

## 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 Wednesday, May 16, 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  
Lesley Lukach, Civil Deputy County Attorney  
Julie Castañeda, Clerk of the Board  
Eric Thompson, Sergeant at Arms

\*Supervisor Bronson participated telephonically.

### 1. **PLEDGE OF ALLEGIANCE**

All present joined in the Pledge of Allegiance.

### 2. **COUNTY BUDGET**

County Budget Fiscal Year 2018/2019

### 3. **DEPARTMENT BUDGET PRESENTATIONS**

#### • **Capital Projects Fund**

Carmine DeBonis, Deputy County Administrator, explained the Capital Projects Funds budget was \$175 million and that the Capital Improvement Program total was \$218 million. He indicated that for Fiscal Year 2018/2019 there were 131 projects resulting in a 20% increase. He explained that the increase was for the Department of Transportation's Local Road Repair Program, and Flood Control Capital Improvement Projects. He added that other smaller departmental projects made up the remainder of the total.

Supervisor Miller inquired whether the \$6.7 million designated for pavement preservation was from Highway User Revenue Fund (HURF) and Vehicle License Tax (VLT). She also asked if the references to the Regional Transportation Authority (RTA) were the County's portion of funding from the RTA.

Mr. DeBonis responded that was correct and explained that the RTA projects were reflected on the list, and included unincorporated Pima County and City of Tucson projects.

Supervisor Miller inquired whether the Community Facilities District (CFD) funding for Rocking K Development would fund part of the Valencia/Old Spanish Trail Road extension.

Mr. DeBonis indicated that the CFD associated with the Rocking K Development was to fund master infrastructure within the development and that the Valencia Road extension was not part of the CFD. He further explained that the CFD was separate funding which used Certificates of Participation (COPs) repaid by impact fees.

Supervisor Miller questioned why the County didn't build the road.

Mr. DeBonis explained that the Valencia Road extension was an obligation of the developer under the approved specific plan. He indicated that the developer was required to construct the Valencia Road extension and was eligible for impact fees under the County's Impact Fee Ordinance and using the COPs finance mechanism allowed the road to be constructed.

Supervisor Miller questioned if the Cortaro Farms, Camino de Oeste to Thornydale Road project was still under construction.

Mr. DeBonis confirmed that the project was under construction.

Supervisor Miller asked if the \$6 million designated for the Aerospace Parkway, Worldview entrance, was in addition to the \$10 million funded by the RTA for the road widening.

Mr. DeBonis explained that it was part of the overall package of improvements to Aerospace Parkway funded by the RTA.

Supervisor Miller asked if Pima County was contributing the \$6 million.

Mr. DeBonis responded that \$12.6 million was going toward the construction of those roadway improvements. He explained that it had been phased using a Construction Manager at Risk project delivery method. He added that the project was broken up in order to deliver the southern extension to Raytheon Parkway in the time allowed under the lease arrangement with Vector Space.

Supervisor Miller inquired whether funding would be transferred from the RTA.

Mr. DeBonis responded yes.

Supervisor Miller asked about the timeline for the Thornydale, Cortaro to Camino Del Norte project.

Ana Olivarez, Director, Transportation Department, responded that advertising was scheduled for the end of May or beginning of June, 2018.

Supervisor Miller then asked about the completion date for the two projects at the old courthouse.

Mr. DeBonis responded that occupancy would take place in early 2019.

Supervisor Miller stated that the Board had approved \$16 million dollars in COPs, she understood that \$12 million was designated for the Valencia Road extension and she then asked where the remaining \$4 million would be spent.

Mr. DeBonis responded that time was a factor and it was dependent upon the start date of construction and how much work could be completed within the upcoming fiscal year.

Supervisor Miller asked about the \$2.3 million designated to the Pima Animal Care Center Facility.

Jan Leshar, Chief Deputy County Administrator, replied that the final phase would be completed at the end of this year and that amount was the final portion of the bonds issued.

Supervisor Miller asked about Kino Sports Complex and whether the \$11 million in Capital Improvements were specifically for the complex.

Ms. Leshar stated that was correct.

- **Development Services**

Carla Blackwell, Director, Development Services, explained the two core services the department provided, planning and building, and described the functions under each section. She stated that the major change to the department was the consolidation of code enforcement with the Department of Environmental Quality (DEQ). She further explained that DEQ would be processing code enforcement while Development Services followed up with zoning interpretations and assisted with compliance issues. She indicated that spending had decreased by \$7,000.00 and a majority of the changes were due to personnel costs.

