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

From: C.H. Huckelberry
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


General Government Revenues

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

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Budget Expense Line</td>
</tr>
<tr>
<td>Judgments and Damages</td>
</tr>
<tr>
<td>Other Miscellaneous Charges</td>
</tr>
</tbody>
</table>
The Honorable Chair and Members, Pima County Board of Supervisors  
Re: Budget-related Questions Raised by the Board of Supervisors  
May 20, 2016  
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<table>
<thead>
<tr>
<th>Budget Expense Line</th>
<th>Description</th>
<th>FY 2016/17 Recommended Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Interest Charges</td>
<td>Interest expenses for noncapital-related borrowing (e.g., interest associated with the County’s line of credit)</td>
<td>300,000</td>
</tr>
<tr>
<td>Other Interest Charges</td>
<td>Charges related to property tax roll corrections (i.e., interest paid to taxpayers when previously paid taxes are refunded)</td>
<td>120,000</td>
</tr>
<tr>
<td>Interest Expense, Pooled Investments</td>
<td>Expense associated with allocation of Local Government Investment Pool fee charges</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Total Expenses</td>
<td>$708,050</td>
</tr>
</tbody>
</table>

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 Lesher, Deputy County Administrator for Community and Health Services  
Keith Dommer, Director, Finance and Risk Management  
Robert Johnson, Budget Manager, Finance and Risk Management