

BOARD OF SUPERVISORS' BUDGET HEARING MINUTES

The Pima County Board of Supervisors met at their regular meeting place in the Pima County Administration Building (Hearing Room), 130 West Congress Street, Tucson, Arizona, at 1:30 p.m. on Tuesday, May 15, 2018. Upon roll call, those present and absent were as follows:

Present: Richard Elías, Chairman
Ramón Valadez, Vice Chair
Sharon Bronson, Acting Chair
Ally Miller, Member
Steve Christy, Member

Also Present: Jan Leshar, Chief Deputy County Administrator
Andrew Flagg, Chief Civil Deputy County Attorney
Julie Castañeda, Clerk of the Board
Eric Thompson, Sergeant at Arms

1. PLEDGE OF ALLEGIANCE

All present joined in the Pledge of Allegiance.

2. PUBLIC SPEAKERS

David R. Rodriguez addressed the Board regarding the importance of JobPath and the impact the program had in his life.

3. COUNTY BUDGET

County Budget Fiscal Year 2018/2019

4. DEPARTMENT BUDGET PRESENTATIONS

- **Attractions and Tourism**

Catherine Strickland, Marketing Program Manager, Attractions and Tourism, made the presentation. She explained that the department's main purpose was working with other departments and Visit Tucson, to enhance the economic welfare of citizens and businesses and to collaborate on tourism-related efforts by providing marketing support for festivals, sporting events and conferences. She stated that the department collaborated with outside agencies in order to market special events, target destination groups and support community organizations. She added that the budget included repair, maintenance, testing of well water on leased properties, and overseeing the replacement of aging well equipment. She commented that the department would be relocating to the Historic Courthouse and taking over managing the Regional Visitors Center. She indicated that three full-time equivalents (FTEs)

would be hired to staff the Visitors Center, handle event management, and event space rentals at the courthouse. She added that the department will act as the liaison to Visit Tucson and the University of Arizona's Mineral Museum and would take over management of The Loop Store, with plans to add new merchandise.

Supervisor Miller inquired about the 56% increase in salaries.

Ms. Strickland responded that the increase were for the three additional FTEs.

Supervisor Miller asked if the increase was in the department budget.

Ms. Strickland explained the increases were included as part of the Historic Courthouse budget.

Supervisor Miller requested clarification on the Historic Courthouse budget and the variances in the budget.

Ms. Strickland stated she would provide that information.

- **Community Development and Neighborhood Conservation**

Margaret Kish, Director, Community Development and Neighborhood Conservation, made the presentation to the Board. Ms. Kish explained that there were two funding sources, the general fund (46%) and the grant fund (64%), which totaled \$10.76 million. She stated that the General Fund increases were for the addition of 2.5 Full Time Equivalents (FTEs), information technology (\$34,000.00), and the rental of office space for the Housing Center (\$64,000.00). She indicated that the Outside Agency Program budget funded 64 agencies that represented 91 programs, and an estimated \$5 million from other resources. She indicated that there were no remaining General Obligation (GO) Bond Funds. She added that there were two programs using the Neighborhood Reinvestment Fund and two projects in the Housing Bond Program that were in their final stages. She stated that grant funds were fairly stable with minor adjustments to federal funds based upon the congressional passage of the omnibus spending bill. She indicated that there was a reduction of 4 FTEs due to the reallocation of employees. She stated that there would be a new program regarding Section 8 housing, where the department will allocate funds for project based housing. She stated that for the Neighborhood Stabilization Grants (NSG) One and Two, one project was currently pending in NSG One and they were expecting to closeout NSG Two by June 30, 2018. She added that the Home Repair and Weatherization Program had over 300 owner-occupied repairs, which would be completed by county staff and partner agencies. She indicated that they did not anticipate any additional funding would be needed for the homeless and special populations, which were programs that provided housing support services for victims of domestic violence and homeless individuals.

Supervisor Christy inquired whether the department would be working with HSL Properties on the opening of a homeless assistance facility.

Ms. Kish responded the department was not working directly with HSL Properties but had attended meetings and listened to the concerns and issues brought up by nonprofit neighborhood associations.

Jan Leshar, Chief Deputy County Administrator, explained representatives of the organization had met with other County departments, which included Community Services, Employment and Training, Health, and Behavioral Health, to see what services the County could provide to the organization.

