



MEMORANDUM

Date: April 9, 2015

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 typed name and title.

Re: **Clerk of the Superior Court Budget Submission and Proposal**

Clerk of the Superior Court Toni Hellon discussed with you various budget issues facing her office and has offered to accept the two-percent General Fund support reduction by eliminating the Collections Unit. During Ms. Hellon's discussion, \$900,000 plus in cost reductions was mentioned. Examination of the budget submittal sheets contained in your budget book show that in Fiscal Year (FY) 2014/15, the Clerk budgeted \$517,732 in vacancy savings. This means a savings over the course of the year due to various vacant positions that remain unfilled. Unfortunately, for FY2015/16, the Clerk of the Superior Court does not have any vacancy savings.

Another concern relates to absorbing the \$0.50 per hour raise authorized by the Board of Supervisors last year. As you will recall, every County department and agency was required to absorb this cost through budget savings measures throughout the fiscal year. The Clerk of the Court obviously did not do so, and this adds to the Clerk of the Superior Court's deficit position by approximately \$208,000, which is expected to overrun the budget and have the excess backfilled by the County's ending fund balance.

Finally, the Clerk's two-percent reduction amounts to \$219,680, and Ms. Hellon has proposed to meet this cost reduction by eliminating the Collections Unit.

Over the years, I have experienced almost every strategy to meet requested budget reductions. The strategy to recommend elimination of a unit that generates revenue for the County is quite common. In this particular case, however, I believe it is the correct strategy; I have suggested the Clerk of the Court proceed with developing a layoff plan for the effected employees.

The Justice Court, some time ago, transitioned to a contract collection agency that costs the County nothing, and the agency outperforms in-house collections. In fact, the collection agency, Valley Collections, already has a contract with the Clerk of the Court but has only been given the oldest, most difficult collection accounts. They do not charge a fee to the County for this purpose. I am confident the Clerk of the Superior Court will be able to produce the same, if not more, revenues and collections for the County and the various

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entities for which the Clerk of the Court has previously collected fines and fees. I have asked our Finance and Risk Management Department to closely monitor these collections in the future.

Pursuant to the Board's request, attached is an itemized list of fees that are collected by the Collections Unit of the Clerk of the Superior Court. As you can see, the County's General Fund fees are limited to approximately \$677,939. Given the cost of collections of \$552,101, it makes little sense to expend General Fund monies to support this activity.

The Clerk of the Superior Court will continue to struggle with the vacancy savings issues and the present budget exceedance. In examining the budget in the Clerk's submittal, the interdepartmental salaries charge out/credit account has increased in proportion close to the vacancy savings account that has been discontinued, and the vacancy savings amount has been transferred in close approximation to interdepartmental salaries.

Regarding the issues related to interest, this interest, in the amount of \$327,719.02, is a General Fund revenue source. Unfortunately, because it has been segregated into the Clerk of the Court accounts, it has been used by the Clerk of the Court in previous administrations to finance their desired expenditures rather than benefitting the General Fund. The sweeps purpose was to prevent these funds from being used for purposes other than those that might have been approved by the Board. Segregated General Funds within departments or agencies are not the department's funds; they are the County's funds.

I hope this clarifies some of the issues raised during this budget presentation.

CHH/anc

Attachment

c: The Honorable Sally Simmons, Presiding Judge, Superior Court
The Honorable Toni Hellon, Clerk of the Superior Court
Tom Burke, Deputy County Administrator for Administration
Ellen Wheeler, Assistant County Administrator
Robert Johnson, Budget Manager, Finance and Risk Management

FY 2014 Revenue collected by CCU for Criminal and Civil Cases allocated to the General Fund and Special Revenue funds.

