

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 10, 2016. Upon roll call, those present and absent were as follows:

Present: Sharon Bronson, Chair
Richard Elías, Vice Chair
Ramón Valadez, Acting Chair
Ally Miller, Member
Ray Carroll, Member

Also Present: Tom Burke, Deputy County Administrator
Thomas Weaver, Chief Civil Deputy County Attorney
Robin Brigode, Clerk of the Board
Charles Lopiccolo, Sergeant at Arms

1. PLEDGE OF ALLEGIANCE

All present joined in the Pledge of Allegiance.

2. MOMENT OF SILENCE

Memories were shared and a moment of silence was held to honor the late Ann Day, former Pima County Supervisor and State Legislator.

3. COUNTY BUDGET

County Budget Fiscal Year 2016/2017

4. DEPARTMENT BUDGET PRESENTATIONS

- **Treasurer**

The Honorable Beth Ford, Pima County Treasurer, explained the duties of her office and that the budget for this fiscal year was unchanged from the last. She added that each year they gain more efficiencies which allowed them to do more with less and that they would be focused on priority projects to replicate their information system and upgrade online payment processing.

- **General Government Services Administration**

Tom Burke, Deputy County Administrator, reported these were non-departmental budgets that included general government revenues, hotel bed tax allocations, mandated payments, the management of the Contingency Fund, and provided an explanation of their use.

Chair Bronson questioned the decision of the Property Tax Oversight Commission regarding 100% payment by Pima County for the 1% State Aid to Education.

Mr. Burke responded the County had budgeted only half that amount for FY 15/16 so the remainder would be paid out of the Contingency, and the full amount of \$15 million would be budgeted for FY16/17.

- **County Free Library**

Melinda Cervantes, Library Director, provided an overview of traditional library services and unique programs such as nurse visits, job skills, reading/homework help and summer learning. She said the increase to her budget was reflective of benefit costs, and IT leased equipment. She stated this coming year there would be infrastructure upgrades offset 80% by Erate Federal monies, and a focus on increasing collections to close the gap between the County and national per capita collection holdings. She added that maintenance of aging facilities was always of concern.

Supervisor Miller questioned the increase of 5 personnel and the increase in County administrative overhead.

Ms. Cervantes responded the increase was primarily for intermittent program instructors.

Tom Burke, Deputy County Administrator, explained the overhead was allocated to non-General Fund departments and identified by approximately 20 different cost drivers. He stated a report would be provided detailing the allocations.

Supervisor Valadez questioned whether the demand at the library had transitioned from paper to digital materials.

Ms. Cervantes responded the demand remained about 50-50 but attendance at computer classes was on the rise.

Supervisor Elías asked about the homework program and collaboration with the schools.

Ms. Cervantes said the new Connect Program was aimed at getting library cards to school children which would provide access to online resources.

- **Economic Development and Tourism**

Tom Moulton, Economic Development and Tourism Director, provided an overview of the responsibilities and collaborations of the department for

attractions and tourism activities. He discussed funding from outside agencies, the bed tax and revenue from attractions.

Supervisor Miller questioned the losses for Crooked Tree Golf Course, outside agency funding and the expense of \$244,000 for all leased properties.

Mr. Moulton stated there was a forecasted loss at Crooked Tree this fiscal year less than the last three years and that the golf course seemed to be rebounding better than others in the area. He explained the outside agency allocations and that the expense for leased properties was primarily for the maintenance and upkeep of the wells.

Supervisor Carroll commented on the dust issue at the raceway and asked about the lease for the golf course

Mr. Moulton explained the lease was in the second year of a five-year term, discussed projected revenues and added that the County operated on a Bureau of Land Management land patent.

Supervisor Miller asked about the BLM lease, how long we have had it and the term. Mr. Moulton added that the Desert Museum and Air and Space Museum were also BLM leases and that he would report back to the Board with that information.

- **Elections**

Brad Nelson, Elections Director, reported on the savings from the reduction of election workers and polling locations due to the increase in permanent early voters. He stated the costs would shift to the County Recorder. He spoke on the impact of the presidential preference election and the special election on May 17.

