJECTED ADDITIONAL PERSONNEL REQUIREMENTS (FTEs)

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Prosecutor (12 Total)	-	3	3	3	3
Court Clerks (14 Total)	-	3	4	3	4

CITY PROSECUTOR'S: PROJECTED OPERATING COSTS:

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	Recurring Costs in Future Fiscal Years
Prosecutor's ^{1&4}		\$258,504	\$523,471	\$795,062	\$1,073,443	\$1,073,400
Court Clerk ^{2&4}		\$113,892	\$268,595	\$389,202	\$550,787	\$550,800
Equipment ³		\$18,360	\$21,848	\$19,101	\$22,727	\$22,700
Estimated City Prosecutor's Office Total Costs	\$0	\$390,756	\$813,914	\$1,203,365	\$1,646,957	\$1,646,900

Assumptions:

¹\$86,168 per Prosecutor in the first year of hire (includes salary and benefits). Need is based on .035 Prosecuting Attorney for every additional police officer added. Salary/benefit cost increases (e.g. pension, health, COLA, merits, etc.) were set at 2.5% .

²\$37,964 per Court Clerk in the first year of hire (includes salary and benefits). Need is based on .041 support staff for every additional police officer added. Salary/benefit cost increases (e.g. pension, health, COLA, merits, etc.) were set at 2.5% .

³ \$3000 equipment costs per new employee. Includes desk, chair, computer, office supplies, etc. Inflation at 2% after the first year has been included in equipment cost.

⁴ A 2.5% personnel inflation factor after first year of hiring was incorporated into personnel costs.



MEMORANDUM

DATE: June 26, 2009

TO: Honorable Mayor and Council Members FROM: Richard Miranda
Deputy City Manager

A handwritten signature in black ink, appearing to read 'Richard Miranda', written over the printed name.

SUBJECT: Public Safety First Initiative – Preliminary Information

During the June 23, 2009 Mayor and Council Study Session discussion of possible 2009 ballot initiatives, staff presented preliminary information on funding the requirements included in the Public Safety First Initiative. At the request of Mayor and Council, this memorandum includes preliminary information on potential operating and capital costs, potential funding sources, and potential budgetary effect of the Public Safety First Initiative. Please note that this information is based on tentative analysis that is ongoing and includes many assumptions.

Potential Increases to Expenditures for Public Safety Operating Needs - The proposed Charter amendment enacts mandatory minimum police department staffing levels and fire department response times to be accomplished through minimum yearly increases which would start in Fiscal Year 2011. In order to achieve these standards, police and fire personnel will need to be trained and deployed, vehicles and equipment will need to be purchased, judicial support staffing will need to be increased, fire and police stations will need to be constructed or relocated, and increased jailboard costs will be incurred. In addition, various support services departments will experience increased workloads and costs as they provide necessary administrative functions for public safety activities. Total operating costs during Fiscal Years 2011 through 2015 are preliminarily being projected at almost \$157 million, with recurring annual costs in future fiscal years of \$51 million.

- Tucson Police Department (TPD) – The current authorized strength for TPD is 1,113 officers. This staffing reflects a ratio of 1.9 officers per 1,000 citizens. Increasing this ratio to 2.4 officers for every 1,000 of population as mandated in the proposed Public Safety First Initiative will require the agency to add 350 officers in addition to those needed for attrition. This can be accomplished by adding 70 officers each year over the next five years with the goal of bringing the agency staffing to 1,462 sworn officers.

Although it is not possible to project every operating cost associated with increasing the size of the agency, there are several costs that can be articulated and preliminarily costed out. These include police officer salary and benefits, public safety academy training costs, vehicle requirements, support staffing increases (17 civilians each year over the next five years), operating and maintenance costs for two new substations, and jailboard cost increases.

