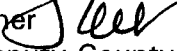




MEMORANDUM

Date: May 17, 2017

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

From: Jan Leshner 
Chief Deputy County
Administrator

Re: **May 16, 2017 Budget Hearing Summary**

During the absence of the County Administrator, I am continuing his practice of providing the Board of Supervisors a summary memorandum regarding issues or questions raised during budget hearings. The following is a summary of the departmental budgets reviewed at the May 16, 2017 Budget Hearing.

Summary by Objects and Differences in Explanations

Attachment 1 contains summaries by object for each of the departments or agencies where increases, decreases or significant variances in year-to-year budget comparisons are provided. They all have some explanation associated with significant variances, which should assist the Board's review of the summary reports.

Attachment 1 is compiled in accordance with the appearance of the budget presentations.

Department/Agency Presentation Materials

Attachment 2 includes the presentation materials provided by each of the 10 departments below that presented to the Board of Supervisors on May 16, 2017.

- A. Office of Emergency Management and Homeland Security
- B. Pima County Wireless Integrated Network
- C. Elections
- D. Facilities Management
- E. Fleet Services
- F. Finance and Risk Management
- G. Human Resources
- H. Health Benefits Insurance Trust Fund
- I. Information Technology
- J. Procurement

Department/Agency Issues and/or Questions

1. Office of Emergency Management and Homeland Security

The Office of Emergency Management and Homeland Security is responsible for domestic preparedness through coordination of prevention, preparedness, response and recovery operations. The programs provided by this Office were briefly delineated.

A question regarding changes in the budget was addressed with the explanation that a partnership with the Southern Arizona Buffelgrass Coordination Center had concluded.

2. Pima County Wireless Integrated Network (PCWIN)

The recent addition of the Tucson Airport Authority and the Town of Marana to PCWIN means the network now allows for over 30 fire and law enforcement agencies, in addition to federal and state partners, to communicate by radio in real time on a single system, regardless of their jurisdictional boundaries.

A concern over the location of a tower was raised, but no budget related questions were asked.

3. Elections

No budget related questions were asked; however, discussion occurred regarding the consolidation and location of polling places.

4. Facilities Management

There were no questions regarding the Facilities Management budget.

5. Fleet Services

The 15-point system used by the Fleet Services Department to determine whether a vehicle should be replaced was discussed, as was a comparison of the Sheriff's Department fleet to the rest of the County fleet.

6. Finance and Risk Management

In addition to Risk Management, the Department oversees the following eight financial divisions:

- A. Budget
- B. Departmental Analysis
- C. Financial Operations
- D. Financial Transactions
- E. Financial Management

- F. Financial Control and Reporting
- G. Revenue Management
- H. Grants Finance

The Board requested additional analysis of claim trends (claims versus payout) from Risk Management Loss Prevention. This information will be provided in a follow-up memorandum.

7. Human Resources

Concerns were expressed about the implementation of ADP, the payroll software system used by the County.

8. Health Benefits Insurance Trust Fund

By July 1, 2017, four years after the Fund became effective in Pima County, the initial loan from the County will be paid in full, and the Fund is anticipated to have a fund balance of \$39 million. Building on the success of the County's multiyear transition from a Preferred Provider Organization (PPO) system to a High Deductible Health Plan (HDHP) and the establishment of a robust wellness program, Pima County has seen an increase of only five percent in health premiums over the past four years. There will be no increase in premiums for FY 2017/18.

A question was raised about the status of the deferred compensation program, but there is no impact on the budget. A report regarding the deferred compensation program will be submitted to the Board for staff direction.

9. Information Technology

The budget impact of the current leasing program for the three key elements: 1) desktop equipment, 2) servers and storage and 3) enterprise applications were discussed. The Board asked staff to develop a policy for a lifecycle replacement system for these three elements and to ensure standardization of County systems, which may include co-location or centralization.

10. Procurement

There were no questions regarding the Procurement Department's budget.

JKL/mjk

Attachments

- c: Chuck Huckelberry, County Administrator
Tom Burke, Deputy County Administrator for Administration
Keith Dommer, Director, Finance and Risk Management
Robert Johnson, Budget Manager, Finance and Risk Management