



MEMORANDUM

Date: February 6, 2009

To: The Honorable Bill Staples
Pima County Assessor

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to read "CHH", is written over the printed name "C.H. Huckelberry".

Re: Fiscal Year 2008/09 Budget

Based on our recent brief meeting to discuss budget matters, I have asked our Budget staff to research the budget allocations made to the Assessor's Office over the past years related to information technology, tax assembly, and adjustments the County has made through the zero based budgeting process. Information regarding this matter is attached in a memorandum from Thomas House, Budget Manager.

As you can see, the department has been compensated by the General Fund for the services we recently discussed. The only outstanding area is facilities charges, for which I have asked the Facilities Management Director to provide additional information. I certainly hope that you approach budget preparation keeping in mind the fiscally restrained climate the County now finds itself in.

Your reference to previous litigation between Pima County and the Clerk of the Superior Court as well as ongoing litigation in Maricopa County is certainly acknowledged. I believe it is an unproductive avenue to pursue, however, you are certainly welcome to do so either through the County Attorney or outside counsel if your budget permits.

This fiscal year and next will be a very trying time for the County. Everyone needs to contribute to the fiscal stability of the County. That includes the Assessor's Office. If you believe any of the information provided to you in this memorandum is inaccurate, please advise.

CHH/jj

Attachment

c: The Honorable Chairman and Members, Pima County Board of Supervisors
The Honorable Barbara LaWall, Pima County Attorney
Martin Willett, Chief Deputy County Administrator
Tom Burke, Finance and Risk Management Director
Thomas House, Budget Manager, Finance and Risk Management



MEMORANDUM

DEPARTMENT OF FINANCE & RISK MANAGEMENT

- BUDGET DIVISION -

Date: January 28, 2009

To: C.H. Huckelberry
County Administrator

From: J. Thomas House
Budget Manager

Re: **Assessor: Historical Funding Perspective**

A handwritten signature in black ink, appearing to read "J. Thomas House".

You made an important point with the Assessor during your meeting of January 23, 2009 in that if he has his staff cease work, or charge for work for which he has been provided specific funding, then that funding should be reduced from his budget. The purpose of this memo is to provide you with information regarding General Fund monies provided to the Assessor's Office over the past ten years or so for tax assembly computer programming support.

There was a time during the early 1990's when I, a Central Services Department manager, managed a group of programmers, all of which were paid from Central Service's budget, and some of which provided all tax assembly programming support. Support was provided for both the Assessor's statutory mandates, and the mandates of the Board of Supervisors, as indicated in the following table.

Tax Assembly Tasks that are Performed by Assessor, and Require Computer Programming Support

<u>Task</u>	<u>Assessor Statutory Mandate?</u>
List and define all real property	yes
Value all real property	yes
Prepare and send real property valuation notices	yes
Track and respond to appeals of valuation of real property	yes
Create and transfer assessment roll of real property to the Clerk of Board	yes
Prepare estimated unsecured personal property assessment roll	yes
Create abstract of real property & estimated unsecured property values for Clerk of Board	no
Enter tax rates and calculate real property taxes	no
Create and transfer real property tax roll to Treasurer	no
List and define all unsecured personal property	yes
Value all unsecured personal property	yes
Prepare and send unsecured personal property valuation notices	yes
Track and respond to appeals of valuation of personal property	yes
Create and transfer unsecured personal property assessment roll to Treasurer	yes
Calculate unsecured personal property taxes	no
Prepare files for the printing of real property tax statements	no
Prepare files for the printing of personal property tax statements	no
Make corrections to the assessment rolls	yes
Calculate tax amounts for corrections to the tax roll	no
Process tax credits for misclassified owner occupied residential property	no

Prior to working in Central Services, the programmers were budgeted in the Management Information Services Department. The County's IT functions then, later under the Central Services organization, and still later under the Information Systems Application Development & Support Department, was relatively centralized. Then came the era of IT de-centralization. In Fiscal Year 1995/96 three tax assembly programmers, and their budgeted funding transferred to the Assessor, where they (or their successors) and their funding, remains. (See Attachment A, a schedule from the Fiscal Year 1995/96 Adopted Budget Book.) The programmers, now under the Assessor, continued to perform all of the tax assembly tasks as listed in the table above.