To: Honorable Mayor and Council Members

Subject: Public Safety First Initiative – Preliminary Information

Page 2

- Judicial Support (City Court, Public Defender, and Prosecutor's Office) – Judicial support costs must always be factored into any increase in authorized strength of police officers. A rounded formula that has been used in recent years for the City's Financial Sustainability Plan forecasting indicates that for every 70 additional police officers, one (1) judicial officer is needed; and for every 7 additional officers, one (1) administrative staff is needed. The potential addition of 350 officers over five years would eventually require an increase in judicial support of 5 judicial officers and 50 administrative staff. This additional judicial staff would also require corresponding equipment and space needs.
- Tucson Fire Department (TFD) – Preliminary planning to reflect TFD compliance with National Fire Protection Association 1710 (a standard for the organization and deployment of fire suppression operations, emergency medical operations, and special operations to the public), indicates the potential need for 70 additional firefighters and command staff over four years. Public safety academy training costs and vehicle and equipment purchases, as well as the operating and maintenance of fire added stations, have been preliminarily costed out.
- Administrative Services Support – Any increase to public safety activities will result in the need for a corresponding expansion of support services. These services would come from Finance (e.g. payroll processing), Procurement (e.g. equipment purchases), Information Technology (e.g. dispatch applications support), General Services (e.g. communications dispatch, fleet, facilities), Human Resources, Office of Budget and Internal Audit, and the City Attorney's Office.

PROJECTED Public Safety First Initiative Operating Costs

(\$ million)

	Fiscal Years					Recurring (Each Future Year)
	2011	2012	2013	2014	2015	
Tucson Police	7.4	14.0	20.7	27.4	34.0	34.0
Judicial Support	1.0	2.0	3.0	4.0	5.0	5.0
Tucson Fire	0.9	2.5	5.2	7.3	7.3	7.3
Administrative	1.1	2.3	3.1	3.8	4.6	4.6
Total	10.4	20.8	32.0	42.5	50.9	50.9

To: Honorable Mayor and Council Members
 Subject: Public Safety First Initiative – Preliminary Information
 Page 3

Potential Revenue Sources to Fund Costs - Two possible options to fund the recurring operating expenditures incurred if the Tucson Charter was amended to incorporate the Public Safety First Initiative are primary property taxes and sales taxes.

1. **Property Tax - State Mandates** - The primary property tax levy may be used for any general purpose and is primarily used for the City's current operations and maintenance expenses. For Fiscal Year 2010, the City will levy \$0.3144 per \$100 assessed valuation which will bring in \$11.4 million in revenue. There is a limit imposed on how much the City can levy with the primary property tax. Per state statute, the primary property tax is limited to an increase of 2% over the previous year's maximum allowable primary property tax rate. However, there is a provision in the state law that would allow voters to set the levy in excess of the limitation.

The secondary property tax can only be used to retire general obligation (GO) bond debt. The secondary property tax levy is referred to as the "unlimited" levy because the City may increase it as needed to make payments on GO bonds issued by the City.

Property Tax – City Mandates - The City Charter limits the combined primary and secondary property taxes to \$1.75 per \$100 of assessed valuation. Additionally, Mayor and Council policy maintains the combined rate below \$1.50 per \$100 of assessed valuation to provide assurance to the bond rating agencies. The Fiscal Year 2010 combined property tax rate (primary and secondary) is \$0.9344.

An election would be required to change the City Charter. Possible changes would include leaving the cap on the primary tax rate but lifting it from the secondary tax rate, or removing the cap on property tax entirely.

If the cap on the combined rate is removed and the primary rate is kept with a limit of \$1.75 per \$100 assessed valuation, an incremental increase to the primary property tax rate of \$0.30 per year could be used to fund the Public Safety First Initiative. The current primary property tax rate is \$0.3144 per \$100 assessed value. The following schedule illustrates this scenario and the impact to a homeowner.

Primary Property Tax Rate					
Annual Impact on Home of \$200,000 Assessed Valuation					
(Assumes assessed valuation remain constant)					
	2011	2012	2013	2014	2015
Primary Rate	0.6000	0.9000	1.2000	1.5000	1.7500
Annual Impact on Homeowner	\$ 120.00	\$ 180.00	\$ 240.00	\$ 300.00	\$ 350.00
Revenue Generated	\$ 21,763,645	\$ 32,645,468	\$ 43,527,290	\$ 54,409,113	\$ 63,477,299
Current funding to General					
Fund operations	\$ 11,404,150	\$ 11,404,150	\$ 11,404,150	\$ 11,404,150	\$ 11,404,150
Available Funding	\$ 10,359,495	\$ 21,241,318	\$ 32,123,140	\$ 43,004,963	\$ 52,073,148

To: Honorable Mayor and Council Members
Subject: Public Safety First Initiative – Preliminary Information
Page 4

2. **Sales Tax** – The City's business privilege tax or "sales" tax can be used to pay for any general fund expenditure. The City's sales tax rate is 2%, the maximum allowable by the Tucson City Charter. An election would be required to change the City Charter. An option that can be considered is to ask the voters to increase the limit by one-half percent which could yield \$40 million a year. This would generate a recurring revenue stream.