Supervisor Miller inquired whether Community Development or Neighborhood Conservation had been contacted by the homeless veteran's facility underdevelopment on Overton Road.

Ms. Kish responded that they had not been contacted.

Chairman Elías inquired about the performance of the Community Development Block Grant (CDBG) Program for the past five years.

Ms. Kish explained that 10 years ago, the County had been at the height of receiving CDBG funding and then there was a substantial drop of \$400,000.00 in 2009/10. She indicated that since then funding had slowly increased. She explained that funding allocations were always changing according to the number of jurisdictions that were qualifying and applying, and some jurisdictions were falling out of compliance.

Daniel Tylutki, Program Manager Senior, Community Development and Neighborhood Conservation, stated that the department had anticipated a 10% decrease in CDBG funding but it had slightly increased. He noted Pinal County was looking to be an entitlement jurisdiction and Pima County was awaiting the results of that designation.

Chairman Elías asked about outside agency funding.

Ms. Kish noted that outside agency funding was steady due to the Board's investments. She noted that they had received over \$5.5 million in requests and funded \$3.5 million.

Chairman Elías stated that the need continued to grow but the numbers were not being adjusted for inflation.

Ms. Kish agreed and stated that another hardship for nonprofits was that the City of Tucson changed their process for funding agencies through CDBG, so many were no longer eligible and were looking to the County to be able to continue to provide them services.

- **Community Services, Employment & Training**

Charles Casey, Director, Community Services, Employment and Training, made the budget presentation and stated that the department's mission was to provide financial stability and economic prosperity through basic assistance, workforce development and poverty reduction. He indicated that the overall budget request was for \$7,736,368.00 and increased 3% due to information technology costs. He explained that the Full Time Equivalent (FTEs) decreased to 70.5 and that half of the FTEs were filled through for the Summer Youth Employment Program. He stated that Grant funding was budgeted at \$16,404,000.00 and included four FTEs. He added that Grant Funding was received from the Departments of Health and Human Services, Housing and Urban Development, and Labor. He indicated that Pima Vocational High School's budget was \$1,070,000.00, and included 14.5 FTEs and was funded by the Arizona Department of Education State Equalization Fund.

Supervisor Miller indicated that the department was 20% under budget for personnel and asked why the department was requesting an increase in the personnel budget.

Mr. Casey responded that there were multiple vacancies throughout the year and it took time to fill those positions.

Supervisor Miller asked what percentage of the under budget total related to vacancies.

Mr. Casey responded about 8 to 10% was vacancies savings. He then added that another contributor was inter-departmental salaries and how personnel charges were being charged to grants in order to maximize grant expenditures and provide cost savings to the County.

Supervisor Miller commented that the department was still 15% under budget and inquired about the number of open requisitions budgeted for last year.

Mr. Casey responded that there were several requisitions opened throughout the year and there were two remaining to be filled.

Supervisor Miller stated there was \$1 million that was unaccounted for and she requested clarification for those under budget totals.

Mr. Casey indicated he would provide that information.

Jan Leshar, Chief Deputy County Administrator, explained that in the upcoming months the department would expend a significant amount of those funds for the Summer Youth Program.

Supervisor Miller asked about the decrease in agencies' payments.

Mr. Casey explained that funds were moved to the subrecipient costs line item in the budget.

Supervisor Miller asked about the 200% increase for client assistance utilities.

Mr. Casey responded that the department had taken over administering the Low Income Home Energy Assistance Program for City of Tucson residents. He explained that funding was previously included as a miscellaneous figure but was reallocated to the correct line item.

Supervisor Miller inquired whether the client assistance utilities cost would decrease.

Mr. Casey responded that the funding for the Low Income Home Energy Assistance Program had not been included until it was known whether the department was administering the program. He added that the current totals had previously been the City of Tucson's portion.

Supervisor Miller inquired about the decrease in the job training and training supplies line items.

Mr. Casey explained that they anticipated a decrease in revenues for certain programs and were trying to maintain a balanced budget.

- **Communications, Graphic Services & Print Shop**

Mark Evans, Public Communications Manager, made the presentation and stated that the department was comprised of three units that provided related but separate functions. He stated that the increase of \$250,000.00 was for a capital purchase, printing materials and supplies for upcoming elections. He added that the Communications unit was \$56,000.00 under budget, the Graphic Services request was for \$559,000.00, and the Print Shop was requesting \$1.3 million.

