Budget Hearing

May 9, 2017

Mike Holmes, Operations Program Manager
Catherine Strickland, Marketing Program Manager
Programs and Services

• Oversee 13 County owned Leased Property contracts
• Provide operational support and development
• Provide marketing and promotional assistance
• Administer funding agreements for 10 Board approved outside agencies in area of tourism and economic development
Leased Properties

- Ajo Community Golf Course
- Arizona-Sonora Desert Museum
- Colossal Cave Mountain Park
- Crooked Tree Golf Course
- MC Motorsports Park
- Musselman Honda Circuit
- Old Tucson
- Pima Air and Space Museum
Outside Agencies

- Ajo Chamber of Commerce
- El Tour de Tucson
- Job Path
- Sun Corridor, Inc.
- Tucson Botanical Gardens
- Tucson Children’s Museum
- Tucson Meet Yourself
- Tucson Pima Arts Council/Arts Foundation Tucson
- Davis-Monthan 50
- International Sonoran Desert Association
Requested FY 17/18 Budget

- Revenue: $1,251,480
- Expenditures: $2,264,591
- Operating transfers: $1,147,125
- Fund Impact: $134,014
- FTE: 4.15

The requested expenditures include $1.5 million of Board-approved funds for our outside agency contracts, which is pre-determined and passed through.
Program Costs—FY 17/18 Requested Budget

- Outside agencies: $1,508,250
- Leased properties: $320,808
- Personnel services: $435,533

TOTAL $2,264,591

The department receives an operating transfer of $1.147 million to help offset the $1.5 million pass through to the Board approved outside agencies providing tourism and economic development services. The balance comes from the department’s budget.
Changes in FY 17/18 Requested Budget

• $94,092 projected increase in revenues
  • $92,088 AZ Hotel Motel Tax
  • $2,004 Interest Fees and Misc. revenue

• $8,841 net decrease in expenditures
  • $32,248 saved in lobbying services
  • ($23,397) pay raise/benefits
  • ($2,010) miscellaneous expenses

Our requested FY 17/18 budget projects an increase in revenues based on the forecasted increase to the AZ Hotel Motel Tax and a slight decrease in expenditures due to reduction in amount budgeted for lobbying services.
Budget Issues in FY 17/18

Possible variances that could impact the budget:
• Unforeseen infrastructure repairs and higher labor rates
• Personnel and fringe benefit expenses
  • Benefit pay-out for retiring director
• Board approved changes to Outside Agency funding levels
Bottom line

• No additional supplemental funding requested
• Majority of budget is Board approved pass-through funding
• No major changes to the budget—net $8,800 less
• Positive fund balance
**LEASED PROPERTY** | **ANNUAL RENT PAYMENTS***
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Ajo Community Golf Course | $10
Arizona-Sonora Desert Museum | $10
Colossal Cave Mountain Park | $19,992
Crooked Tree Golf Course | $19,766
MC Motorsports Park | -
Musselman Honda Circuit | $10
Old Tucson | $63,913
Pima Air and Space Museum | -
Pima County Fairgrounds | -
Rillito Park Racetrack** | $35,994
Southwestern International Raceway | -
Titan Missile Museum | -
Tucson Speedway | -
**TOTAL** | **$139,694**

*Annual revenue per each contract. Some of these are prepaid for multiple years.

**Reflects invoiced amount for 2017 Racing Season
### Attractions & Tourism

<table>
<thead>
<tr>
<th>Outside Agency</th>
<th>Proposed FY 2017/18 Contract Amount</th>
<th>FY 2016/17 Agency Funding Income*</th>
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</thead>
<tbody>
<tr>
<td>Ajo Chamber of Commerce</td>
<td>$34,300</td>
<td>$35,000</td>
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<tr>
<td>El Tour de Tucson</td>
<td>$30,000</td>
<td>$18,666,000</td>
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<td>Job Path**</td>
<td>$500,000</td>
<td>$891,780</td>
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<td>Sun Corridor, Inc.**</td>
<td>$650,000</td>
<td>$2,160,500</td>
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<td>Tucson Botanical Gardens</td>
<td>$36,400</td>
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<td>Tucson Meet Yourself</td>
<td>$27,930</td>
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<td>Tucson Pima Arts Council</td>
<td>$110,970</td>
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<td>Davis-Monthan 50***</td>
<td>$60,000</td>
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<tr>
<td>International Sonoran Desert Association</td>
<td>$10,000</td>
<td>$756,083</td>
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<tr>
<td><strong>Total</strong></td>
<td>$1,508,250</td>
<td>$26,738,550</td>
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</table>

*Based on expected FY 16/17 projections at time of application. Applications for FY 17/18 are due 5/19/17.

**Contract managed by another department.

***DM-50 funding agreement directive of County Administrator’s Office.