Arizona

Local Governments

Facts and Figures

Sharon Lawrence

PO Box 387

San Marcos, TX 78667-0387

(512) 837-5670

sharontx@concentric.net

(December 15, 2015)

May not be reproduced or distributed without permission of the author

|  |
| --- |
| **Arizona Local Governments by County[[1]](#footnote-1)** |
| **County** | **County** | **Cities/Towns** | **Fire** **Districts** | **Water Districts** | **Other Districts** | **Total Governments** |
|  |  |  |  |  |  |  |
| Maricopa | 1 | 24 | 21 | 3 | 66 | 115 |
| Pinal | 1 | 9 | 10 | 13 | 24 | 57 |
| Yavapai | 1 | 9 | 16 | 13 | 16 | 55 |
| Yuma | 1 | 4 | 1 | 0 | 47 | 53 |
| Navajo | 1 | 7 | 9 | 16 | 10 | 44 |
| Gila | 1 | 6 | 12 | 13 | 4 | 36 |
| Pima | 1 | 5 | 18 | 6 | 6 | 36 |
| Cochise | 1 | 7 | 15 | 5 | 6 | 34 |
| Mohave | 1 | 3 | 14 | 7 | 8 | 33 |
| Coconino | 1 | 5 | 17 | 5 | 4 | 32 |
| Apache | 1 | 3 | 7 | 4 | 5 | 20 |
| La Paz | 1 | 2 | 6 | 6 | 4 | 19 |
| Graham | 1 | 3 | 4 | 0 | 2 | 10 |
| Santa Cruz | 1 | 2 | 3 | 1 | 0 | 7 |
| Greenlee | 1 | 2 | 1 | 0 | 1 | 5 |
|  |  |  |  |  |  |  |
| **Total** | **15** | **91** | **154** | **92** | **203** | **555** |

**I. Introduction**

Most people would be astonished to know that in the United States, there are more than 90,000 units of local government.[[2]](#footnote-2) Across and within states, the types of local governments, their leadership, their powers, and their funding mechanisms are tremendously diverse.

State and local government officials, candidates for public office, the media, the public, and the vendor community typically face a herculean task to understand the role and operations of the local governments within their state. This guide is an effort to provide a brief overview of some of the most salient features of Arizona local government.

|  |
| --- |
| **Facilities Operated/Services Provided by****Arizona Local Governments** |
| **Facility/Service** | **Cities** | **Counties** | **Special Districts** |
|  |  |  |  |
| Airport | 33 | 3 | 1 |
| Ambulance[[3]](#footnote-3) | 17 | 1 | 46 |
| Cemetery | 43 | 2 | 0 |
| Convention Center | 6 | 0 | 0 |
| Electric Power | 7 | 0 | 10 |
| Fire | 49 | 0 | 108 |
| Fire/Ambulance | 17 | 0 | 46 |
| Flood Control/Irrigation/Water Conservation[[4]](#footnote-4) | 0 | 0 | 137 |
| Garbage Collection | 53 | 0 | 0 |
| Gas Supply | 5 | 0 | 0 |
| Golf Course | 19 | 3 | 0 |
| Health Care/Hospital | 0 | 0 | 14 |
| Landfill | 11 | 8 | 0 |
| Libraries | 49 | 15 | 0 |
| Other | 0 | 0 | 5 |
| Police/Sheriff | 82 | 15 | 0 |
| Public Housing | 9 | 6 | 0 |
| Sanitation/Wastewater | 73 | 1 | 33 |
| Transit | 18 | 0 | 3 |
| Water Supply | 65 | 0 | 92 |
|  |  |  |  |
| **Total Jurisdictions** | **91** | **15** | **449** |

**II. Cities/Towns, Counties, and Special Districts: Roles and Responsibilities**

State law establishes the powers and responsibilities for local governments in the state.[[5]](#footnote-5) Historically, counties are assigned a number of duties they must perform (e.g., maintaining land records and running the election system) while cities/towns are permitted, but are not required, to carry out a variety of tasks. Special districts are limited in the purposes for which they may be formed. With rare exceptions, they are restricted to one function and one function only.[[6]](#footnote-6)

As the above chart illustrates, Arizona cities/towns are offering a wide variety of services to their residents. In addition to the duties imposed upon them by law, counties are stepping outside their traditional roles to support library systems and operate landfills by choice. Special districts, when formed, are heavily focused on core services such as firefighting, water supply, and wastewater treatment. Local governments do so despite the fact they operate under statutory tax and expenditure limitations that govern the extent to, and the process by, which financial decisions may be exercised by these governments.[[7]](#footnote-7)

To enhance transparency in local government operations, Arizona Revised Statutes (A.R.S.) §§42-17101 and 42-17102 require cities/towns and counties to prepare annual budgets on forms the Office of the Auditor General develops and to submit the completed forms to that agency.[[8]](#footnote-8) Figures must be provided for each department, office, and official. Most special districts also are required by law to report fiscal information, although the format differs for their submission.[[9]](#footnote-9) Typically those reports are filed with the Clerk of the Board of Supervisors and the Treasurer of the appropriate county.