- **Library District**

Amber Mathewson, Director, Pima County Public Library, made the presentation and stated that the purpose of the public library was to provide free and equal access to information in order to help citizens succeed through education, innovation and community. She stated that the requested budget increased from \$42,084,325.00 to \$42,664,321.00, or by 1.4%. She indicated that Full Time Equivalents (FTEs) increased from 390 to 392.5. She added that the change in FTEs was a result of moving funds from intermittent staffing allocations to permanent staff funding and included benefits.

Chairman Elías inquired about the changes from intermittent to permanent staffing.

Ms. Mathewson responded that intermittent positions provided core services such as; job and homework help and G.E.D. preparation. She indicated that since the economic upturn, the Library has had difficulty filling the intermittent positions; therefore, the switch was made to provide permanent positions. She noted that there would still be intermittent positions available and funding was requested for that line item.

Chairman Elías commented that the work performed by intermittent positions were critical for teens and single-family households. He stated that it was his hope that the changes would allow the Library District to retain those employees that provided good customer service.

Ms. Mathewson explained that the Library District was working closely with staff and union members to ensure retention of experienced staff and to continue providing excellent public service. She also indicated that information technology costs had increased.

Supervisor Miller inquired about the \$600,000.00 increase for janitorial services.

Ms. Mathewson responded that those costs had been combined under other line items, but were now separated.

Supervisor Miller asked about the increase for security.

Ms. Mathewson explained that the libraries employed security staff and off-duty police officers to patrol libraries with high incident reports. She added that the need for extra patrol changed from year to year.

Chairman Elías inquired whether there was a decrease in incidents during the last fiscal year.

Ms. Mathewson replied that overall incidents had decreased and indicated that a reason for those decreases may be due to the temporary closure of two library branches: Flowing Wells and South Tucson. She added that another factor was the implementation of the Library Restorative Youth Practices Program. She stated that this program allowed youths previously suspended from the library the ability to regain their privileges at the library.

Chairman Elías inquired when the South Tucson and Flowing Wells Libraries would be reopened.

Ms. Mathewson replied that the South Tucson Library would be reopened in August 2018 and the Flowing Wells Library in October 2018.

- **Behavioral Health**

Garrett Hancock, Administrative Support Services Manager, made the presentation. He stated that the department performed mandated functions required by state law and were utilization driven. He explained that they were requesting an increase in Full Time Equivalents (FTEs) to 24, to accommodate the reorganization and relocation of employees within the health services departments. He stated that the requested budget was \$46,619,000.00, and was slightly higher due to the correctional healthcare contract. He explained that the projected budget provided to the Board detailed the inclusion of the Public Fiduciary's \$2.5 million budget. He added that the Public Fiduciary Office was expected to be moved under Behavioral Health but that relocation had been placed on hold. He stated that the department monitored expenses aggressively in order to provide the best benefits to those who received the services.

Supervisor Miller inquired about the 45% increase in the correctional healthcare contract

Mr. Hancock explained that the original budget submission contained a worst-case scenario recommendation. He stated that the request for proposals responses they received were \$5 million higher than what was being spent in the current fiscal year. He added the new correctional healthcare contract was negotiated down to \$2 million, which resulted in a \$3.8 million increase over last year's budgeted amount. He also added that a corrected budget would be provided prior to budget adoption.

Supervisor Miller noted that the corrected budget was expected to be \$16.7 million.

Mr. Hancock confirmed that estimation.

Supervisor Bronson asked why the requests for proposals had been substantially higher.

Mr. Hancock responded that the new contract parameters had changed and focused more on behavioral health due to problematic behavioral issues with inmates and that the contract included more behavioral health employees and more staff.

Supervisor Bronson asked what percentage of inmates required behavioral health services.

Mr. Hancock replied that the contract covered the Adult and Juvenile Detention Centers. He stated that at the Juvenile Detention Center 75% of the youths had behavioral health issues. He added that at the Adult Detention Center, the adults were separated into those with general mental health issues and seriously mentally ill, which also included a high percentage needing behavioral health services.

Supervisor Bronson noted that there were not enough services for juveniles in the Detention Center and inquired if the new contract remedied that problem.

