



MEMORANDUM

Date: May 20, 2016

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to be "C.H. Huckelberry", is written over the printed name of the County Administrator.

Re: **Budget-related Questions Raised by the Board of Supervisors**

Pima County's Finance and Risk Management Department received several budget-related questions from the Board of Supervisors near the end of the series of five Budget Hearings. The information below is provided in response to these questions.

Public Works Administration

Public Works Administration has 11 employees and provides the services outlined below.

- Direct oversight of the seven Public Works departments, the Real Property Services Division and the Project Management Office. Policy direction from the Board of Supervisors and the County Administrator is conveyed and managed through this staff. [Deputy County Administrator and Assistant County Administrator, plus three administrative support personnel (5 staff).]
- Human Resources support for the Public Works departments by interfacing with the central Human Resources Department and addressing recruitment, employment processing and related functions, including compliance with merit system rules and personnel policies. (3 staff)
- Capital Program monitoring and analysis functions to review the proposed capital improvement projects [\$152 million included in the Fiscal Year (FY) 2016/17 requested budget] and assist capital project development through adherence to best practices for meeting scope, schedule and budget requirements. The Utility Liaison function has been added to the FY 2016/17 budget to enhance our capabilities for collaborating with all utilities in capital project development and to support our economic development efforts by planning for utility extension and expansion to support new employment opportunities. (3 staff)

Capital Improvement Projects

Actual costs of capital projects have been lower than their adopted budgets in recent years because the slowed economy since the recession has yielded more competition and lower

than expected construction contract bids and awards. For example, for Calendar Years 2009 through 2015, construction bids have come in at 71 percent, 77 percent, 81 percent, 87 percent, 89 percent, 90 percent and 82 percent of estimated amounts.

Average County-paid Benefits for County Employees

On average, Pima County pays 33 percent of employer-related costs in addition to paying the employee’s wages. This 33 percent consists of approximately 8 percent for County-paid taxes such as the employer portion of Federal Insurance Contributions Act taxes (Social Security) and 25 percent for County-paid benefits such as the employer portion of retirement and healthcare benefits.

Full Time Equivalent (FTE) Information

My May 24, 2016 Tentative Budget Adoption Memorandum identifies a discrepancy in the County’s FTE information that had been presented in the Recommended Budget. The Tentative Budget Adoption Memorandum provides the revised FTE information.

Wireless Integrated Network Expenditures

Recommended Expenditures of 3,114,971 for the Wireless Integrated Network as summarized on Page 1-18 of the Recommended Budget consist of Radio System Special Revenue Fund expenditures of \$884,541 as shown on Page 2-119 and Wireless Integrated Network Special Revenue Fund expenditures of \$2,230,430 as shown on Page 4-59.

General Government Revenues

The table below describes the \$708,050 of expenditures budgeted in the General Government Revenues area.

FY 2016/17 Expenditures Budgeted in General Government Revenues.		
Budget Expense Line	Description	FY 2016/17 Recommended Budget
Judgments and Damages	Court-directed judgments and legal costs related to property tax litigation	\$285,000
Other Miscellaneous Charges	Other miscellaneous General Government Revenues expenses	3,000

FY 2016/17 Expenditures Budgeted in General Government Revenues.

Budget Expense Line	Description	FY 2016/17 Recommended Budget
Other Interest Charges	Interest expenses for noncapital-related borrowing (e.g., interest associated with the County's line of credit)	300,000
Other Interest Charges	Charges related to property tax roll corrections (i.e., interest paid to taxpayers when previously paid taxes are refunded)	120,000
Interest Expense, Pooled Investments	Expense associated with allocation of Local Government Investment Pool fee charges	50
	Total Expenses	\$708,050

CHH/mjk

- c: John Bernal, Deputy County Administrator for Public Works
 Nanette Slusser, Assistant County Administrator for Public Works Policy
 Tom Burke, Deputy County Administrator for Administration
 Jan Leshar, Deputy County Administrator for Community and Health Services
 Keith Dommer, Director, Finance and Risk Management
 Robert Johnson, Budget Manager, Finance and Risk Management