Potential Increases to Expenditures for Public Safety Capital Needs - Additional police, fire, and judicial staffing will require infrastructure adjustments. Preliminarily these would include the construction of two new police substations, two new and one relocated fire stations, equipment and vehicle purchases, and the build-out of courtroom and staff space in City Court. These capital costs are preliminarily projected to be at least \$85 million. These capital expenditures could be paid for with general obligation (GO) bonds with the debt service funded by an increase to the secondary property tax. The City currently does not have any GO bonds authorization. The next time the City could go to the voters for a bond election is November 2011. Another option would be to fund these capital costs with Certificates of Participation which would have to be paid off by ongoing increased General Fund debt service payments that are undetermined.

Potential Effect on Future Budget Years (Fiscal Years 2011 and 2012) - In the event that no funding mechanism is implemented to provide the additional revenues required for the public safety initiative costs, the only alternative will be to further reduce General Fund expenditures in non public safety program areas. The adopted Fiscal Year 2010 General Fund budget is already \$50 million less than adopted in Fiscal Year 2009 due to revenue shortfalls, and significant expenditure reductions have already been made as a result.

The potential negative impact of funding the public safety initiative with current General Fund revenues in future budget years is further compounded by the revenue shortfall situation we already have as we look ahead to Fiscal Year 2011. This is due to the fact that the Fiscal Year 2010 budget includes over \$29 million in non-recurring revenues. We have already anticipated the need to further reduce expenditures in future years in order to offset this funding shortfall. A tentative recovery plan forecasted the necessity of a minimum \$12.6 million reduction in Fiscal Year 2011 budgeted expenditures. This equates to a 3% cut in the General Fund budget. Additional expenditure reductions would also be required in Fiscal Years 2012 (projected \$10.2 million) and 2013 (projected \$6.4 million) in order to eliminate the non-recurring deficit of over \$29 million by Fiscal Year 2014.

These expenditure reduction projections are based on the assumption that General Fund revenues would remain flat during this timeframe. However, future revenues and expenditures could be further adversely affected by factors out of our control. For example, state-shared revenue allocations (sales and income tax) could be significantly reduced by the State of Arizona which is a possibility that cannot be ignored. For example, a 10% cut in these revenues would equate to a potential \$13 million hit that would require a corresponding reduction in expenditures. In addition, on the expenditure side, we also have preliminary indications that the City's

To: Honorable Mayor and Council Members
Subject: Public Safety First Initiative – Preliminary Information
Page 5

contribution to both the civilian and public safety pension systems will need to be substantially increased due to the condition of the investment markets.

- Preliminary Fiscal Year 2011 Budget Projection – To address the potential increases to operating expenditures for Public Safety operating needs in Fiscal Year 2011, it has been preliminarily projected that \$10.4 million would be required in the areas of police, fire, judicial, and administrative support (see chart on page 2). This is in addition to a \$12.6 million reduction that would just to begin to address the over \$29 million non-recurring revenue shortfall as noted above. Therefore, a total of \$23 million in expenditure reductions would need to be made to balance the Fiscal Year 2011 budget, assuming all other things remain equal (e.g., state shared revenues, benefit costs)

Public safety expenditures (police, fire, and judicial) comprise 56% of the Adopted Fiscal Year 2010 General Fund budget of \$420.6 million. In order to expand public safety related functions to be in alignment with the initiative mandates, no further reductions could be made to these areas for Fiscal Year 2011. Therefore, the remaining 44% of the General Fund budget would have to incur the entire \$23 million in reductions. This would equate to a 13.3% budget reduction which could be accomplished through substantial budget balancing measures as described below.

