



MEMORANDUM

Date: April 13, 2015

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

From: C.H. Huckelberry
County Administrator *CH*

Re: **Fiscal Year 2014/15 General Fund Allocation for Pavement Repair**

On March 16, 2015, after observing the order of magnitude of State cost shifts, nearly \$23 million, I issued the attached memorandum freezing hiring and contracting, concentrating on General Fund expenditures.

Contracting that was only partially completed was the \$5 million in General Fund pavement repairs approved by the Board of Supervisors for this year fiscal year. Approximately \$2.8 million was expended or obligated under contract for this purpose; approximately \$2.2 million was yet to be contracted. The streets affected are as follows:

| Description | Engineer's Estimate | Supervisory District |
|---|---------------------|----------------------|
| Sabino Canyon + Intersection, Ventana to River Road | \$ 196,671 | 1 |
| First Avenue, River Road to Ina Road | 439,250 | 1 |
| Thornydale Road, Rudolf to Daphne | 237,913 | 1 |
| La Cholla Boulevard, River Road to Magee Road | 635,708 | 1 |
| Silverbell Road, Goret to Ina Road | 321,000 | 1,3 |
| Aviation Parkway/Dodge Boulevard Area | 136,640 | 2 |
| Palo Verde Overpass | 177,994 | 2 |
| Kleindale/Kelvin, Dodge Boulevard to Greenlee | 130,000 | 3 |
| Total | \$2,275,176 | |

Of these remaining projects, one – Silverbell Road – involves other jurisdictions; the Town of Marana and the City of Tucson. Both Marana and the City have agreed to pay or repay their proportional cost of resurfacing Silverbell Road from Goret to Ina Road; hence, the County's out-of-pocket cost in the long term will be approximately \$321,000, even though the full project cost estimate is approximately \$1,396,000.

As the Board will recall, there is some tax inequity associated with funding pavement repairs for unincorporated roadways because the General Fund is a uniform property tax whereby every property owner contributes to the tax revenues. Repairing roads only in the

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unincorporated is somewhat inequitable to residents of jurisdictions who pay County property taxes.

From the list of projects above, there is some justification for continuing the Silverbell Road resurfacing due to the involvement of other jurisdictions.

If the Board authorizes the full expenditure of the remaining funds, the amount authorized must be recovered by reducing an equal amount of expenditures in adopting the Fiscal Year 2015/16 budget.

My action of March 16 was based on County Code Section 2.12.070, Paragraphs A and B, which indicate I am "...responsible for administration of the annual budget after its adoption." As a result of the State cost transfers, it was my determination to issue the March 16, 2015 memorandum.

CHH/mjk

Attachment

c: John Bernal, Deputy County Administrator for Public Works
Priscilla Cornelio, Transportation Director



MEMORANDUM

Date: March 16, 2015

To: The Honorable Chair and Members
Pima County Board of Supervisors
Presiding Judge, Superior Court
Elected Officials
Appointing Authorities

From: C.H. Huckelberry
County Administrator 

Re: **Budget Control Measures for the Remainder of Fiscal Year 2014/15**

The Governor and State Legislature will transfer approximately \$23 million in State expenses to Pima County. This transfer will occur for Fiscal Year (FY) 2015/16 and will be effective July 1, 2015.

This is an unprecedented State cost transfer, and Pima County is substantially more affected than any other County in Arizona. We bear nearly twice the burden of this State transfer than the nearest comparable county, Maricopa; the largest and most populous county in Arizona. We cannot absorb these State cost shifts without a significant impact on our budget and services.

To begin absorbing these cost shifts, I have directed the following actions:

1. Effective today, a hiring freeze is in place for all departments and agencies. Such will remain in effect until further notice.
2. Effective today, all travel and training-related activities and expenses are to be suspended.
3. Effective today, all capital equipment purchases for all funds are suspended. In addition, maintenance contracts that use General Funds appropriated in last year's budget are suspended.
4. Effective today, the purchase of supplies and materials should be curtailed except for essential items necessary for health, safety and welfare or to reduce County liability.
5. The FY 2015/16 budgets for all County departments and agencies should contain a two-percent reduction in expenses. Since the budgets for FY 2015/16 have been prepared, Budget staff will request each department or agency to submit a decrement package to supplement your budget submittal. This package should describe the proposed reductions, as well as include detailed service impacts.

Board of Supervisors, Elected Officials and Appointing Authorities
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6. Effective immediately, we are suspending the Information Technology Department initiative of leasing new computers until completion of the Recommended Budget and determination that there are sufficient funds available.

It is unfortunate the State has chosen to balance its budget on the backs of County taxpayers. I appreciate all the hard work and effort of County employees to deliver services in a cost effective manner. We must now redouble our efforts, and I fully expect service reductions when submitting the FY 2015/16 budget for the review and approval of the Board of Supervisors.

CHH/anc