Supervisor Miller asked why the department's overhead charge out was zero.

Ms. Blackwell explained that Development Services had conducted reviews for other departments and would charge for full time employees and overhead charges. She added in order to turn off the overhead charges the department began using the revenues from permit reviews, which increased operating expenses, but also increased the department's revenues.

Supervisor Miller inquired about the drop in motor pool charges.

Ms. Blackwell responded that the drop in motor pool charges was due to the implementation of remote Skype inspections.

- **Environmental Quality**

Richard Grimaldi, Deputy Director, Department of Environmental Quality (DEQ), summarized the functions and programs of the department. He indicated that the only significant changes were the transfer of code compliance from the Development Services Department (DSD) to DEQ and the transfer of water and sewer engineering review functions to DSD. He stated that solid waste management funding remained the same. He added that DEQ's Special Revenue Tire Fund funded the tire-recycling program. He explained that there were no significant staffing or funding changes, except for the addition of two employees for code compliance.

Supervisor Miller inquired about the \$656,000.00 construction project listed under solid waste.

Dave Eaker, Deputy Director, DEQ, responded that was for the closure of the Ina Road Landfill project.

Supervisor Miller asked for the rationale behind transferring code compliance from DSD to DEQ.

Mr. Grimaldi replied that code compliance staff had discovered that DSD and DEQ were reporting to the same sites and addressing the same issues. He stated that transferring these duties would make the structure and organization more efficient.

- **Natural Resources, Parks and Recreation**

Chris Cawein, Director, Natural Resources, Parks and Recreation (NRPR), made the presentation and provided a summary of the park facilities, leased properties, and programs and services provided. He indicated that they were requesting \$18.07 million with a recovery of \$1 million in revenues. He added that the budget increased 2.6% due to motor pool, information technology, and Section 10 land management costs. He added that the new Manzanita

Splash Pad was also part of the requested budget increase. He stated that the number of full time employees remained the same. He also added that the Deferred Maintenance Fund had increased to \$3.25 million, which would allow NRPR to perform needed maintenance on structures.

Chairman Elías asked about NRPR plans for operating the Sports Park.

Mr. Cawein responded that prior to closing the facility it was being operated under a special use permit program and that NRPR would likely follow that same strategy when it reopened. He added that NRPR would be involved in the operation of Sports Park but would like to transfer to a single operator in the future.

Supervisor Miller requested a summary of the deferred maintenance costs. She also requested the costs associated with maintaining section 10 permits.

Mr. Cawein replied that the cost per acre was roughly \$2.68 for land management.

Supervisor Miller asked if there were required permits that needed to be purchased.

Jan Leshar, Chief Deputy County Administrator, stated that the information had previously been provided and she indicated that the information would be updated and redistributed to the Board.

Supervisor Miller asked if there was a current concession stand operator at Sports Park.

Mr. Cawein responded that Sports Park was currently closed, but the park had been operating with a concession operator prior to the closure.

Supervisor Miller commented that she favored having one operator for all of the functions at Sports Park. She then questioned the \$566,000.00 payment listed.

Mr. Cawein responded that the \$566,000.00 was the third payment for the Frick Property.

- **Office of Sustainability and Conservation**

Linda Mayro, Director, Office of Sustainability and Conservation, made the budget presentation. She explained that 88% of their budget was for personnel and 12% was for operating costs. She indicated that the 2018/2019 budget increased by 13% due to salary and benefit increases, and Information Technology Department (ITD) charges. She also noted that the department had absorbed the Mission Gardens Operating contract from

Natural Resources, Parks and Recreation, which contributed to the requested budget increase. She added that the department expected an increase in revenue as a result of Section 10 Permitting.

Supervisor Miller requested a summary of Section 10 permits and how many permits had been issued.

Ms. Mayro responded that 113 permits had been issued for public and private development projects.

Supervisor Miller questioned the cost per permit.

Ms. Mayro stated that the application fee was \$720.00 per permit. She added that if mitigation lands were included, it would be an additional \$2,450.00.

Supervisor Miller asked what the County paid for the Section 10 Permitting.

Ms. Mayro explained that there was no cost to the County for the Section 10 Permitting, and that it was a consequence of the open space acquisitions. She added that the Multispecies Conservation Plan addressed endangered species and health of the landscape and was accepted in 2016, for a 30-year permit to offset 36,000 acres of projected development over a 30-year period.

Supervisor Miller requested an analysis on the amount of money spent by the County for the Section 10 Permit and the amount of revenue it brought in.