Mr. Hancock stated that the new contract had fewer FTEs, but staff would be focused on behavioral health, and those concerns would be addressed.

Supervisor Miller inquired whether the database had been corrected to reflect the new numbers.

Mr. Hancock replied that the information had not been corrected, but would be updated by the Budget Division in the Finance Department.

Supervisor Miller asked that the Board be notified once the information had been updated.

- **Medical Examiner**

Dr. Greg Hess, Chief Medical Examiner, made the budget presentation. He indicated that staffing remained at 32 Full Time Equivalents and the budget increased slightly in personnel costs and information technology expenses. He explained that revenues had decreased due to Pinal County implementing their own system and those projected revenues were removed from the 2018-19 budget.

Chairman Elías inquired about the number of undocumented individuals processed.

Dr. Hess responded that for 2017 there had been 132, which was a decrease from the previous year.

- **Health Services**

Marcy Flanagan, Health Services Director, made the presentation and stated that the mission of the Health Department was to facilitate care access to County residents, promote community health, safety, well-being and to grow and sustain a public health workforce that was prepared and knowledgeable. She stated that the General Fund supported 183 Full Time Equivalents (FTEs) and Grant Funding supported 101 FTEs. She indicated that the requested \$15,036,042.00 was a reduction of 5%, or \$800,000.00 and that the \$10,925,051.00 was for Health Grants expenditures. She added that the

grants were comprised of \$5.9 million from federal sources, \$2.5 million from state sources and \$90,000.00 from other sources. She stated that \$8.584 million was projected revenues and could increase if additional grant funding were received. She projected service revenues would be \$4,741,960.00, which was a \$178,000.00 increase, and was primarily due to third party billing for clinical services and consumer health, food safety and vital records revenue.

Supervisor Miller noted that personnel costs were underrunning and asked if there were any open requisitions.

Ms. Flanagan replied that there were currently over 20 open requisitions and 80% were for public health nursing positions. She explained the difficulty in hiring nurses was due to the low wages offered by the County. She also stated that personnel changes had occurred, the Chief Deputy County Administrator and Assistant County Administrator costs had been removed, and the budget factored in the 2.5% wage increase.

- **Pima Animal Care Center**

Kristen Auerbach, Director, Pima Animal Care Center (PACC), made the presentation and explained that PACC was the only open admissions shelter serving Pima County, which meant they did not turn away animals in need. She stated that approximately 25,000 animals were taken in yearly, some with critical injuries or illnesses, and 16,000 of those had been adopted. She indicated that PACC was mandated to establish and enforce ordinances for themselves and partnering jurisdictions. She added that PACC moved from being part of the Health Department to a stand-alone department, and the center moved into a brand new state-of-the-art facility. She stated that 87% of the animals received were saved, which was a 5% increase, 9,000 cats and 20,000 dogs found a home, PACC responded to 20,000 calls for service and received and responded to over 250 calls of neglect and cruelty. She indicated that PACC had been recognized by national organizations for its innovative programs. Those organizations included; the American Society for the Prevention of Cruelty to Animals (ASPCA), Maddie's Fund Foundation, the Humane Society of the United States and Petco and PetSmart charities and foundations. She stated that PACC served several partner jurisdictions, which contributed \$6 million to the budget. She indicated that 1,300 volunteers gave the equivalent of 38 full-time positions, which equated to over 78,000 hours of service, and foster caregivers saved 2,000 pets that would not have survived in the shelter. She stated that the requested budget was \$9,900,456.00, an increase over last year's, and that there were 92 Full Time Equivalents (FTEs). She added that the projected grant budget increased to \$1,800,000.00, which included a \$600,000.00 grant from Maddie's Fund Foundation to create the world's largest foster program, and \$100,000.00 in grants from Petco, Petsmart and the ASPCA to support initiatives within the community. She also added that the grants budgeted for 15 FTEs. She indicated that the budget

increased due to a new cleaning contract, charges associated with the County Attorney and information technology. She stated that there was a decrease in revenue due to the withdrawal of two partner jurisdictions and increased payroll expenditures. She added that the increase included a recommended increase for an animal protection enforcement employee, the proposed 2.5% salary increase, and for two new full-time employees.

