



Pima County

MEETING LOCATION
Administration Bldg - East
130 W. Congress Street
1st Floor
Tucson, AZ 85701

Legislation Text

File #: File ID 15213, Version: 1

Fiscal Year 2023/24 Budget Process

Revenues

1. **Primary and Secondary Property Tax Rates**

Staff requests guidance on which property tax scenario the Board would like included when drafting the FY 2023/2024 Budget:

Scenario No.1 - Truth in Taxation

Scenario No. 2 - Increased NAV and Required Decrease in Debt Service Tax Rate

Scenario Nos. 3 and 4 - Application of Board Policy D 22.12 - PAYGO and State Cost Shifts

Expenditures

1. **Medical and Dental Rates**

The HBT shortfall of \$6.7 million needs to be funded. It can be funded through one of the following options:

A. The Board can transfer \$6.7 million of General Fund cash to the HBT as part of the FY 2024 Budget.

B. The Board can transfer \$6.7 million of General Fund cash to the HBT over two years, transferring \$3.7 million in FY 2024 and \$3.0 million in FY 2025.

C. The Board can increase premiums to employees. By covering the HBT shortfall through increasing premiums, employees would be asked to pay an additional \$106 per year for individual coverage and \$345 per year for family coverage. As I indicated in my September 30, Memorandum, Human Resources, Finance and Risk Management and the HBT Board are currently working with our consultant to analyze the data and determine the amount of the increase that will need to occur to the medical and dental rates for FY 2023/2024. This information will be presented to the Board in either November or December for consideration and adoption.

2. **Classification and Compensation Study Finding and Employee Raises**

The County has undertaken a comprehensive Classification and Compensation Study to ensure that the County's compensation accurately reflects the market. This study is expected to be completed around February 2023.

The County has provided compensation increases for its employees for the last two fiscal years, a 5% increase in FY 2021/2022 and a tiered range from 8.5% to 1% in FY 2022/23. Even with these increases, the County is still likely below the market in compensation.

As the study is not expected to be completed until February 2023, it would be prudent to identify a dollar amount during the planning phase of the budget for salary increases. The table below provides a range of estimates for three possible salary increases as a placeholder to be set aside until the Compensation Study is completed.

Fund/3% Increase/5% Increase/8% Increase

General Fund/\$10,974,859.00/\$18,285,309.00/\$29,249,349.00

Special Revenue Funds/\$2,132,811.00/\$3,553,252.00/\$5,684,080.00

Enterprise Funds/\$881,967.00/\$1,469,532.00/\$2,350,667.00
Internal Service Funds/\$320,254.00/\$533,556.00/\$853,353.00
Totals/\$14,309,891.00/\$23,841,649.00/\$38,137,449.00

3. **New Initiative and Expanded Programs**

Affordable Housing

- District 2 - \$37.9 million for Affordable Housing, to begin implementing the short-term and medium-term recommendations of the Affordable Housing Task Force.
- District 5 - Additional funding (at least \$5 million) for creation of affordable housing.

Climate Change

- District 2 - \$30 million in the Capital Improvement Program budget to accelerate needed renovations to County facilities, including wastewater facilities, in order to cut carbon emissions more aggressively.
- District 5 - Funding for Sustainable Action Plan for County Operations initiatives and water conservation.
- District 5 - Update 2011 fees for Riparian Habitat Mitigation.

Pima Early Education Program (PEEPs)

- District 2 - Additional \$5 million in the Library District Budget to continue building the capacity to fund PEEP long-term and set the stage to expand its reach to more low-income families after year 3.
- District 5 - Robust funding for the PEEP program.

Open Space

- District 5 - Additional funding (at least \$2 million) for open-space purchases for conservation.

Communication and Outreach

- District 5 - Funding for marketing/advertising of County initiatives, in Spanish as well as English.

Neighborhood Reinvestment Program

- District 5 - Funding to re-establish the Neighborhood Reinvestment Program.

Community Health and Wellness

- District 5 - Funding for a new mobile clinic for the Health Department.
- District 5 - Funding for mental health issues, including crisis response.

Transportation

- District 5 - Additional funding for Sun Tran, Sun Link and Sun Van.

Rental Assistance and Eviction Prevention

- District 5 - Ensure sufficient funding of future rental assistance and eviction prevention programs.