City/town and county financial data discussed in this study come from those reports (e.g., Schedules A, F and G) as well as approved budgets.**[[10]](#footnote-10)**

|  |
| --- |
| **Arizona Local Governments** |
|  | **Cities/Towns** | **Counties** | **Special Districts[[11]](#footnote-11)** |
|  |  |  |  |
| Jurisdictions | 91 | 15 | 449[[12]](#footnote-12) |
| 2010 Population (April 2010) | 5,022,708 | 6,392,017 | N/A |
| 2014 Population (July 2014 estimate) | 5,320,777 | 6,731,484 | N/A |
| Percentage of Total State Population(2014 estimate) | 79.04% | 100.0% | N/A |
|  |  |  |  |
|  |
|  |  |  |  |
| Land Area (Square Miles) | 4,468 (est.) | 113,594 | N/A |
| Percentage of State Land Area | 3.9 % | 100.0 % | N/A |
| Population Per Square Mile | 1,191 | 59 | N/A |
|  |  |  |  |
|  |
|  |  |  |  |
| FY 2014 – 2015 Expenditures (Approved) | $15,697,441,601 | $5,350,380,892 | $2,184,693,826 |
| FY 2015 – 2016 Expenditures (Approved) | $17,612,659,968 | $5,435,531,609 | $2,135,323,313 |
| FY 2014 – 2015 to FY 2015 – 2016 Percentage Increase | 12.2% | 1.63% | -- |
| FY 2015 – FY 2016 Expenditures Per Capita | $3,310.17 | $807.48 | -- |
|  |  |  |  |

**III. Cities/Towns, Counties, and Special Districts: Highlights**

For the fiscal year (FY) beginning July 1, 2015, leaders of Arizona’s local governments approved budgets totaling over $25.2 billion.[[13]](#footnote-13) Those amounts represent an estimated 12.24 percent increase over Fiscal Year 2015 for cities/towns, but only a 1.63 percent rise over Fiscal Year 2015 for counties.

Averages, however, don’t tell the whole story. Combined city/county spending in 4 of the 15 counties declined from FY 2014 – 2015 to FY 2015 – 2016. Thirty-four (34) cities/towns and 5 counties decreased their budgets during the same period, while 56 cities/towns and 9 counties increased planned expenditures. One city/town and one county committed to level spending over that period. Moreover, much of the increase comes from Maricopa County and the cities therein (see chart that follows) and Lake Havasu City, where a planned debt restructuring inflates their budget numbers.

Of the fire districts for which data are available, 55 decreased anticipated expenditures from FY 2015 to FY 2016, 74 planned an increase in spending, and 6 held steady.[[14]](#footnote-14) One of the three transit districts decreased planned spending.

|  |
| --- |
| **Combined Arizona City/Town &County Budgets Per County** **(FY 2014 - 2015 & FY 2015 - 2016)** |
| **County** | **Population****2014** | **Total FTEs** | **Budget (FY 2014 – FY 2015)** | **Budget (FY 2015 – FY 2016)** | **% Change****(FY 2014-2015 to** **FY 2015-2016)** |
|  |  |  |  |  |  |
| Maricopa | 4,087,191 | 46,413 | $13,922,381,368 | $15,510,979,604 | 11.41% |
| Pima | 1,004,516 | 12,575 | $2,758,949,381 | $2,870,558,278 | 4.05% |
| Pinal | 401,918 | 3,516 | $896,593,759 | $888,614,192 | -0.89% |
| Yavapai | 218,844 | 2,940 | $633,874,559 | $654,484,993 | 3.25% |
| Mohave | 203,361 | 2,442 | $646,965,970 | $918,756,281 | 42.01% |
| Yuma | 203,247 | 2,766 | $540,594,968 | $548,515,586 | 1.47% |
| Coconino | 137,682 | 2,115 | $483,961,441 | $484,024,691 | 0.01% |
| Cochise | 127,448 | 1,718 | $329,965,155 | $329,797,102 | -0.05% |
| Navajo | 108,101 | 1,176 | $234,815,107 | $234,618,280 | -0.08% |
| Apache | 71,828 | 473 | $79,508,779 | $81,355,437 | 2.32% |
| Gila | 53,119 | 980 | $200,219,247 | $198,568,545 | -0.82% |
| Santa Cruz | 46,695 | 676 | $131,443,140 | $133,763,223 | 1.77% |
| Graham | 37,957 | 455 | $96,063,169 | $98,491,235 | 2.53% |
| La Paz | 20,231 | 347 | $63,121,961 | $63,716,602 | 0.94% |
| Greenlee | 9,346 | 203 | $31,807,794 | $31,947,528 | 0.44% |
|  |  |  |  |  |  |

|  |
| --- |
| **Arizona City/Town & County Expenditure Patterns** |
|  | **Cities/Towns** | **Counties** |
|  |  |  |
| FY 2015 – 2016 Full-time Equivalent Employees (budgeted) | 45,933 | 32,861 |
| FY 2015 – 2016 Percentage of Budget for Employee Compensation (median) | 24.35 % | 39.40 % |
| FY 2015 – 2016 Percentage of Budget for Employee Retirement (median) | 2.65 % | 4.43 % |
| FY 2015 – FY 2016 Percentage of Budget for Employee Healthcare (median) | 2.87 % | 4.95 % |
| FY 2015 – 2016 Median Average Salary Per FTE (excluding benefits) | $52,166.89 | $44,704.81 |
| FY 2015 – 2016 Median Health Care Costs Per FTE  | $8,649 | $7,821 |
| FY 2015 – 2016 Median Retirement Costs Per FTE | $8,243 | $6,876 |
| FY 2015 – 2016 Median Total Compensation Per FTE | $75,550.53 | $63,589.19 |
|  |  |  |

**IV. Cities/Towns and Counties: Staffing**

Despite the huge disparity in the estimated expenditures for the current fiscal year, work force size between the cities/towns and counties shows less of a difference. During FY 2015 – 2016, cities/towns expect to use approximately 45,933 full-time equivalent employees (FTE). Counties plan a workforce of approximately 32,861 FTEs.

