



FY 13/14

Operating Budget Overview

(Follow-up from May 14 work session)

May 21, 2013

Michael J. Ortega, P.E., County Administrator

Lois Klein, Finance Director



Changes to budget since 5/14/13

- Lottery Funding Restored – Increase \$550k
- ALTCS Payment – Decrease \$80k
- Liability insurance – Increase \$36k



FY 13/14 – 16/17 Projections

(Updated 5/21/13)

	Item	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Revenue		Change	Change	Change	Change
	Property Tax	\$ (837,000)	\$ (800,000)	\$ 200,000	\$ 200,000
	Sales Tax	100,000	100,000	150,000	150,000
	Land Sales	(10,000)	-	-	-
	VLT	(200,000)	(100,000)	(100,000)	(100,000)
	Div 5 Transfer	(122,500)	(68,000)	-	-
	JP Collections	42,000	50,000	-	-
	Environmental Health	(155,000)	-	-	-
	Inspection Fees	(71,000)	-	-	-
	SCAAP	(70,000)	-	-	-
	LOTTERY	550,000	-	-	-
	Interest	-	-	-	-
	Other	257,000	-	-	-
Expenses	Retirement	\$ 480,000	\$ 300,000	\$ 300,000	\$ 300,000
	Fuel	-	100,000	100,000	100,000
	Health Insurance	-	300,000	300,000	300,000
	Medical Examiner	-	-	-	-
	Comp Plan	-	300,000	300,000	300,000
	Utilities	44,000	50,000	50,000	50,000
	ALTCS Pymt	(80,000)	200,000	200,000	200,000
	Prop 100 - 1¢ Tax	-	-	-	-
	Loss of H&F OH	166,000	-	-	-
	Capital Cases	300,000	300,000	50,000	-
	RTC	100,000	100,000	-	-
	Title 36 Cases	220,000	-	-	-
	Total Shortfall/Fiscal Year	\$(1,746,500)	\$(2,468,000)	\$(1,050,000)	\$(1,000,000)



Cash Flow

FY 13/14 – FY 16/17

(Updated 5/21/13)

<u>Item</u>	<u>FY 13/14</u>	<u>FY 14/15</u>	<u>FY 15/16</u>	<u>FY 16/17</u>
Total Shortfall/Fiscal Year	\$(1,746,500)	\$(2,468,000)	\$(1,050,000)	\$(1,000,000)
Cumulative Shortfall/Fiscal Year	\$(1,746,500)	\$(4,214,500)	\$(5,264,500)	\$(6,264,500)



FY 13/14 Budget

(Updated 5/21/13)

	<u>Item</u>	<u>FY 13/14</u>
Revenue		Change
	Property Tax	\$ (837,000)
	Sales Tax	100,000
	Land Sales	(10,000)
	VLT	(200,000)
	Div 5 Transfer	(122,500)
	JP Collections	42,000
	Environmental Health	(155,000)
	Inspection Fees	(71,000)
	SCAAP	(70,000)
	LOTTERY	550,000
	Interest	-
	Other	257,000
Expenses	Retirement	\$ 480,000
	Utilities	44,000
	ALTCS Pymt	(80,000)
	Loss of H&F OH	166,000
	Capital Cases	300,000
	RTC	100,000
	Title 36 Cases	220,000
Total Shortfall/Fiscal Year	\$(1,746,500)	



FY 13/14 (**\$1.75M**) – Options

(Updated 5/21/13)

- Reduce Budget – June 2014
 - ~ 3.5% (~ 39 FTE's)
 - ***Recommend – Reduce Light Fleet Replacement – \$300k***
- Property Tax Adjustment
 - ***Recommend 8¢ increase ~ \$808k***
- Use GF CCF (Reserves)
 - ***Recommend - \$300k (Capital Cases)***
- Use Vacancy Savings
 - ***Recommend - \$350k***



Options (Cont'd)

- Reduce Budget – June 2014
 - Any permanent reduction = reduction in staffing
 - Reduction in Light Fleet Replacement = one-time
- Property Tax Adjustment
 - 1¢ = \$ 100.6k
 - Next year continued decrease in assessed values
- Use GF CCF (Reserves)
 - Not sustainable long term – use for one-time expenses
- Use Vacancy Savings
 - Can count on some (\$700-800k)
 - If used, “sustained” in future



FY 12/13 Personnel (FTE's)

<u>Fiscal Year</u>	<u>FTE Count</u>
06/07	1,102
07/08	1,113
08/09	1,123
09/10	1,113
10/11	1,096
11/12	972
12/13	971

