



Mailing Address
P. O. Box 3145
Tucson, AZ 85702-3145

County Public Service Center
240 North Stone Avenue, 1st Floor
Tucson, AZ

F. Ann Rodriguez
Pima County Recorder

Recording history one document at a time.

Christopher J. Roads
Chief Deputy Recorder
Registrar of Voters

Document Recording: (520) 724-4350

Voter Registration: (520) 724-4330

Fax: (520) 623-1785

www.recorder.pima.gov

Budget Memo Presentation

May 9, 2017

General Fund:

Our office budget has large swings each year depending on whether or not a statewide general election falls during the budget cycle.

The budget we submitted for next fiscal year identifies expenditures of \$2,899,291.00. That is a reduction over the current fiscal year of \$1,440,145 due entirely to the fact that next fiscal year does not include statewide primary and general elections, plus the Presidential Preference Election and the Special May 2016 Election

The budget does include projected election costs for next fiscal year of \$629,450.00. So far we have the City of Tucson Primary and General Elections and a special election for the Town of Oro Valley currently called for next fiscal year. We have not received final word from any school districts or other districts about elections. We have been contacted by a couple of special taxing districts that are thinking about holding elections in November 2017. The rest of the election budget is for 90 day notice cards that must be sent to voters on the PEVL during May 2018.

The budget does not include any additional personnel or any major capital expenditures. The largest cost items in the budget are personnel (\$2,009,763), postage (\$194,285), printing costs (\$122,870) and assembly/mailing services (\$344,743).

We included in the general fund budget \$98,750.00 for software. That is to pay the county share of the statewide voter registration system. That amount and the payment for the current fiscal year are currently in dispute with the Secretary of State's Office (SOS). There is a meeting scheduled for June 1 between the 15 Recorders and the SOS to determine the costs to be paid not only in the current fiscal year but also the next fiscal year. The SOS is in the procurement process to replace the current statewide system. Our office has been actively involved in the process to review the bid documents and my chief deputy, Chris Roads, will be serving on the bid evaluation committee.

The SOS has indicated that they will pay the purchase price for the new system and the Legislature budgeted approximately \$3,500,000 for that purpose. Presently we are not sure if this is enough money to purchase a new statewide voter system but we will have to wait until the RFP quotes are submitted.

Annual maintenance costs and how much any county will pay are still to be determined. Pima and Maricopa have been paying the largest percentage of the annual costs for the last five years even though both counties have their own systems. The Maricopa Recorder, who is newly elected, and I have advised the other Recorders and SOS that we are no longer willing to pay that much for a system we do not use. We will be required to pay a portion of the costs for the link between the Pima County system and the state system and some of the database license costs so there will be a payment required. We will not know the full amount until the procurement process is completed for the new state system.

On the revenue side, we are projecting an increase in recording fees of just under \$363,000 for next fiscal year. Two factors have led to that increased projection. The Legislature enacted a flat rate recording fee for Deeds and Deeds of Trust. Prior to the change in law the fee was determined by the number of pages in the recorded document. We are also seeing an increase in the number of documents being recorded as the real estate market continues to slowly recover from the recession. In fact, we recorded 1,520 documents on April 30, 2017, our largest volume recorded in one day for the past several years.

We have already met the projected revenue budget for Recording Fees for the current fiscal year. We projected \$1,938,771 and thru April the recording fees generated are \$2,167,187.

During calendar year 2016 we recorded 9,693 more documents than we did in calendar year 2015. Total number of documents recorded in 2016 was 190,800.

We expect that we may reach 200,000 recorded documents in calendar year 2017. Prior to the recession we recorded more than 300,000 documents each calendar year between 2002 and 2006.

In 2014 we recorded 174,837 documents. That was the lowest volume of documents to be recorded since 1991.

During the recession I eliminated 5 recording positions from my budget. If the economy continues to improve and recording activity continues to climb, we may need to start adding back some of those positions in the next several budgets.

The last couple of cost of living adjustments approved by the board have been paid entirely out of existing department budgets. Each of those staff increases result in an expenditure cut for the departments. If the board is considering any cost of living or pay adjustments, my department can no longer absorb those pay increases without a budget increase. If you remove the election related expenditures from the proposed budget, personnel costs amount to 88.5% of the Recorder's Office general fund budget.

Total budget	\$2,899,291	
Election costs	\$ 629,450	
Non-election costs:	\$2,269,841	
Personnel costs:		\$2,009,763
Non-personnel/non-election		\$ 260,078

Document Storage budget:

We have projected a spending increase of \$209,029 over the current fiscal year. \$40,799 of that cost is in personnel as we are now fully staffed. Almost half of the personnel cost increase is in state retirement and medical insurance/HSA costs.

The remainder of the budget increase is for computer hardware replacement and software upgrades. We fully modernized the recording system in January 2011 and the voter registration system in June 2014. We continue to make upgrades and improvements to both systems and have several modifications planned including an improved electronic recording system, electronic poll rosters, and the use of ballot on demand printers in early voting sites.

We are also projecting a revenue increase in the Document Storage fund that will offset the increased costs.

Some personal comments I would like to make that are not budget related.

The Pima County Recorder's Office as well as the Department of Elections conducted 5 county wide elections. November 2015 bond Election, 2016 Presidential Preference Elections, 2016 August Primary Election and 2016 November Presidential Elections. I like to thank my solid and strong Administrative Team, all of my permanent staff and all of my intermittent staff for doing an outstanding job. Many of our intermittent staff are retired county employees.

I would also like to thank all of the other county departments that assist in other areas of support for conducting all of these elections.

I will consider any questions you may have now. Thank you.

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