Stark differences do exist, however, between the compensation patterns of the two types of general purpose local governments. Counties expect to spend 40 percent of their planned budget on employee compensation. Cities/towns budget dramatically less, approximately 25 percent, for personnel costs.[[15]](#footnote-15)

Function clearly influences the percentage of resources going to personnel. Fire districts, many with minimal or no paid staff, plan to spend 63.12 percent of their total budget dollars on personnel costs during Fiscal Year 2015 – 2016.[[16]](#footnote-16)

Private sector employers will no doubt be interested to learn that Arizona cities/towns will expend approximately 2.87 percent of their total dollars for employee healthcare during FY 2015 – 2016 (median). The comparable figure for counties is dramatically higher at 4.95 percent. Median employee retirement costs are expected to be 2.65 percent of city/town budget resources with counties planning for substantially more in FY 2016, 4.43 percent.[[17]](#footnote-17)

To facilitate an examination of geographic differences, size of government (e.g., full-time equivalent employees), and population factors, expenditure totals have been combined for all cities/towns and counties. Note the differences between the median (used above) and the average (used below). As expected, budget size relates to population size, but not perfectly, in Arizona.

|  |
| --- |
| **Combined Arizona City/Town & County Compensation Costs Per County (FY 2015 - 2016)** |
| **County** | **Population****2014** | **Total FTEs** | **Average Salary****Per FTE**  | **Average Total** **Compensation Per FTE** | **Benefits as % of Total Compensation** |
|  |  |  |  |  |  |
| Maricopa | 4,087,191 | 46,413 | $62,658.71 | $89,959.17 | 43.57% |
| Pima | 1,004,516 | 12,575 | $54,693.74 | $79,422.84 | 45.21% |
| Pinal | 401,918 | 3,516 | $47,726.92 | $67,331.98 | 41.08% |
| Yavapai | 218,844 | 2,940 | $51,207.00 | $71,718.10 | 40.06% |
| Mohave | 203,361 | 2,442 | $47,361.21 | $68,412.30 | 44.45% |
| Yuma | 203,247 | 2,766 | $48,217.00 | $69,130.14 | 43.37% |
| Coconino[[18]](#footnote-18) | 137,682 | 2,115 | $46,122.04 | $65,487.71 | 41.44% |
| Cochise | 127,448 | 1,718 | $43,139.84 | $62,870.14 | 45.74% |
| Navajo | 108,101 | 1,176 | $43,289.29 | $65,736.19 | 51.85% |
| Apache | 71,828 | 473 | $45,204.33 | $67,827.35 | 50.05% |
| Gila | 53,119 | 980 | $44,202.71 | $62,720.24 | 41.89% |
| Santa Cruz | 46,695 | 676 | $41,235.92 | $58,953.58 | 42.97% |
| Graham | 37,957 | 455 | $54,430.90 | $79,145.58 | 45.41% |
| La Paz | 20,231 | 347 | $39,485.88 | $55,406.32 | 40.32% |
| Greenlee | 9,346 | 203 | $39,608.31 | $55,406.32 | 48.67% |
|  |  |  |  |  |  |

|  |
| --- |
| **Facilities Operated/Services Provided by Arizona Special Districts** |
| **Facility/Service** | **Number** | **FY 2014 – 2015[[19]](#footnote-19)** | **FY 2015 – 2016[[20]](#footnote-20)** |
|  |  |  |  |
| Airport | 1 | $17,823,456 | $20,417,248 |
| Electric Power | 10 | TBA | TBA |
| Fire  | 108 | $118,335,341 | $122,271,343 |
| Fire & Ambulance | 46 | $236,897,807 | $254,637,153 |
| Flood Control/Irrigation/Water Conservation | 137 | $350,694,767 | $301,357,683 |
| Health Care/Hospital | 14 | $787,732,824 | $806,740,609 |
| Pest Abatement/Control | 3 | TBA | TBA |
| Road | 2 | $70,000 | $70,000 |
| Sanitation/Wastewater | 33 | $36,930,308 | $33,429,637 |
| Transit | 3 | $515,308,527 | $576,856,636 |
| Water Supply | 92 | $19,512,320 | $18,898,685 |
|  |  |  |  |
| **Total** | **449** | **$2,184,763,826** | **$2,135,393,313** |
|  |  |  |  |

**V. Special Districts: Roles**

Although most people know little, if anything, about special districts, in Arizona they provide key services throughout the state, as the above chart illustrates.[[21]](#footnote-21) Their presence, however, differs substantially from county to county. (Refer to page 1.)

Distinguishing many of the special districts is the fact that they maintain round the clock services of the type best characterized as utilities. Those services may be provided as well by cities/towns, counties, non-profits, or private for-profit enterprises.