- Potential Fiscal Year 2011 Budget Balancing Measures – Following are examples of budget reductions which could be made to provide for needed savings in Fiscal Year 2011 of \$23 million as the result of revenue shortfalls and the dedication of increased funding to public safety functions.
 - Across-the-Board Layoffs – Approximately 343 full-time-equivalent (FTE) positions funded by General Fund could be eliminated to provide for a \$23 million recurring expenditure reduction. This would be a reduction of 5 non public safety FTEs for every police officer added in Fiscal Year 2011.
 - Across-the-Board (ATB) Program or Service Reductions in All Non-Public Safety Areas – A 13.3% ATB decrease to the Parks and Recreation Department's \$42.9 million FY 2010 General Fund budget would require a \$5.7 million expenditure reduction. This could be accomplished by eliminating both the KIDCO program and the Zoo, or both the Aquatics and KIDCO programs. A similar 13.3% reduction of \$500,000 to the Mayor and Council's budget could be accomplished eliminating one staff person from each council office.
 - Elimination of Non-Mandated Services – The City could reduce expenditures by eliminating services that are not mandated. For example, elimination of the Parks and Recreation Department would result in a \$42.9 million savings. As an alternative, the City's General Fund maintenance of effort contribution to mass transit services could be completely eliminated for a \$32 million savings.
 - Sale of City Assets – All Tucson City Golf courses could be sold and its enterprise operations discontinued in order to provide additional General Fund revenues to support the public safety initiative requirements.

To: Honorable Mayor and Council Members

Subject: Public Safety First Initiative -- Preliminary Information

Page 6

- Preliminary Fiscal Year 2012 Budget Projection – All things remaining constant, an additional 21% reduction would be required in Fiscal Year 2012 in all non public safety areas. This would be a further decrease from a base General Fund budget that has already been lowered by the 13% reductions taken in Fiscal Year 2011. An expenditure reduction of over \$31 million in non public safety functions would be necessary. This is comprised of a) a \$10.2 million expenditure reduction to further eliminate the non-recurring revenue shortfall which balanced the Fiscal Year 2010 budget, and b) the preliminary projection of \$20.8 million in increased funding needed for the public safety initiative expenditures in Fiscal Year 2012.

Mayor and Council Options – As noted earlier in this Memorandum, amendments to the City Charter provisions relating to property taxes (primary and secondary) or sales tax can only occur by placing the matter on the ballot and presenting the amendments to the City's voters for approval. Similarly, the primary property tax rate cannot be raised more than 2% in a given year unless voters approve that increase. Under the City Charter, the Mayor and Council have the authority to refer such measures to the voters at a general or special municipal election. Under the deadlines imposed by state law, the July 7th meeting represents the final scheduled regular meeting during which the Mayor and Council would have the opportunity to refer a measure to the voters for consideration on the November 2009 ballot.

RM:MN

c: Mike Letcher, City Manager
Executive Leadership Team
Mayor and Council Aides
Tucson Police Officer Association
Tucson Fire Firefighters Association Local Chapter 479



COUNTY ADMINISTRATOR'S OFFICE

PIMA COUNTY GOVERNMENTAL CENTER
130 W. CONGRESS, TUCSON, AZ 85701-1317
(520) 740-8661 FAX (520) 740-8171

C.H. HUCKELBERRY
County Administrator

September 4, 2009

HAND-DELIVERED

Richard Miranda
Deputy City Manager
City of Tucson
P.O. Box 27210
Tucson, Arizona 85726-7210

Re: Initiative to Mandate Tucson Law Enforcement Staffing Levels

Dear Richard:

Pima County has received additional information from the Pima County Juvenile Court regarding the estimated impact of the "Public Safety First Initiative" on county expenditures. The Juvenile Court estimate increases County-related criminal justice operating and capital costs to \$27,850,937 and \$6,041,913 per year, respectively. This calculation assumes that the Initiative will have been fully implemented by the fifth year after adoption.

In support of the above, I enclose the following documents:

1. Revised "Estimated Cost to County of 350 Additional Police Officers in Five Years;"
2. "Calculation of Estimated Tax Rate Needed to Cover Cost to Pima County of City of Tucson Public Safety Initiative;" and
3. "Property Owners Paying Additional Tax Needed to Cover Cost to Puma County of City of Tucson Public Safety Initiative."

The costs identified to date will raise the County's combined primary and secondary property tax rate by 8.2% based on current assessments. The current primary and secondary tax rate of \$4.5511 will rise to \$4.9236, thereby increasing taxes by \$74.50 from \$910.22 to \$984.72 on a home with an assessed value of \$200,000.

The additional costs will require voter approval to override limits on the County's authority to increase the primary and secondary tax rates. The enclosed documents show that \$0.2002 additional taxing authority will be needed.

Richard Miranda, Deputy City Manager
Initiative to Mandate Tucson Law Enforcement
Staffing Levels
September 4, 2009
Page 2 of 2

Another feature of the costs associated with the Initiative will be the relative impact on taxpayers within and outside the City of Tucson. By way of example, using current full cash net assessed values, owners of Residential – Owner Occupied property within the City would contribute 32.7% of required County costs, while similar property owners outside the City would contribute 67.3% of those costs.

