



MEMORANDUM

Date: November 10, 2014

To: The Honorable Ally Miller, Member
Pima County Board of Supervisors

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

Re: **Your November 6, 2014 Staff Request Regarding Contingency Funds and the Budget Stabilization Fund**

On November 6, 2014, Ms. Jeannie Davis asked four questions about the Budget Stabilization Fund. Attachment 1 to this memorandum is a November 7, 2014 email from Budget Division Manager Robert Johnson containing the answers to those questions.

On the same day, Ms. Shirley Lamonna asked about Contingency Funds; specifically, how the funds were allocated for Fiscal Years 2013/14 and 2014/15. Attachment 2 contains two summary sheets with the information requested by Ms. Lamonna.

Please let me know if you need additional information regarding these items.

CHH/anc

Attachments

c: The Honorable Chair and Members, Pima County Board of Supervisors
Tom Burke, Director Finance and Risk Management
Robert Johnson, Budget Division Manager, Finance and Risk Management

ATTACHMENT 1

Deborah Haro

From: Chuck Huckelberry
Sent: Friday, November 07, 2014 11:22 AM
To: Deborah Haro
Subject: Fwd: Budget Stabilization Fund
Attachments: image001.jpg

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Begin forwarded message:

From: "Robert W Johnson (Budget)" <Robert.Johnson@pima.gov>
Date: November 7, 2014 at 10:50:55 AM MST
To: Chuck Huckelberry <Chuck.Huckelberry@pima.gov>
Cc: Tom Burke <Tom.Burke@pima.gov>
Subject: RE: Budget Stabilization Fund

Mr. Huckelberry,

The Budget Stabilization Fund is a group of units in the Contingency Bureau of the Finance and Risk Management Department that accounts for various types of budgeted possible "contingent" expenditures and operating transfers. These funds are separate from the Board of Supervisors' allocated contingency and represent specific expenditures or operating transfers included in the budget where additional approvals are required or the exact timing or details of a project or program are not yet determined. Once the specified actions occur and/or approvals to proceed with the funding are made the impacted departments are allowed to receive/spend the funds. In the past, this part of Contingency has been used to account for pending employee salary adjustments, supplemental funding where the department must meet criteria to receive the funds, funds budgeted for possible exceedences in specific Non-General Fund departmental budgets, projects that need extra scrutiny as to how the budgeted funds are spent, unbudgeted General Fund revenues, and, in the current year the nine decision packages awaiting final Board approval prior to the distribution and spending of these funds.

The FY 2014/15 adopted budget does indeed include \$24.1 million of expenditure and operating transfer funding for various projects and programs included in the nine decision packages approved by the Board at final budget adoption. Three additional programs are also budgeted in Budget Stabilization Units:

ADP System Implementation – \$3,030,412 - The ADP System has been undergoing development and went live on November 2, 2014. The implementation of this system is managed by multiple departments. The implementation budget was included in Contingency to allow Finance to coordinate and approve the spending involved. The majority of these funds represent payment to the vendor once the system has been configured and is up and running. We anticipate that all the budgeted funds will be spent in FY 2014/15.

Tumamoc Hill- Sustainability - \$45,000 – These funds represent remediation funds paid by Tucson Electric Power for work completed by them in the reserve. The remediation work will be completed by

the County's Natural Resources, Parks and Recreation Department. Staff indicates that this funding is not associated with the Western Power Administration access issue.

Community Performance and Arts Center - \$75,000 – This center is located in Green Valley and the proposed use is to assist with operating costs, if needed, while other funding sources are identified.

Adding the above three items to the \$24.1 million of funding for the proposed decision packages brings the total Budget Stabilization fund expenditures and operating transfers to the \$27.3 million total referenced on page 6-8 of the FY 2014/15 adopted budget book.

In response to question number four, the budgeted beginning fund balance for FY 2014/15 of \$32,474,480 is allocated in the budget as follows:

-\$15,000,000 to pay for the County's portion of its agreement with the Arizona Board of Regents for the University of Arizona Medical Center – South Campus.

-\$17,474,480 is the County's Budget Reserve.

Note that the County is undergoing its final audit of FY 2013/14 activity. It is likely that the audited ending fund balance for FY 2013/14 will be greater than the amount budgeted. This information will be available upon completion of the audit.