Worth noting is the role that for-profit companies and non-profit agencies play in providing similar services within each county and how that differs by service area. Sixty-three (63) percent of the fire service providers and 53 percent (45) of the ambulance providers, for example, are special districts. Only six percent (92) of the water providers, however, are special districts.

|  |
| --- |
| **Arizona State & Local Government****Fire Protection, EMS & Ambulance Service Expenditures[[22]](#footnote-22)** |
| **Item** | **Cities/Towns, Counties & Fire Districts** | **State Fire, Building & Life Safety[[23]](#footnote-23)** | **State** **Forestry[[24]](#footnote-24)** | **Grand Total** |
|  |  |  |  |  |
| FY 2014 – 2015 Budget | $1,225,417,335 | $768,100 | $9,103,800 | $1,235,289,235 |
| FY 2015 – 2016 Budget | $1,279,836,294 | $768,100 | $9,012,300 | $1,289,616,694 |
| FY 2014 – 2015 to FY 2015 – 2016 Percentage Increase | 4.44% | 0% | -1.01% | 4.4% |
| FY 2015 – 2016 Per Capita Expenditures[[25]](#footnote-25) | $190.13 | $0.11 | $1.39 | $191.58 |
|  |  |  |  |  |

|  |
| --- |
| **Arizona Local Government****Fire Protection, EMS & Ambulance Service Expenditures[[26]](#footnote-26)** |
| **Item** | **Cities/****Towns** | **Counties** | **Fire****Districts** | **Total** |
|  |  |  |  |  |
| FY 2014 – 2015 Budget | $870,184,187 | $606,414 | $355,233,148 | $1,225,417,335 |
| FY 2015 – 2016 Budget | $902,927,798 | $700,000 | $376,908,496 | $1,279,836,294 |
| FY 2014 – 2015 to FY 2015 – 2016 Percentage Increase | 3.76% | 15.43% | 6.10% | 4.43% |
| FY 2015 – 2016 Percentage of Budget for Compensation & Benefits | 81.15% | -- | 63.12% | 75.84% |
| FY 2015 – 2016 Percentage of Total Budget for Fire Protection, EMS & Ambulance Services | 5.4% | 1.35% |  |  |
| FY 2015 – 2016 Per Capita Expenditures[[27]](#footnote-27)  | $181.61 | $8.62 | -- | $190.13 |
|  |  |  |  |  |

**VI. A Closer Look: Emergency Medical Services Fire Protection**

To grasp some of the important nuances of government services, a closer look at a specific program area may be insightful. Emergency medical services/fire protection, for example, present unique funding challenges because they are:

* Essential services that must be provided in every corner of the state 24 hours a day, 7 days a week, 52 weeks a year (i.e., 24/7/52);
* Time sensitive;
* Labor intensive;
* Available through a blend of service providers (i.e., for-profit companies, public agencies, and volunteers);
* Financed by a wide variety of methods, including donations, fees for service, and grants as well as tax dollars;
* Provided not just to residents, but anyone/everyone, even if they are just passing through on a highway or engaging in risky behavior in a remote wilderness area;
* Closely regulated by the state (e.g., ambulance services may be offered only by those entities that receive a Certificate of Necessity from the state);[[28]](#footnote-28)
* Suitable for mutual aid (and increasingly used in that manner, especially during natural disasters and wildfires);
* Measureable in their impact on an individual or business just by their presence (i.e., availability of fire protection affects insurance costs);
* Almost exclusively a local, not state, government responsibility; and
* Successful if they aren’t used (e.g., fire prevention education and inspections may reduce utilization of services).

Variety in service delivery catches the eye when one explores the provision of fire protection, emergency medical, and ambulance services within the state. The entities that fund the service are not always the entity that delivers the service, as shown below; a number of these entities contract with another government or private sector provider for these services.[[29]](#footnote-29)

|  |
| --- |
| **Arizona Local Government****Contracting for Fire Protection, Emergency Medical & Ambulance Services** |
| **Entity** | **Type of Service** | **Total** | **City/Town or Fire District Provider** | **Private Sector Provider** |
|  |  |  |  |  |
| Counties | Ambulance Only | 1 | -- | 1 |
| Cities/Towns | Fire Only | 49 | 1 | 2 |
| Cities/Towns | Ambulance & Fire | 17 | 1 | -- |
| Fire Districts | Fire Only | 108 | 6 | 5 |
| Fire Districts | Ambulance & Fire | 46 | -- | -- |
|  |  |  |  |  |

|  |
| --- |
| **Arizona Fire Service Providers by County** |
| **County** | **Fire Districts[[30]](#footnote-30)** | **Municipal Fire Departments** | **For Profits/Non-Profits** | **Total** |
|  |  |  |  |  |
| Maricopa | 21 | 20 | 3 | 44 |
| Coconino | 17 | 4 | 6 | 27 |
| Cochise | 15 | 7 | 4 | 26 |
| Yavapai | 16 | 3 | 4 | 23 |
| Pima | 18 | 2 | 3 | 23 |
| Pinal | 10 | 6 | 1 | 17 |
| Gila | 12 | 4 | 1 | 17 |
| Mohave | 14 | 2 | 0 | 16 |
| Navajo | 9 | 4 | 0 | 13 |
| Apache | 7 | 3 | 1 | 11 |
| Graham | 4 | 3 | 1 | 8 |
| La Paz | 6 | 0 | 0 | 6 |
| Santa Cruz | 3 | 2 | 1 | 6 |
| Yuma | 1 | 4 | 0 | 5 |
| Greenlee | 1 | 2 | 0 | 3 |
|  |  |  |  |  |
| **Total** | **154** | **66** | **25** | **245** |
|  |  |  |  |  |