I anticipate at least one additional revision when I've received estimates from the Clerk of Superior Court.

Please call me at (520) 740-8311 if you have any questions.

Sincerely,



Lindy Funkhouser
Assistant County Administrator for
Justice and Law Enforcement Policy

Cc: C.H. Huckelberry
County Administrator

Agency	Cost Type	Operating Cost	Capital Cost	Subtotal	Total After 5-Year Inflation
Superior Court	Judicial/Probation	6,495,486.07	\$1,500,000	\$7,995,486	\$9,914,403
Sheriff	Jail Staffing and Expansion	\$12,469,265	\$64,400,000	\$76,869,265	\$95,317,888
County Attorney	Staffing and Additional Costs	\$3,776,002	\$1,190,000	\$4,966,002	\$6,157,842
	Additional Staff and Operating Costs	\$1,156,781	\$65,330	\$1,222,111	\$1,515,418
Public Defender/Legal Defender	Contract Defenders	\$2,131,867	\$0	\$2,131,867	\$2,643,515
Office of Court Appointed Counsel	Judicial/Probation	\$1,821,536	\$21,000	\$1,842,536	\$2,284,745
Juvenile Court	TOTAL	\$27,850,937	\$67,176,330	\$95,027,267	\$117,833,811

Cost Allocation Factors	
Superior Court	1.13
Sheriff	1.09
County Attorney	1.14
Public Defender/Legal Defender	1.11
Office of Court Appointed Counsel	1.19

Annual Inflation Factor	6%
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Calculation of Estimated Tax Rate Needed to Cover Cost to Pima County of City of Tucson Public Safety Initiative

(based on FY2009/10 final assessed values used to bill property owners)

Primary Net Assessed Value (Assessor's billing roll of July 29, 2009)	Countywide	Expected Collection Rate for Primary Tax Levy	96.1778%
Secondary Net Assessed Value (Assessor's billing roll of July 29, 2009)	\$9,010,240,779	Expected Collection Rate for Secondary Tax Levies	96.0255%
	\$9,860,980,900		
Additional Primary & Secondary Tax Rates Needed to Support	\$27,850,937	Additional Primary Tax Rate Needed	
Additional Secondary Tax Rate Needed to Support	\$6,041,913 ^a	Additional Secondary Tax Rate Needed	
Additional Total Tax Rate Needed to Support	\$33,892,850	Levy limit override required	
		in operating costs when fully funded	
		in amortized capital costs	
		in total annual costs	

Additional Tax on Home With \$200,000 Limited Value (Primary Tax) and \$200,000 Full Cash Value (Secondary Tax)

Pima County Primary Tax Rate	Current Rates	+	Additional Rate	=	New Rate	% Increase
	\$3.3133		\$0.1723		\$3.4856	5.2%
Pima County Secondary Tax Rates (all levies & primary limit override);	\$1.2378	+	\$0.2002	=	\$1.4380	16.2%
Total Pima County Tax Rate	\$4.5511	+	\$0.3725	=	\$4.9236	8.2%
Property Taxes on Home With \$200,000 Assessed Value	Current Tax	+	Additional Tax	=	New Tax	% Increase
	\$910.22		\$74.50		\$984.72	8.2%

Notes:

- ^a Assumes capital costs of \$67,176,330 covered by bond issue for 15 years at 4% annual interest rate.
- ^b Represents difference between County's actual FY2009/10 primary levy rate of \$3.3133 and the maximum allowable primary levy rate of \$3.4856 per \$100 of limited net assessed value.

Property Owners Paying Additional Tax Needed to Cover Cost to Pima County of City of Tucson Public Safety Initiative