Robert W Johnson
Budget Manager
Pima County Finance and Risk Management Department
MailStop Address: DT-AB8-112
520-724-2748
Robert.johnson@pima.gov

From: Chuck Huckelberry
Sent: Friday, November 07, 2014 6:15 AM
To: Tom Burke; Robert W Johnson (Budget)
Subject: FW: Budget Stabilization Fund

fyi

From: Jeannie Davis
Sent: Thursday, November 6, 2014 6:29 PM
To: Chuck Huckelberry
Cc: Tom Burke; Ally Miller
Subject: Budget Stabilization Fund

Mr. Huckelberry:

In your Memorandum titled 'Proposed Allocations of Decision Packages Included in Fiscal Year 2014/15 Adopted Budget', I noticed the total dollar amount of \$24,152,622 differs from the Budget Stabilization Fund amount listed in 6-8 of your 2014/15 Adopted Budget documentation.

The amount listed on that page, 6-8 states the total amount of the Budget Stabilization Fund is \$27,303,034 which is the result of (page 6-8 in FY 2014/15 Adopted Budget):

- \$3,030,412 for the ADP System Implementation Costs
- \$75,000 for the Community Performance and Arts Center
- \$45,000 for Tumamoc Hill

As a result of your memorandum and referencing the Budget Stabilization Fund on page 6-8, I have the following questions:

1. What is the actual Balance of the Budget Stabilization fund? Is it the \$27.5 million or \$24.1 million?
2. If it is, in actuality, \$24.1 million, how are you planning to cover the costs of the ADP System Implementation Costs, Tumacoc Hill –Sustainability and Community performance and Arts center as those were listed on page 6-8 as part of the Budget Stabilization Fund?
3. What is Tumacoc Hill Sustainability? Does this have anything to do with the County's position to want to deny Western Area Power Administration access to a right of entry so they can make improvements to their power line?
4. I see the General Fund Balance year-

end balance for FY 2013/14 was
\$32,,474,480. How have those monies been used since June 30, 2014?

I apologize for taking up your time with these questions but hope you can provide me an answer to the above within the next few days so that Supervisor Miller can better prepared for the November 18th meeting.

Respectfully,

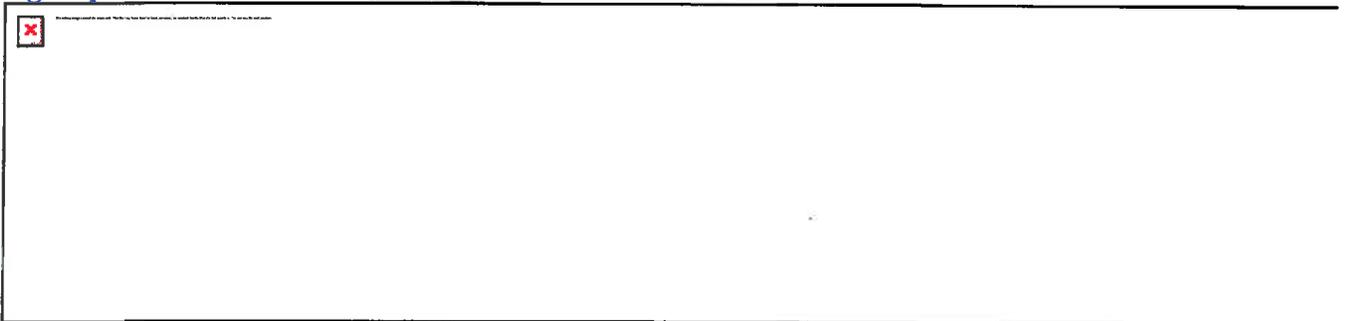
Jeannie Davis
Chief of Staff
Pima County Supervisor Ally Miller – District 1

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ATTACHMENT 2

Deborah Haro

From: Chuck Huckelberry
Sent: Friday, November 07, 2014 3:32 PM
To: Deborah Haro
Subject: Fwd: Contingency Funds
Attachments: image001.jpg; ATT00001.htm; Summary of Contingency Fund - FY14.pdf; ATT00002.htm; Summary of Contingency Fund - FY 15, Through Period 3.pdf; ATT00003.htm

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Begin forwarded message:

From: Tom Burke <Tom.Burke@pima.gov>
Date: November 7, 2014 at 2:56:15 PM MST
To: Chuck Huckelberry <Chuck.Huckelberry@pima.gov>
Cc: "Robert W Johnson (Budget)" <Robert.Johnson@pima.gov>
Subject: FW: Contingency Funds

Chuck,

Attached are the summaries for the Contingency Fund for FY14 and FY 15, YTD, as requested in Ms. Lamonna's email below.