- FTE's
 - Allocated FY 12/13 971
 - Actual FTE's FY 12/13 967
 - Proposed Reductions FY 13/14
 - Planning and Zoning 2
 - School Superintendent 1
 - Treasurer 1
 - Highways 20
 - Solid Waste 4
 - Heavy Fleet 1
 - Proposed FY 13/14 938* (939 with Fin Mgr)

* Frozen Vacancies/Requests from Depts./Offices not included



Eliminated/Frozen Positions

- **Planning and Zoning**
 - Planner II 1
 - Plans Examiner I 1
- **School Superintendent**
 - Automated Financial Clerk III 1
- **Treasurer**
 - Project Manager 1
- **Highways**
 - Equipment Operator I 7
 - Secretary I 1
 - Secretary II 1
 - Hydrologist 1
 - Engineering Tech I 1
 - Superintendent 1
 - Engineering Inspector II 1
 - Director 1
 - **Admin Manager** 1 (May tap for Financial Manager)
 - Deputy Director 1
 - ROW II 1
 - ROW III 1
 - Survey Tech 1
 - Inspector/Contracts Supervisor 1
- **Solid Waste**
 - Equipment Operator II 1
 - Solid Waste Worker 2.8
 - Fee Attendant 0.5
- **Heavy Fleet**
 - Director 1



Judicial and Deputy Pay Plan Funding since FY 08/09

	Judicial System			
	Mass Salary Increases	Other Uses of Salary Pot*	Total for FY	Annual Cumulative Effect
FY 08/09	\$ 65,983	\$ 16,981	\$ 82,964	\$ 82,964
FY 09/10	\$ 61,072	\$ 21,870	\$ 82,942	\$ 165,906
FY 10/11	\$ 59,206	\$ 17,385	\$ 76,591	\$ 242,497
FY 11/12	\$ 53,685	\$ 70,472	\$ 124,157	\$ 366,654
FY 12/13	\$ 31,301		\$ 31,301	\$ 397,955
				<u>\$ 1,255,976</u>
* Salary pot used for hiring/promotion decisions along with moving positions back into the general fund from special revenue funds.				
	Deputies			
FY 08/09	\$ 89,451		\$ 89,451	\$ 89,451
FY 09/10	\$ 54,963		\$ 54,963	\$ 144,414
FY 10/11	\$ 38,753		\$ 38,753	\$ 183,167
FY 11/12	\$ 73,393		\$ 73,393	\$ 256,560
FY 12/13	\$ 23,982		\$ 23,982	\$ 280,542
				<u>\$ 954,134</u>
	Combined			
FY 08/09				\$ 172,415
FY 09/10				\$ 310,320
FY 10/11				\$ 425,664
FY 11/12				\$ 623,214
FY 12/13				\$ 678,497
				<u>\$ 2,210,110</u>
Total	\$5.6M + \$2.2M= \$7.8M			



Personnel Recommendations

1. Absorb ASRS Retirement Increase of 0.4% ~ \$80k

2. One-Time Distributions (\$1.2M – same as FY 12/13)
 - Take CCT Premium Holiday \$592k
 - GF CCF - \$600k

3. Comp Plan
 - \$200k from Salary Savings (No increase)
 - Courts Pay Plan from Court Salary Savings (6 mo. or 3 mo.)
 - GF - \$57.7k
 - SRF - \$55.0k
 - Deputy Pay Plan - \$60k (6 mo. or 3 mo.)



Highways

- Projected to end FY 13/14 ~ \$4.0M CCF
- Recommend Keeping \$2.0-2.5M in CCF – Contingency
- ***Recommend using \$500k from CCF for MCS Program***
 - ***\$3.5M in CCF to start FY 14/15***



Highways Funding History

Fiscal Year	HURF	VLT	Total
00/01			\$ 7,827,108
01/02	\$ 6,817,723	\$ 1,547,909	\$ 8,365,632
02/03	\$ 7,098,403	\$ 1,625,013	\$ 8,723,416
03/04	\$ 7,757,348	\$ 1,804,763	\$ 9,562,111
04/05	\$ 8,994,778	\$ 2,167,634	\$ 11,162,412
05/06	\$ 8,989,761	\$ 2,046,581	\$ 11,036,342
06/07	\$ 9,466,408	\$ 2,159,937	\$ 11,626,345
07/08	\$ 9,049,322	\$ 2,114,953	\$ 11,164,275
08/09	\$ 7,692,270	\$ 1,824,737	\$ 9,517,007
09/10	\$ 7,402,823	\$ 1,783,443	\$ 9,186,266
10/11	\$ 7,480,437	\$ 1,727,328	\$ 9,207,765
11/12	\$ 6,852,196	\$ 1,678,296	\$ 8,530,492
12/13 Budget	\$ 6,600,000	\$ 1,500,000	\$ 8,100,000
12/13 Projection	\$ 6,600,000	\$ 1,500,000	\$ 8,100,000
13/14 Projection	\$ 6,600,000	\$ 1,500,000	\$ 8,100,000