- **Facilities Management**

Lisa Josker, Facilities Management Director, explained the different budgets for the department. She said the General Fund budget had an increase of \$1.2 million due to the addition of six new buildings and the absorption of six outlying facilities from departments.

Supervisor Miller questioned the addition of 6 personnel. Ms. Josker responded that was also due to the new buildings.

Ms. Josker then explained the Facilities Renewal Fund Budget, and the Parking Garage Budget that were essentially the same as the current budget.

Supervisor Miller then asked about the projected decrease in the facilities renewal fund and in bus passes.

Ms. Josker replied that potential renters had backed away, and that fewer employees were purchasing bus passes through the County.

- **Fleet Services**

Frank Samaniego, Fleet Services Director, presented his department budget and noted the capital projects that would be completed this year.

Supervisor Miller questioned the increase of 3 personnel and the increase in administrative overhead.

Mr. Samaniego explained that two positions would be performing the build out of the Sheriff's cars and that an administrative position would begin an analysis of the use of rental equipment through the County.

Tom Burke, Deputy County Administrator, stated all departments would be included in the report that detailed the administrative overhead allocations.

Supervisor Carroll commented on take home vehicles. Mr. Burke stated that the number of take home vehicles has been drastically reduced and only a handful remain outside of the Sheriff's Department.

- **Finance and Risk Management**

Keith Dommer, Finance and Risk Management Director, reported on the different budget areas within his department: the General Fund saw an increase mainly due to health benefits, the addition of 3 personnel to Grants Management due to new federal reporting requirements, and IT overhead. He explained the Risk Management Internal Service Fund and Debt Service budget.

Supervisor Miller asked about the payment of claims and whether the numbers reflected an average over time. She stated she would send an email asking for details.

Tom Burke, Deputy County Administrator, added that the numbers included worker's compensation claims and that an actuary provided the costs which had been fairly consistent.

- **Human Resources - Operations Budget
Health Benefits Insurance Trust Fund**

Allyn Bulzomi, Human Resources Director, provided an overview of the services provided by the department and explained the increase in the General Fund budget was due to IT overhead, employee training and a software purchase.

Mr. Bulzomi discussed the Benefits and Wellness Budget and the approaching open enrollment deadline. He explained the savings that had been realized since the County became self-insured.

Supervisor Elías stated he was concerned about the insurance changes, questioned whether employees understood their options and that many families would have a cash flow issue with the new Health Savings Account.

Supervisor Miller questioned the loan from the General Fund to the Health Benefits Trust Fund and repayment.

Tom Burke, Deputy County Administrator, explained there was a repayment schedule that was being met and that the loan originated from other self-insurance funds.

- **Information Technology - Operations Budget
Information Technology Internal Service Funds**

Jesse Rodriguez, Chief Information Officer, reported on his department budget. He discussed the different budget funding sources, key project updates and unfunded areas of need, primarily insufficient staff.

Supervisor Elías questioned the administrative organization of the department and the functions of the different divisions, and requested a report on the responsibilities of the three deputies and three assistants.

Supervisor Miller asked how many staff would be required in order to cover department needs.

Mr. Rodriguez responded that he anticipated the department would need 28 personnel a year for the next three years. He provided examples of unplanned projects that required immediate attention which impacted resources and workflow and that had never been planned. He also stated he was unable to find properly trained personnel for the salary offered.

Supervisor Elías requested a report be confidentially provided to the Board regarding IT and security issues.

- **Procurement**

Mary Jo Furphy, Procurement Director, presented the department budget and stated that there was a slight increase due to IT charges and employee benefits. She detailed procurement responsibilities and stated that there were no significant budget changes.

- **Stadium District and Kino Sports Complex**

Maureen Ochoa, Stadium District Director, reported on the components of the district and complex, and the budget. She cited a small increase due to IT charges and administrative overhead.

Supervisor Miller requested the detail for this area be covered in the report regarding administrative overhead.

5. **PUBLIC SPEAKERS**

Elizabeth Beard addressed the Board regarding the need to reduce property taxes.

6. **ADJOURNMENT**

As there was no further business to come before the Board, the meeting was adjourned at 3:44 p.m.

CHAIR

ATTEST:

CLERK