Tom Burke
Finance and Risk Management Director
520-724-3030

From: Shirley Lamonna
Sent: Thursday, November 6, 2014 8:30 AM
To: Tom Burke
Cc: Jeannie Davis
Subject: Contingency Funds

Good morning Mr. Burke,

On June 11th, 2014, Mr. Huckelberry provided a summary of the funds allocated to the FY 2013/2014 Contingency Fund. Can you please provide the closing report for the 2013/14 fiscal year so we have the final details on the "Allocated, Paid YTD & Allocated but Not Spent" totals?

Also, can you provide the same data ("Allocated, Paid YTD & Allocated but Not Spent") for FY 2014/15?

We would appreciate your provision of the reports by close of business on Monday Nov 10th. Thanks in advance for your prompt attention to this matter.

Shirl Lamonna
Research Analyst

CONTINGENCY - Fiscal Year 2013/14

	<u>Allocated</u>	<u>Paid YTD</u>	<u>Allocated but not Spent</u>
<u>Board Allocated Contingency</u>	<u>744,994</u>		
<u>Allocated to Date:</u>			
FC Tucson	280,000	190,376	89,624
Southern AZ Rescue Association	62,500	25,000	37,500
Subscription Fees - Fire Depts Wireless Integrated Network	53,282	0	53,282
PCSTA Sports & Tourism	50,000	0	50,000
U Community Health - Mobile Dental Unit	50,000	50,000	0
TREO	48,750	0	48,750
U of A IGA Social & Behavioral Science	30,290	22,930	7,360
Tucson Leadership Man/Woman of the Year	5,000	5,000	0
Youth Leadership Conference	12,500	12,500	0
Title Security	1,650	1,650	0
Borderland Theater	10,000	10,000	0
Luz Social Services	61,250	61,250	0
Sports Facility Assessment	16,000	0	16,000
Catholic Community Services	34,000	0	34,000
Literacy Connects	75,000	37,500	37,500
Colossal Cave	25,000	16,000	9,000
Graphics Printing Ticket G4905	1,203	1,203	0
Arizona Blind & Deaf	5,000	5,000	0
So AZ Aids	1,500	1,500	0
Explorer Newspaper	839	839	0
EI Tour	25,000	25,000	0
Urban Land Institute	15,000	15,000	0
Mission Manor Elementary	2,960	2,960	0
AZ Defense Alliance	5,000	5,000	0
Mobile Health Program	12,500	12,500	0
Youth Corps	6,000	6,000	0
Facilities Payroll Charges	92	92	0
Pima Animal Care Juneteenth Festival	6,000	6,000	0
To Close Out Contingency Unit 0129 - Period 16	39,445	39,445	0
Total Appropriated/Net Remaining	<u>935,761</u>	<u>552,745</u>	<u>383,016</u>
<u>Budget Stabilization Fund</u>			
Solid Waste	800,000		800,000
Development Services	500,000		500,000
Stadium District	1,500,000	1,500,000	0
IT - PimaCore Reports	500,000	397,963	102,037
IT - ADP Development	500,000	316,253	183,747
PHS Liabilities	250,000	51	249,949
Littletown Food Bank	150,000	150,000	0
Community Performance and Arts Center	75,000	75,000	0
Total	<u>4,275,000</u>	<u>2,439,267</u>	<u>1,835,733</u>
<u>Judgments, Damages & Attorney Contracts</u>			
Postage, Dues Travel	10,000	5,242	4,758
Mesch & Clark - Schwartz - Contract	9,651	447	9,204
Slosser, Hudgins RTA Election Contract	29,697	5,949	23,748
McNanarra Goldsmith	18,107	0	18,107
McEvoy Daniels	34,105	6,458	27,647
Baldwin - Board of Adjustment	10,944	14,752	(3,808)
Gabroy, Rollman - Sheriff	42,245	0	42,245
Gabroy, Rollman - PCAO Matter	27,183	640	26,543
Jennings Strouss	26,038	0	26,038
Ridenour Hienton & Lewis - TEP/Rosement	24,461	0	24,461
Snell & Wilmer	19,870	4,870	15,000
Smith Moore Leatherwood LLP	10,442	10,442	0
William Self re Gila River	26,000	9,094	16,906
Helm, Livesay & Worthington	25,000	11,244	13,756
Yoder & Langford	25,000	22,058	2,942
	<u>338,743</u>	<u>91,196</u>	<u>247,547</u>
<u>Miscellaneous Reserve</u>			
Miscellaneous Reserve	<u>87,263</u>	<u>0</u>	<u>87,263</u>
<u>General Fund Reserve</u>			
Budgeted Reserve	22,800,043		
PACC Temporary Facility		401,200	22,398,843
Tortolita Mountain Park		475,000	21,923,843
Funding to AHCCCS for GME, DSH and SNCP		3,325,000	18,598,843
Total General Fund Reserve		<u>4,201,200</u>	<u>18,598,843</u>
<u>Tax Reduction Debt Retirement Fund</u>			
Miscellaneous Expenditures	0	0	0
Miscellaneous Revenues	0	407,238	0