Chairman Elías expressed his appreciation for PACC's work and ability to help save so many animals.

Supervisor Miller inquired why the costs for administrative overhead had been reduced to zero.

Jan Leshar, Chief Deputy County Administrator, replied that the County had reevaluated all administrative charges allocated out to various departments.

Tom Burke, Deputy County Administrator, explained that administrative overhead charges to animal care had been implemented a few years prior but it had been found that charging overhead to departments primarily funded through the General Fund overstated the County budget. He added that changes were made so departments that received a significant subsidy from the General Fund were not charged overhead.

Supervisor Miller asked about the increase in animal sheltering supplies, from \$111,000.00 to \$1.262 million.

Dr. Francisco Garcia, Assistant County Administrator for Community and Health Services, explained that in prior budgets animal care related expenses, such as dog food, had been budgeted under enforcement. He indicated that staff had worked to realign the budget to reflect what the monies were being used for and allowed for greater transparency. He also stated that donations of dog food had dissipated due to assistance being focused on the 2017 hurricanes.

Supervisor Miller asked about the large increase in overtime.

Ms. Auerbach explained that there were a number of vacancies and high turnovers in animal welfare positions, which created the need to pay overtime, and the department was trying to plan accordingly.

Dr. Garcia responded that in fiscal year 2016-17, the overtime requested was \$188,000.00 and in fiscal year 2017-18, the request had been more conservative but actuals showed that the department had already overspent on overtime due to the vacancies. He noted that the requested amount was to ensure the department would not go over budget.

Supervisor Bronson commented that overtime pay would increase once wages increased.

Supervisor Christy inquired whether there were other cleaning services that provided the same level of service and could provide a competitive bid.

Dr. Garcia explained that there were very few national companies who could provide the necessary cleaning. He added that the bidding process had been a departure from their previous attempts, but that any significant cost savings from having had inmates from the Adult Detention Center provide the labor had been lost due to significant costs in managing the two disease outbreaks that had occurred.

Supervisor Christy inquired if the winning bid was a local company.

Dr. Garcia responded that the contractor was Central Pets and they were based out of Tucson.

Chairman Elías asked if Central Pets had made a difference and if they were satisfied with the work provided.

Ms. Auerbach replied that there were no longer complaints about the cleanliness, there had not been any disease outbreaks and that the animals were receiving excellent care.

Chairman Elías expressed concern for the working conditions and magnitude of work performed by veterinarians.

Ms. Auerbach replied that the veterinarians worked diligently to save the animals and grant funding would allow for a fourth veterinarian and two veterinary technicians to be added to the staff.

- **Stadium District and Kino Sports Complex**

Maureen Ochoa, Director, Stadium District, made the presentation and stated that the Stadium District was celebrating its 20th year. She explained that the Stadium District encompassed the Veterans Memorial Stadium, the South Baseball Field Complex and the North Soccer Field Complex. She added that the complexes were available 365 days a year and had been near capacity. She stated that the budget was \$5.1 million, which was \$447,534.00 less than last year due to administrative overhead transfers and increased event revenue. She added that the request included 45.74 Full Time Equivalents (FTEs) and the addition of an administrative position to manage upcoming projects. She indicated that the Sports Complex included Sam Lena Park, Willie Blake Jr. Community Park and common ground areas, and was budgeted through the General Fund. She added that landscaping for three outside agencies within South Tucson were also maintained. She stated that the Sports Complex budgeted for 6 FTEs and had decreased to \$423,169.00, due to YMCA expenses that were transferred to Facilities Management.

Chairman Elías inquired about the 4th of July event.

Ms. Ochoa responded it would be a family event with baseball, music, arts and crafts and fireworks.

Supervisor Miller inquired about the \$11 million in capital projects.

Ms. Ochoa replied that they were for field renovations and interior remodeling, and restoration purposes.

Supervisor Miller asked if the monies were specifically for the Kino Stadium.

Ms. Ochoa confirmed that they were for the Kino Stadium.

Supervisor Miller inquired about the decrease in operating expenses.

Ms. Ochoa responded that there was a decrease in administrative overhead and changes to the line items categories, which provided greater transparency.

5. **ADJOURNMENT**

As there was no further business to come before the Board, the meeting was adjourned at 2:49 p.m.

CHAIRMAN

ATTEST:

CLERK