- **Regional Flood Control District**

Suzanne Shields, Director, Regional Flood Control District, explained the department was a special taxing district and described the services provided and how they maximized efficiencies by utilizing other County departments. She indicated that the budget request included an additional Full Time Equivalent's (FTE) for maintenance bringing the total to 60.5 FTEs. She commented that the requested operating budget was for \$16,900,000.00. She added that the capital budget was \$19.4 million and explained that they were transferring \$9.1 million of the proposed tax levy into the Capital Budget. She indicated that all of their bond funding had been expended and any capital and flood damage responses would be based on the levying of taxes. She added that the department expected \$25.3 million in revenues for different services they provided. She also commented that the Section 10 Permit prevented the shutdown of proposed Capital Improvement Projects. She indicated that she would provide the Board with additional information on the Section 10 Permit, including the costs and benefits associated.

Supervisor Miller inquired about the cost for individual take permits.

Ms. Shields responded that it was \$200,000.00 for studies and mitigation. She explained that the department needed to mitigate for loss of habitat and impact from soil disturbance. She noted that construction projects would have been complicated and resulted in additional costs without the Section 10 Permit.

Supervisor Miller questioned if the Floodprone Land Acquisition Program (FLAP) had been completed

Ms. Shields responded that they did not have bond funding from the FLAP but still used the FLAP. She further explained that the FLAP was used to acquire the necessary right-of-way for flood control improvements and maintenance.

Supervisor Miller asked if they received any federal funds for that program.

Ms. Shields responded that they only received federal funds when flood damage occurred.

- **Regional Wastewater Reclamation**

Jackson Jenkins, Director, Regional Wastewater Reclamation Department (RWRD), provided an overview of the department's budget and stated that no sewer user fee increases would be requested for the upcoming fiscal year. He indicated that the department was requesting \$84 million dollars, which was the same amount as the past five years. He explained that there were three notable increases: 1) \$700,000.00 for Operation and Maintenance ; 2) \$600,000.00 for Information Technology Department (ITD) charges; and 3) \$500,000.00 for billing services. He indicated that the department was able to offset ITD increases through vacancy savings. He noted that the department had saved \$500,000.00 in energy and electricity, and decreased their chemical costs by \$235,000.00. He explained that the department reduced staffing by six positions and overhead allocations had also dropped. He commented on the Save Our Sewers (S.O.S) Program and working closely with Pima County Community Action Agency (PCCAA) and Tucson Water on a 3-year renewal for fixed incomes. He added that there had been an increase in participants in the program, which reflected successful outreach by the County.

Supervisor Miller questioned if RWRD still had issues with their polymers.

Mr. Jenkins explained that based on the biosolids, some farmers did not have uniformed irrigation. He added that there was a project in place that would eliminate the need of fluorite chloride and resolve the issue.

Supervisor Miller asked why there had been an increase in billing services.

Mr. Jenkins responded that four primary water companies, Tucson Water, Metro Water, Oro Valley and Marana, billed their customers. He explained that of the 275,000 customers, 30,000 of them were provided water through smaller facilities and Tucson Water billed the County for those 30,000. He added that paying the cost for billing services from those entities, was roughly \$5.3 million of their \$84 million budget.

Supervisor Miller asked if they used electronic billing.

Mr. Jenkins explained that electronic billing would be part of their negotiation.

- **Transportation**

Ana Olivarez, Director, Department of Transportation, explained that the department had undergone a major reorganization over the last year with the goal of utilizing existing resources to improve customer delivery service. She indicated that the reorganization included restructuring budget units and narrowing its units from 56 to 12. She noted that another significant change was the reduction of 16 Full Time Equivalents (FTEs) within their Capital Improvements Program (CIP). She explained that the requested budget for fiscal year 2018-2019 was equal to previous fiscal years and a majority of the expenses were within the maintenance department. She added that a significant expense of \$1.2 million was for a transportation network management system that would allow for service delivery to be completed in an automated way.

Supervisor Miller requested clarification regarding the reduction of 16 FTEs.

Ms. Olivarez responded that the reduction did not impact maintenance personnel but occurred within the CIP and Design and Planning area.

Supervisor Miller questioned the \$27 million increase for capital projects.

Ms. Olivarez responded that the CIP budget included unincorporated Pima County and other agency projects.



4. **ADJOURNMENT**

As there was no further business to come before the Board, the meeting was adjourned at 2:41 p.m.

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CHAIRMAN

ATTEST:

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CLERK

DRAFT