Judicial Requests – Division 5

- Proposed increase in funding
 - FY 12/13 - \$ 52.5k
 - FY 13/14 - \$122.5k
 - FY 14/15 - \$ 68.4k



Water Conservation

- Will continue to participate in regional water issues
- Current funding for water related issues
 - \$ 15,000 – USPP
 - \$ 56,500 – USGS IGA groundwater monitoring
 - \$ 13,000 – USGS IGA surface water monitoring (FC)
 - \$ 30,000 – Water Wise programs
 - \$ 74,521 – Water Office
 - \$10k – Toilet Rebate Program
 - \$64.5k – Natural Resource Issues
 - \$ 80,000 – Available from UA Rural Water Use Study
 - Used to pay monitoring of environmental issues (Coordination)



Elections

FY 13/14	One-time Cost	Ongoing costs
Electronic poll books	\$ 143,000.00	\$ 9,900.00
FY 14/15		
Voting booths	\$ 94,343.90	None
FY 15/16		
M100s,M650,Unity	\$ 466,535.00	\$ 77,760.00
FY 16/17		
Ballot printers	\$ 131,970.00	\$ -
FY 17/18		
Automarks	\$ 141,725.00	\$ 18,700.00
TOTAL	\$ 977,573.90	\$ 106,360.00



FY 13/14

Budget Recommendations

(Updated 5/21/13)

<u>Item</u>	<u>Amount</u>
Reduce Light Fleet Replacement (1 year)	\$300k
Use of Vacancy Savings (Up to \$1M)	\$350k
Use GF CCF – Capital Case (One-time cost)	\$300k
Increase Property Tax Rate \$0.08/\$100 (1¢ = \$100.6k)	\$808k
No change to Secondary Property Tax (Flood and Library)	
Absorb 0.4% Increase in ASRS	\$80k
One-time distribution (CCF & Premium Holiday)	\$1.2M
Comp Plan from Salary Savings	\$200k
Courts and Deputy Pay Plans from Salary Savings	\$173k
Fuel - \$400k CCF (\$180k to Highways Replacement)	\$180k
Change to Light Fleet Replacement Schedule	
Highways Light Fleet Replacement to Highways Replacement	\$320k



FY 13/14

Budget Recommendations

(Updated 5/21/13)

<u>Item</u>	<u>Amount</u>
Highways Subsidy (1/2¢ Sales Tax) – Operations	\$1.0M
Highways Subsidy (1/2¢ Sales Tax) – BOS Projects	\$300k
Highways – use of Highways CCF for MCS Program	\$500k
Highways – Davis Rd. – Local Match – 1/2¢ or CCF or Highways	\$110.3k
Heavy Fleet Replacement Balanced with Current Cash Flow	\$1.0M
Solid Waste – Reduce Debt \$338k – Rural Stations (3 yrs)	\$338k
Solid Waste Fund – Increase 1/2¢ Contribution for Rural Stations	\$78k
Assessor (Increase Professional Services – Marshall & Swift)	\$7.4k
Sheriff – Jail OT (from Vacancy Savings)	\$100k
Treasurer – Card-Ex System – On Hold	\$30.5k
Utilities	\$44k
Willcox – Shortfall due to Shade Rentals	\$4k



FY 13/14

Budget Recommendations

(Updated 5/21/13)

<u>Item</u>	<u>Amount</u>
County Attorney – Clerk II from RICO and loss of grant	\$74k
Justice Court Enhancement – \$5k line item	\$30k
Justice Court Enhancement Projects – See attached	
JP #1 – Full-time Clerk – Use Enhancement Funds (Not sustainable)	\$29k
JP #5 – Full-time Clerk – Use Enhancement Funds (Sustainable)	\$28k
JP #6 – Full-time Clerk – Use Enhancement Funds (Sustainable)	\$17k
Clerk of the Court – Court Assistant – continue as temp	\$35k
Elections – Purchase E-Poll Books from replacement account	\$143k
Decision Packages (See attached)	



Schedule

- Budget Team meetings with Depts. Complete
- Follow up Work Session with BOS 5/21/13
- Follow up Work Session with BOS 5/22/13
- Tentative Budget to BOS (1st Review) 6/11/13
- Tentative Budget to BOS (Final Review) 7/15/13
- Final Budget adopted by BOS 8/05/13
- Tax Rates & Levies adopted 8/19/13