|  |
| --- |
| **Arizona Ambulance Service Providers by County** |
| **County** | **Fire Districts[[31]](#footnote-31)** | **Municipal Fire Departments** | **Counties** | **For Profits/Non-Profits** | **Total** |
|  |  |  |  |  |  |
| Maricopa | 5 | 4 | 0 | 8 | 17 |
| Pima | 9 | 1 | 0 | 1 | 11 |
| Cochise | 4 | 3 | 0 | 3 | 10 |
| Yavapai | 6 | 0 | 0 | 3 | 9 |
| Mohave | 7 | 0 | 0 | 1 | 8 |
| Coconino | 4 | 1 | 0 | 2 | 7 |
| Navajo | 3 | 2 | 0 | 2 | 7 |
| Pinal | 2 | 2 | 0 | 0 | 4 |
| Apache | 1 | 1 | 0 | 1 | 3 |
| Gila | 3 | 0 | 0 | 0 | 3 |
| Greenlee | 0 | 0 | 1 | 0 | 1 |
| Santa Cruz | 2 | 1 | 0 | 0 | 3 |
| Yuma | 0 | 2 | 0 | 1 | 3 |
| Graham | 0 | 0 | 0 | 0 | 0 |
| La Paz | 0 | 0 | 0 | 0 | 0 |
|  |  |  |  |  |  |
| **Total** | **46** | **17** | **1** | **22[[32]](#footnote-32)** | **86[[33]](#footnote-33)** |
|  |  |  |  |  |  |

|  |
| --- |
| **Arizona State & Local Government****Law Enforcement Expenditures[[34]](#footnote-34)** |
| **Item** | **Cities/Towns** | **Counties** | **State Dept. of Public Safety[[35]](#footnote-35)** | **Grand Total** |
|  |  |  |  |  |
| FY 2014 – 2015 Budget | $1,680,461,984 | $756,126,679 | $315,302,600 | $2,751,891,263 |
| FY 2015 – 2016 Budget | $1,763,698,155 | $797,213,065 | $321,458,100 | $2,882,369,320 |
| FY 2015 – 2016 Percentage of Budget for Compensation & Benefits | 65.09% | -- | -- | -- |
| FY 2014 – 2015 to FY 2015 – 2016 Percentage Increase | 4.95% | 5.43% | 1.95% | 4.74% |
| FY 2015 – 2016 Percentage of Total Budget for Law Enforcement | 10.01% | 14.67% | -- | -- |
| FY 2015 – 2016 Per Capita Expenditures[[36]](#footnote-36) | $331.47 | $118.43 | $47.75 | $428.09 |
|  |  |  |  |  |

**VII. A Closer Look: Law Enforcement[[37]](#footnote-37)**

Like fire protection and emergency medical services, law enforcement is essential to economic activity and the quality-of-life in a community. Notably, law enforcement is:

* An essential service that must be provided in every corner of the state 24/7/52;
* Time sensitive;
* Labor intensive (even more than other services due to the need to patrol to deter criminal activity or oversee prisoners in a correctional facility);
* Provided not just to residents, but anyone/everyone, even if they are just passing through on a highway or engaging in risky behavior in a remote wilderness area;
* Closely regulated by the state; and
* Suitable for mutual aid or cooperative ventures (e.g., 10 Arizona cities/towns contract with a county for coverage and a number of entities provide dispatching services to other cities/towns or fire districts).

Unlike fire protection and emergency medical services, however, law enforcement is:

* Primarily a governmental activity and not available through a combination of public sector, non-profit, for-profit, and volunteer providers (although those may be present to some lesser degree);
* Subject to spikes in the demand for services as the result of changes in federal, state, or local laws (e.g., bans on texting while driving);
* Event driven (e.g., a Super Bowl or a presidential visit will dramatically affect the demand for services);
* Constrained by limited options to impose fees for services (although fines and motor vehicle registration fees may be earmarked for law enforcement activities); and
* An intergovernmental activity with the federal and state governments playing a heavy service delivery and support role. Not only does the federal government fund its own law enforcement agencies, it’s also a major financial supporter of its state and local government partners.

|  |
| --- |
| **Arizona Local Governments****Roads & Streets Expenditures[[38]](#footnote-38)** |
| **Item** | **Cities/****Towns** | **Counties** | **Road Districts** | **Total** |
|  |  |  |  |  |
| FY 2014 – 2015 Budget | $1,191,247,378 | $350,669,127 | $70,000 | $1,541,986,505 |
| FY 2015 – 2016 Budget | $1,274,310,279 | $368,928,670 | $70,000 | $1,643,308,949 |
| FY 2014 – 2015 to FY 2015 – 2016 Percentage Increase | 6.97% | 5.21% |  | 6.57% |
| FY 2016 – 2016 Percentage of Total Budget for Roads & Streets | 7.24% | 6.79% | -- | 7.13% |
| FY 2015 – 2016 Per Capita Roads & Streets Expenditures | $239.50 | $54.81 | -- | $244.12 |
|  |  |  |  |  |

**VIII. A Closer Look: Roads & Streets**

Roads, streets, and related bridges have unique features as a governmental service, just as fire protection emergency medical services, and law enforcement do. They too are:

* An essential service that must be provided across the state 24/7/52;
* Provided not just to residents, but anyone/everyone, even if they are just traveling through the area;
* Require 24/7/52 services (e.g., emergency repairs to a damaged bridge or snow removal during a storm); and
* Closely regulated by the state (e.g., unsafe bridges may be deadly).