CONTINGENCY - Fiscal Year 2014/15 Period 3

	<u>Allocated</u>	<u>Paid YTD</u>	<u>Allocated but not Spent</u>
<u>Board Allocated Contingency</u>	<u>744,994</u>		
<u>Allocated to Date:</u>			
TREO	48,750		48,750
PCSTA Sports & Tourism	50,000		50,000
Sports Facility Assessment	16,000		16,000
Catholic Community Services	34,000		34,000
Literacy Connects	37,500		37,500
Humane Borders	22,500	22,500	0
Southern AZ Rescue Association	37,500	12,500	25,000
Colossal Cave Audit	9,000	4,000	5,000
Mariachi Los Changitos Feos 50th Celebration	5,000	5,000	0
Total Appropriated/Net Remaining	<u>269,680</u>	<u>44,000</u>	<u>225,680</u>

<u>Budget Stabilization Fund</u>			
ADP Implementation	3,030,412	30,172	3,000,240
Community Performance and Arts Center	75,000	18,750	56,250
Tumamoc - Sustainability	45,000		45,000
Decision Package B - Sheriff	2,581,407		2,581,407
Decision Package C - Indigent Defense	1,800,000		1,800,000
Decision Package E - Information Technology	2,707,713		2,707,713
Decision Package F - Facilities Management	1,273,874		1,273,874
Total	<u>11,513,406</u>	<u>48,922</u>	<u>11,464,484</u>

<u>Judgments, Damages & Attorney Contracts</u>			
Postage, Dues Travel	10,000		10,000
Mesch & Clark - Schwartz	467		467
McNamara Goldsmith CT 12*2176	18,107		18,107
Slosser, Struse Legal Advice RTA Election Contract	16,219	90	16,129
McEvoy, Daniels Contract	26,837	1,503	25,334
Baldwin - Board of Adjustment - Contract	31,820		31,820
Gabroy, Rollman, legal rep for Sheriff	50,000		50,000
Gabroy, Rollman, PCAO Matter	26,543		26,543
Jennings, Strouss - G Gorbette Bar Complaint CT 12*1464	22,699		22,699
Ridenour, Hinton & Lewis-TEP/Rosemont Mine-ACC Line Siting	24,461		24,461
Helm, Livesay & Worthington - Assessor	15,523		15,523
Yoder & Langford	3,751	1,103	2,648
Smith, Moore Leatherhead Electronic Health Records	20,000		20,000
Snell & Wilmer CT-FN-14*0265 12-09-13 - 12-09-14	15,000		15,000
William Self Re Gila River	16,906		16,906
Mesch Clark & Rothschild, Paradigm DKD Group	50,000	19,656	30,344
	<u>348,333</u>	<u>22,352</u>	<u>325,981</u>

<u>Tax Reduction Debt Retirement Fund</u>			
Miscellaneous Expenditures	0	0	0
Miscellaneous Revenues	0	3,593	0