



MEMORANDUM

Date: Revised May 23, 2017

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

From: Jan Leshner, Chief 
Deputy County Administrator

Re: **May 17, 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 17, 2017 Budget Hearing.

Summaries by Object and Differences with 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 eight departments below that presented to the Board of Supervisors on May 17, 2017.

1. Capital Projects Fund

At one time, 480 projects were identified as capital improvement projects. There are currently 154 projects being developed with a budget of \$170 million. It is anticipated this will decrease to \$64 million in the next three to four years.

Staff responded to questions noting that a \$2.179 million grant was received from the Arizona Department of Transportation for SpacePort Tucson. Staff also reported that \$200,000 has been budgeted for the design of improvements on Thornydale Road between Cortaro Farms and Sumter Drive in Fiscal Year (FY) 2017/18. The remainder of the \$4.77 million allocated for the project will be spent by the end of FY 2019/20.

Of the Highway User Revenue Fund (HURF) bonds authorized by the 1997 bond election, a total of \$73,375,000 remains authorized but unspent.

2. Regional Wastewater Reclamation

The proposed budget was developed prior to the approval of a fee increase, which is documented in a footnote to the budget. Department Director Jackson Jenkins noted that the Department pays water companies to distribute the County's sewer bills, and a 320 percent increase is proposed by the water utilities in the new fiscal year, which is not included in the current budget. It is hoped the County can negotiate lower rates early in the fiscal year.

It was noted the budget included \$49,257,735 in proposed capital expenditures. Attachment 1 contains a list of the 46 projects for which funding is requested in the next fiscal year. In addition to these 46 projects, another 34 projects, or 80 projects, comprise the Five-year Capital Improvement Project Plan.

3. Development Services

There were no unanswered budget questions raised.

4. Natural Resources, Parks and Recreation

An inventory of ranch lands indicating acquisition date, total acreage, County acreage and lease dates is contained in Attachment 2. The cost to the County is being developed by staff and will be provided to the Board of Supervisors when finalized.

5. Office of Sustainability and Conservation

Attachment 2 includes responses to the following questions:

- A. Please provide an inventory of open space lands, including the cost of acquisition. What is the total amount the County has in open space land?
- B. Please provide an inventory of all ranches and include the amount of acquisition, acreage, income generated and cost to maintain.
- C. What is the full cost of implementation and oversight related to the MSCP Section 10 Permit? Staff, required reports, etc.

6. Regional Flood Control District

There were no unanswered budget questions raised.

7. Transportation

A question was raised about the remaining unsold amount of 1997 HURF bonds. There is \$73,375,000 remaining in HURF bonds from the 1997 authorization.

8. Environmental Quality

Other Professional Services is proposed to increase from \$2,915 to \$314,133. In response to a question, Director Ursula Nelson indicated the increase was to accommodate projected expenses related to a grant from the Arizona Department of Environmental Quality (ADEQ).

Subsequent to development of the budget, the County's Department of Environmental Quality learned it did not receive the ADEQ grant. Following the Budget Hearing, Ms. Nelson met with representatives of Grants Finance, and an appropriate adjustment will be made to the budget to address the modification.

JKL/mjk

Attachments

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