Pivotal differences include the fact that roads, streets, and bridges are:

* Capital intensive, not labor intensive;
* Dependent on capital intensive maintenance as well;
* Subject to surges in demand (e.g., rush hour or opening of a new housing development or shopping center); and
* Indispensable links with private sector networks (e.g., roads get goods transported by privately owned railroads or shipping companies to their ultimate destination).

|  |
| --- |
| **Arizona Water Supply System Operators by County** |
| **County** | **Cities/Towns** | **County** | **Special District** | **Other[[39]](#footnote-39)** | **Total** |
|  |  |  |  |  |  |
| Yavapai | 6 | 0 | 13 | 226 | 245 |
| Maricopa | 18 | 0 | 3 | 213 | 234 |
| Pima | 3 | 0 | 6 | 205 | 214 |
| Mohave | 3 | 0 | 7 | 100 | 110 |
| Cochise | 5 | 0 | 5 | 98 | 108 |
| Gila | 4 | 0 | 13 | 91 | 108 |
| Coconino | 4 | 0 | 5 | 94 | 103 |
| Pinal | 4 | 0 | 13 | 77 | 94 |
| La Paz | 2 | 0 | 6 | 78 | 86 |
| Navajo | 5 | 0 | 16 | 39 | 60 |
| Yuma | 4 | 0 | 0 | 50 | 54 |
| Apache | 3 | 0 | 4 | 41 | 48 |
| Santa Cruz | 2 | 0 | 1 | 35 | 38 |
| Greenlee | 1 | 0 | 0 | 14 | 15 |
| Graham | 1 | 0 | 0 | 13 | 14 |
|  |  |  |  |  |  |
| **Total** | **65** | **0** | **92** | **1,374** | **1,531** |

**IX. A Closer Look: Water Supply Systems**

Just as fire/emergency medical services, law enforcement, and roads/streets are pivotal to the economic vitality of an area, so too are water supply systems. Unless someone is willing to pipe or truck in water from another location, a readily accessible water supply is essential to normal life and economic activity. Even if a person owns the rights to certain water flows, he/she may not have the financial means to access that water supply (especially if it’s deep underground). When looking at expenditures for water supply systems, therefore, one should consider that water is:

* An essential product that must be provided 24/7/52;
* Accessible often only through capital intensive methods;
* Available through a blend of for-profit companies and public agencies (with some private wells serving limited numbers of businesses/individuals);
* Financed by a wide variety of methods, including fees for service, grants (especially for infrastructure), and tax dollars;
* Provided not just to residents, but anyone/everyone who is in the area, even if they are just passing through on a highway;
* Regulated by the state and federal governments, both for public health reasons and, as necessary, to allocate limited supplies; and
* Measureable in its impact on an individual or business as water is essential for all economic activity.

Although expenditure data, comparable to that available for fire protection, law enforcement, and roads/streets isn’t readily available, the Water Infrastructure Finance Authority conducts an exhaustive, insightful study each year of water and wastewater utility rates and fees.[[40]](#footnote-40) Interested parties may download the full dataset or look at the survey findings for a given utility via dashboard (sample for City of Phoenix shown above). A statewide summary report is produced as well.[[41]](#footnote-41) Not only is rate information displayed, background demographic and financial detail is presented as well for the residents of the jurisdiction.

|  |
| --- |
| **Arizona Local Governments****Information Technology Expenditures[[42]](#footnote-42)** |
| **Item** | **Cities/****Towns** | **Counties**  | **Total** |
|  |  |  |  |
| FY 2014 – 2015 Budget | $191,586,729 | $112,589,616 | $304,176,345 |
| FY 2015 – 2016 Budget (IT agencies only) | $204,098,097 | $131,037,388 | $335,135,485 |
| FY 2014 – 2015 to FY 2015 – 2016 Percentage Increase | 6.53% | 16.38% | 10.18% |
| FY 2015 – 2016 Budget (IT & other agencies) | $207,283,765 | $136,268,064 | $343,551,829 |
| FY 2015 – 2016 Per Capita Expenditures (IT & other agencies) | $38.27 | $20.24 | $51.04 |
|  |  |  |  |

**X. A Closer Look: Information Technology Expenditures**

Modern technology is transforming modern life. The business or governmental agency that can’t keep up with the changes evolving in business operations and personal communications is at risk.

Arizona local governments are clearly responding to those forces. Fifty of the 91 cities and all of the 15 counties have line item appropriations for information technology and/or a department/division devoted exclusively to that function.

Research revealed that five (5) of the cities/towns have no in-house staff but contract out for services. Taking the reverse approach, Apache and Graham County handle information technology services for other governments (i.e., the school district and the City of Safford respectively). Valuable information to know as well is that in a number of cases, information technology costs are budgeted through another department (e.g., law enforcement) and/or special entity (e.g., flood control or library district).