| <u>Criminal Case Revenue Collected</u> | | | | | | <u>Civil Fees Revenue Collected</u> | | | | | |
|--|------|-------------------------------|---------|----------------|--|--------------------------------------|------|---------|---------|------------|--|
| Description | Fund | Account | Center | Amount | | Description | Fund | Account | Center | Amount | |
| 12-116.04D \$1.00 | 1000 | 46300 | 303112 | \$284.93 | | COLLECTION FEE | 1000 | 48140 | 1400980 | 179.47 | |
| Arson Detection Fund | 1000 | 46110 | 1400100 | \$2,446.25 | | COURT FEES-GENERAL FUND | 1000 | 45110 | 1400100 | 52,228.59 | |
| Collection Service Fee | 1000 | 48140 | 1400980 | \$32,860.50 | | Total General Fund: | | | | 52,408.07 | |
| Drug Fine | 1000 | 46110 | 1400100 | \$236.55 | | | | | | | |
| Dui Fine | 1000 | 46110 | 1400100 | \$1,190.35 | | 5% SET ASIDE FILL THE GAP | 2005 | 26004 | 5180711 | 17,584.62 | |
| Extradition Costs | 1000 | 48140 | 4000401 | \$4,653.10 | | CHILD SUPPORT VISITATION | 2005 | 45110 | 5280100 | 18,283.21 | |
| Fines-Criminal | 1000 | 46110 | 1400100 | \$194,106.22 | | CHILDREN'S ISSUES EDUCATION-DOMESTIC | 2005 | 45110 | 5410104 | 17,152.11 | |
| Indigent Defense-AD | 1000 | 45116 | 2610300 | \$23,362.40 | | CLERK AUTOMATION TECH FUND | 2005 | 45100 | 5140100 | 16,009.76 | |
| Indigent Defense-CL | 1000 | 45115 | 2610300 | \$330,658.90 | | CLERK'S SPOUSAL MAINT. ENF. | 2005 | 45110 | 5130100 | 4,889.79 | |
| Interest | 1000 | 47010 | 1400100 | \$114.00 | | CONCILIATION COURT | 2005 | 45112 | 5410100 | 65,021.21 | |
| Pima County Jail | 1000 | 45210 | 4020100 | \$13,279.10 | | DOCUMENT STORAGE & RETRIEVAL | 2005 | 45100 | 5330100 | 16,009.76 | |
| | | Total General Fund: | | \$603,192.30 | | DOMESTIC RELATIONS EDUCATION | 2005 | 45110 | 5410103 | 726.69 | |
| | | | | | | JCEF-LOCAL | 2005 | 45110 | 5340100 | 12,535.53 | |
| Anti-Racketeering - | 2005 | 48999 | 5200100 | \$29,230.55 | | LAW LIBRARY FUND | 2005 | 45110 | 5310100 | 12,719.14 | |
| Clerks Confidentiality Fund (0474) | 2005 | 45100 | 5140200 | \$169.39 | | SUPERIOR COURT AUTOMATION FUND | 2005 | 45100 | 5080100 | 26,682.94 | |
| Domestic Violence PR | 2005 | 45100 | 5430100 | \$8,239.92 | | Total Special Revenue: | | | | 207,614.76 | |
| Drug Court Probation | 2005 | 45111 | 5430100 | \$3,510.44 | | | | | | | |
| Drug Court Treatment | 2005 | 45110 | 5430700 | \$8,298.25 | | | | | | | |
| Excess Probation Fee | 2005 | 45111 | 5430102 | \$288,248.81 | | | | | | | |
| FTG 5% | 2005 | 26004 | 5180711 | \$156,385.25 | | | | | | | |
| GPS Monitoring Fee | 2005 | 45111 | 5430100 | \$21,145.10 | | | | | | | |
| Inter County Transfe | 2005 | 45110 | 5430100 | \$5,319.05 | | | | | | | |
| Interest Transfer | 2005 | 45111 | 5430100 | \$8,418.90 | | | | | | | |
| IPS Probation | 2005 | 45111 | 5430100 | \$129,414.32 | | | | | | | |
| IS Compact Probation | 2005 | 45111 | 5430103 | \$3,383.52 | | | | | | | |
| IS Probation | 2005 | 45111 | 5430100 | \$10,564.00 | | | | | | | |
| Law Library | 2005 | 45110 | 5310100 | \$2.03 | | | | | | | |
| LICEF | 2005 | 45110 | 5340100 | \$2.00 | | | | | | | |
| Local-JCEF-T.P. | 2005 | 45110 | 5340100 | \$9,977.99 | | | | | | | |
| Probation Fees | 2005 | 45111 | 5430100 | \$1,001,266.56 | | | | | | | |
| Victim Assistance Fund | 2005 | 45110 | 5430700 | \$339.15 | | | | | | | |
| Victim Comp Fine | 2005 | 46300 | 5210102 | \$9,997.80 | | | | | | | |
| | | Total Special Revenue: | | \$1,693,913.03 | | | | | | | |

Revenue Deposited into the General Fund

| | |
|---------------------|-------------------|
| Criminal Cases | 603,192.30 |
| Civil Deferral Fees | 52,408.07 |
| Jury Fees | 22,338.00 |
| Total | 677,938.37 |

Revenue Deposited into Special Revenue Funds

| | |
|---------------------|-----------------------|
| Criminal Cases | \$1,693,913.03 |
| Civil Deferral Fees | \$207,614.76 |
| Total | \$1,901,527.79 |

Grand Total: \$2,579,466.16