Property Class	Property Inside City of Tucson			Property Outside City of Tucson			Countywide Pima County		
	Taxable Limited Net Assessed Value	Additional Primary Tax Collected (\$0.3214 per \$100 LNAV) ^{1/}	Additional Tax as % of County Total	Taxable Limited Net Assessed Value	Additional Primary Tax Collected (\$0.3214 per \$100 LNAV) ^{1/}	Additional Tax as % of County Total	Taxable Limited Net Assessed Value	Additional Primary Tax Collected (\$0.3214 per \$100 LNAV) ^{1/}	Additional Tax as % of County Total
Mines	\$0	\$0	0.0%	\$279,022,258	\$862,501	100.0%	\$279,022,258	\$862,501	100.0%
Utilities	106,795,802	330,122	46.8%	121,245,483	374,789	53.2%	228,041,285	704,911	100.0%
Commercial Personal Property	227,224,922	702,387	46.4%	262,665,326	811,939	53.6%	489,890,248	1,514,326	100.0%
Commercial Real Property	1,035,774,582	3,201,739	64.7%	564,592,307	1,745,242	35.3%	1,600,366,889	4,946,981	100.0%
Total Commercial	1,369,795,306	4,234,249	52.7%	1,227,525,374	3,794,471	47.3%	2,597,320,680	8,028,719	100.0%
Land & Agriculture	92,196,344	284,993	17.6%	431,227,996	1,332,992	82.4%	523,424,340	1,617,985	100.0%
Residential - Owner Occupied	1,595,273,260	4,931,236	32.3%	3,350,104,969	10,355,692	67.7%	4,945,378,229	15,286,928	100.0%
Residential - Rental	548,583,418	1,695,756	60.5%	357,474,389	1,105,009	39.5%	906,057,807	2,800,765	100.0%
Railroads	2,608,137	8,062	41.5%	3,674,685	11,359	58.5%	6,282,822	19,421	100.0%
Other	27,876,394	86,170	87.7%	3,900,507	12,057	12.3%	31,776,901	98,227	100.0%
Total	\$3,636,332,859	\$11,240,467	40.4%	\$6,601,433,294	\$16,611,580	59.6%	\$9,010,240,779	\$27,852,046	100.0%

Property Class	Property Inside City of Tucson			Property Outside City of Tucson			Countywide Pima County		
	Taxable Limited Net Assessed Value	Additional Secondary Tax Collected (\$0.0638 per \$100 SNAV) ^{2/}	Additional Tax as % of County Total	Taxable Limited Net Assessed Value	Additional Secondary Tax Collected (\$0.0638 per \$100 SNAV) ^{2/}	Additional Tax as % of County Total	Taxable Limited Net Assessed Value	Additional Secondary Tax Collected (\$0.0638 per \$100 SNAV) ^{2/}	Additional Tax as % of County Total
Mines	\$0	\$0	0.0%	\$279,022,258	\$170,941	100.0%	\$279,022,258	\$170,941	100.0%
Utilities	106,795,802	65,428	46.8%	121,245,483	74,280	53.2%	228,041,285	139,708	100.0%
Commercial Personal Property	228,550,391	140,020	46.1%	267,268,815	163,740	53.9%	495,819,206	303,760	100.0%
Commercial Real Property	1,199,927,520	735,127	64.7%	655,606,799	401,653	35.3%	1,855,534,319	1,136,780	100.0%
Total Commercial	1,535,273,713	940,574	53.7%	1,323,143,355	810,614	46.3%	2,858,417,068	1,751,188	100.0%
Land & Agriculture	120,987,208	74,122	17.2%	581,231,383	356,124	82.8%	702,278,591	430,246	100.0%
Residential - Owner Occupied	1,719,292,941	1,053,312	32.7%	3,532,453,368	2,164,132	67.3%	5,251,746,309	3,217,444	100.0%
Residential - Rental	615,879,208	377,314	61.6%	384,453,724	235,533	38.4%	1,000,332,932	612,847	100.0%
Railroads	3,057,321	1,873	41.9%	4,235,358	2,595	58.1%	7,292,679	4,468	100.0%
Other	35,751,741	21,903	87.4%	5,161,580	3,162	12.6%	40,913,321	25,065	100.0%
Total	\$4,030,242,132	\$2,469,098	40.9%	\$5,830,738,768	\$3,572,159	59.1%	\$9,860,980,900	\$6,041,258	100.0%

2009 taxable net assessed values include all real property, secured personal property, and unsecured personal property that is locally assessed or centrally valued by Arizona Department of Revenue.

Notes:

- ^{1/} Expected amount collected based on additional primary rate of \$0.3214 per \$100 LNAV and a 96.1778% collection rate for primary taxes received during current year from property in all jurisdictions.
- ^{2/} Expected amount collected based on additional secondary rate of \$0.0638 per \$100 SNAV and a 96.0255% collection rate for secondary taxes received during current year from property in all jurisdictions.

Source: Valuations for jurisdictions based on Assessor's roll with information as of July 29, 2009, that is used to bill property owners.