1. No official list exists of authorized and active special districts in the state. The numbers here reflect personal research using various county, state, and US Census Bureau records checked by exhaustive personal research and contacts with individual districts. It reflects a number of mergers and newly authorized entities, particularly of fire districts.

 Although a number of districts cross county lines, for the purposes of this chart, they are listed in one county. [↑](#footnote-ref-1)
2. United States Department of Commerce, Bureau of the Census, **2012 Census of Governments** (Washington, DC, US Government Printing Office, 2013), http://www.census.gov/govs/cog. [↑](#footnote-ref-2)
3. Only entities with a Certificate of Necessity from the Arizona Department of Health Services may provide ambulance service, http://www.azdhs.gov/bems/ambulance/maps/index.php. [↑](#footnote-ref-3)
4. A few districts perform multiple functions. Those are categorized here by primary function, resulting in 10 flood control, 118 irrigation/drainage, and 9 water conservation districts. [↑](#footnote-ref-4)
5. Title 9 for cities/towns, Title 11 for counties, and Title 48 for special taxing districts. In the Constitution, Article 12 addresses counties, Article 13 covers municipal corporations, and Article 29 sets forth guidelines on public employee pensions. [↑](#footnote-ref-5)
6. Cochise County offers an excellent overview of special districts in Arizona, https://www.cochise.az.gov/elections-special-districts/special-districts.

 A chart showing the statutory citations for the special districts covered in this report appears in the Appendix. [↑](#footnote-ref-6)
7. For a brief overview of this complex process, see League of Arizona Cities and Towns, **It’s Budget Time** (Phoenix, AZ: Arizona League of Cities and Towns, 2015), http://www.azleague.org/ArchiveCenter/ViewFile/Item/242. [↑](#footnote-ref-7)
8. To examine the city/town form, see http://www.azauditor.gov/reports-publications/cities-and-towns/forms. Mandatory budget reporting forms for counties may be viewed at http://www.azauditor.gov/reports-publications/counties/forms. [↑](#footnote-ref-8)
9. Arizona Revised Statutes (A.R.S.) §48-251 requires special districts not exempt under A.R.S. §48-251(C) to prepare an annual report. According to A.R.S. §48-251, the report must be filed annually within 240 days after the district’s fiscal year end with the Clerk of the Board of Supervisors of each county in which the district is located. A.R.S. §§48-251 and 48-253 allow districts to submit to the Board of Supervisors and Treasurer of each county in which the district is located audited or reviewed financial statements in lieu of the schedules discussed in the preceding paragraph. See http://www.azauditor.gov/reports-publications/other.

 Of those agencies exempt under Section 48-251(C), budget reporting requirements for fire districts are set forth in Section 48.805.02. Regional transit agencies have no specific guidelines. Budget preparation and submission for special health care districts is governed by Section 48-5563. [↑](#footnote-ref-9)
10. Individuals interested in comparing and contrasting Arizona local governments to those in other states should consult US Bureau of the Census, **2012 Census of Governments** (Washington, DC: US Government Printing Office, 2013), p. Arizona 11 – 15.

 Other related treasure troves of data worth exploring include the Safe Drinking Water Information System, http://azsdwis.azdeq.gov/DWW\_EXT. [↑](#footnote-ref-10)
11. Partial data, being updated as information becomes available. These figures do not reflect spending by several fire districts that merged with another during FY 2014 – 2015 or early in FY 2015 – 2016. [↑](#footnote-ref-11)
12. Every five years, the Census Bureau prepares a comprehensive national survey of governments. The detailed definitions developed for that survey, which distinguish between special districts (e.g., fire districts) and subordinate agencies of another government (e.g., community facilities and improvement districts), are followed here. The former are covered in this study; the latter are not as they are managed by/a part of a city/town, county, or other government and not an independent entity. [↑](#footnote-ref-12)
13. Partial data for special districts, being updated as information becomes available. Not all districts levy taxes every year. [↑](#footnote-ref-13)
14. Two districts are newly formed (one as the result of a consolidation of three other districts), thus, no year-to-year data are available. [↑](#footnote-ref-14)
15. The calculations are a rough approximation, as jurisdictions do not uniformly categorize personnel expenditures. Some entities include employee training and travel as part of personnel costs; others do not. To the extent that jurisdictions contract for services, those expenditures are not recorded as personnel expenditures. [↑](#footnote-ref-15)
16. Partial data, being updated as information becomes available. [↑](#footnote-ref-16)
17. All counties participate in the Arizona State Retirement System (ASRS); the Public Safety Personnel Retirement System (PSPRS), law enforcement only; and the Elected Officials Retirement Plan (EORP). For cities/towns, the comparable participation rates are 77 (ASRS), 76 (PSPRS – law enforcement), 40 (PSPRS – fire), and 20 cities/towns (EORP). Participation rates for special districts are substantially lower, i.e., ASRS (67) and PSPRS (42), although 58 districts participate in the Volunteer Fire Fighters Relief and Pension Fund (VFFRPF). [↑](#footnote-ref-17)
18. Coconino and Greenlee County figures have been adjusted for missing data from one city each. [↑](#footnote-ref-18)
19. Partial data, being updated as information becomes available. Flood control figures are primarily expenditures for the Central Arizona Project. [↑](#footnote-ref-19)
20. Partial data, being updated as information becomes available. Flood control figures are primarily expenditures for the Central Arizona Project. [↑](#footnote-ref-20)
21. To learn more about how a special district is created in Arizona, consult this explanation by Coconino County, http://coconino.az.gov/DocumentCenter/View/8226. See also this description from Pinal County, http://pinalcountyaz.gov/bos/Lists/BOS%20Minutes/Attachments/714/02%20-%20Fire%20District%20Formation%20Process.pdf.

 The proposed San Tan Valley Fire and Medical District offers excellent insight into the process from the perspective of an organizing committee, http://www.santanvalleyfiredistrictaz.com/home.html and https://www.facebook.com/stnmfd. Another example illustration of the planning process is offered by an organizing committee in Avondale seeking to create a fire district, http://www.avondale.org/DocumentCenter/View/35803. [↑](#footnote-ref-21)
22. Partial data, being updated as information becomes available. [↑](#footnote-ref-22)
23. Estimate from FY 2015 – 2016 state budget as approved. [↑](#footnote-ref-23)
24. Estimate from FY 2015 – 2016 state budget as approved. [↑](#footnote-ref-24)
25. Calculated by dividing total expenditures by estimated 2014 state population. [↑](#footnote-ref-25)
26. Partial data, being updated as information becomes available. [↑](#footnote-ref-26)
27. Calculated by dividing total expenditures by estimated 2014 state population. [↑](#footnote-ref-27)
28. As part of that oversight, ambulance companies must submit detailed Ambulance Revenue and Cost Reports to the Department of Health Services, Bureau of Emergency Medical Services, <http://www.azdhs.gov/preparedness/emergency-medical-services-trauma-system/index.php#ambulance-ground-program-con>.

 Rates must be approved by the Department, http://www.azdhs.gov/documents/preparedness/emergency-medical-services-trauma-system/ambulance/ground/rates/ground-ambulance-rate-sept-2015.pdf.

 To see the distribution of emergency medical personnel, consult http://www.azdhs.gov/documents/preparedness/emergency-medical-services-trauma-system/az-density-of-emcts.pdf. The coverage map for ambulance companies is posted at http://www.azdhs.gov/documents/preparedness/emergency-medical-services-trauma-system/ambulance/ground/maps/cons-statewide.pdf. [↑](#footnote-ref-28)
29. Merger activity among fire districts, although not tracked comprehensively in this research, also is becoming common. [↑](#footnote-ref-29)
30. Although a number of districts cross county lines, for the purposes of this analysis, multi-county districts are listed in one county. [↑](#footnote-ref-30)
31. Although a number of districts cross county lines, for the purposes of this chart, multi-county districts are listed in one county. [↑](#footnote-ref-31)
32. One private sector provider, based in Needles, CA, is not listed here. [↑](#footnote-ref-32)
33. Snowflake & Taylor share a service, but for purposes of this exercise, they are listed separately. [↑](#footnote-ref-33)
34. Includes county jail expenditures. Partial data, being updated as information becomes available. To the extent possible, animal control expenditures and staffing have been removed from city/town and county government figures to enhance comparability across governments. [↑](#footnote-ref-34)
35. Figure from Governor’s FY 2016 – 2016 budget proposal, used because it includes both appropriated and non-appropriated funds. Additional expenditures for the Public Safety Personnel Retirement System are not included here as contributions are included in the city/town, county, and state amounts. [↑](#footnote-ref-35)
36. Calculated by dividing total expenditures by estimated 2014 state population. [↑](#footnote-ref-36)
37. Individuals interested in detailed data on jails should consult a recent study published by the Vera Institute, **In Our Own Backyard: Confronting Growth and Disparities in American Jails,** <http://www.vera.org/sites/default/files/resources/downloads/incarceration-trends-in-our-own-backyard.pdf>.As part of that study, the Institute created an online tool that allows benchmarking of one county versus national trends, <http://trends.vera.org/#/county>. [↑](#footnote-ref-37)
38. Partial data, being updated as information becomes available. With capital construction projects, funds budgeted in a given year may not be expended in that year; they may be re-appropriated. Budgeted figures, therefore, should be compared against actual expenditures for a precise determination of spending patterns. [↑](#footnote-ref-38)
39. Data drawn from the Arizona Department of Environmental Quality’s Safe Drinking Water Information System, http://azsdwis.azdeq.gov/DWW\_EXT. Calculations are based on total number of systems minus inactive ones. The “Other” category includes water systems in unincorporated cities plus water improvement districts that are sub-agencies of another unit of government, not independent agencies like domestic water improvement districts. It also includes those that serve colleges and universities and federal facilities. [↑](#footnote-ref-39)
40. http://www.azwifa.gov/waterrates and http://www.efc.sog.unc.edu/reslib/item/arizona-water-and-wastewater-rates-dashboard#. [↑](#footnote-ref-40)
41. http://www.efc.sog.unc.edu/reslib/item/annual-report-water-and-wastewater-service-pricing-arizona-2015. [↑](#footnote-ref-41)
42. A few cities/towns budget for information technology expenditures (especially personnel and software) at an agency level also, not through the information technology department or line item. The figures shown here first report all expenditures budgeted for a central agency (e.g., Information Technology Department) and second those figures plus line items in other departmental budgets (e.g., law enforcement and libraries). [↑](#footnote-ref-42)