In addition to funding provided for the programming staff, and in acknowledgment of the Assessor's performance of the Board's tax assembly statutory mandates, a supplemental package request of \$25,000 was approved and added to the Assessor's budget in Fiscal Year 2000/01. (See Attachment B, a page from the County Administrator's Recommended Budget Memorandum for that year.) In the following year, that amount was superseded by a generous Zero Base Budget increase of \$228,298, a 3.9 percent increase in the Assessor's budgeted expenditure authority. (See Attachment C, a page from the County Administrator's Recommended Budget Memorandum for Fiscal Year 2001/02.) As stated in the County Administrator's Recommended Budget Memorandum for that year, the ZBB adjustment was based on an evaluation of "... the existing base level of funding as compared to the level and volume of services actually being provided."

Beginning in tax year 2004, and every year since, the real property abstract has been created by non-Assessor staff. In fact, with reference to the table above, all of the tasks identified as not being the statutory mandate of the Assessor have been performed, or will be performed in the coming tax year, by non-Assessor staff. The Assessor's budget has never been reduced to reflect this decreasing workload.

FINANCIAL HIGHLIGHTS

- Funding of \$120,877 for new mandates of Senate Bill 1362 was appropriated to help ease burden of additional duties now required of the Assessor.
- Three programmers and their accompanying salaries and benefits of \$129,500 were transferred to Assessor from ISADS so that the Assessor may better manage his data systems.

ADJUSTMENTS FROM THE FY 1995/96 BASE ALLOCATION TO THE FY 1995/96 ADOPTED BUDGET

DESCRIPTION OF ADJUSTMENT	EXPENDITURES	REVENUES	NET FUND IMPACT
FY 1995/96 Base Allocation	4,268,229	30,000	(4,238,229)
Impact of the Change in the Health Care Insurance Rate	(32,076)	0	32,076
Transfer 3 Programmers from ISADS	129,500	0	(129,500)
SB 1362 Supplemental Funding	120,877	0	(120,877)
FY 1995/96 ADOPTED BUDGET	4,486,530	30,000	(4,486,530)

EXPENDITURE/REVENUE SUMMARY BY DIVISION

DIVISION	PERSONAL SERVICES	SUPPLIES/ SERVICES	CAPITAL	TOTAL EXPENDITURES	TOTAL REVENUES	TOTAL FTEs
Management & Administration	606,743	272,213	16,900	895,856	30,000	17.9
Real Property	1,976,076	0	0	1,976,076	0	66.2
Personal Property & Exemptions	807,325	0	0	807,325	0	29.0
Deeds, Splits, Mapping & Audit	807,273	0	0	807,273	0	31.0
ADOPTED FY 95/96 DEPT TOTAL	4,197,417	272,213	16,900	4,486,530	30,000	144.1

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Table 6
Recommendations for Supplemental Funding

<u>Department</u>	<u>Supplemental Request</u>	<u>Net General Fund Impact Amount</u>
Assessor	New Construction and Quality Assurance	\$100,000
Assessor	Tax Assembly Support	25,000
Community Resources	Supplemental Youth Funding	148,741
Community Services	AWEP Program Enhancement	109,787
Parks and Recreation	Three Points and Foothills	93,617
Parks and Recreation	Pick-up Trucks	58,390
Parks and Recreation	Anamax Park	50,000
Parks and Recreation	Water Cost Increase	70,000
Medical Assistance	Mandated Petition Cost Increase	1,939,437
Medical Assistance	Inmate Mental Health Costs	220,000
Public Health	Medical Examiner Support	(66,729)
Clerk of the Superior Court	Division 28	118,000
County Attorney	Restitution Collection Unit	15,437
Indigent Defense	Contract Attorney Increase	1,850,000
Justice Court-Ajo	Personnel	10,236
Justice Court-Green Valley	Personnel, Equipment and Maintenance Costs	28,999
Justice Courts-Tucson	Precincts 9 and 10	100,000
Juvenile Court	New Facility Expansion	1,600,000
Sheriff	UHP COPS Grant - 40 Deputies	445,839
Sheriff	COPS in Schools Grant - 3 Deputies	17,269
Sheriff	COPS MORE '98 Grant - 13 PSSS	303,379
Sheriff	Tucson Crime Lab Increase	81,336
Superior Court	Division 28	200,000
Superior Court	Competency Treatment	15,000
Facilities Management	Juvenile Center Increased Costs	306,915
Facilities Management	Two Repair and Maintenance Substations	116,676
	Total	\$7,935,329

The following is a brief description of each supplemental request recommended for funding.

- **Assessor: New Construction and Quality Assurance - \$100,000**

This will partially fund the Assessor's request to enhance the capability of his office to maintain and assure the quality of the County's rapidly growing tax base due to new construction, thereby maintaining internal equity among taxpayers.

- **Assessor: Tax Assembly Support - \$25,000**

This will add to the Assessor's base budget the amount required to assist the Board in the annual tax assembly process required by law and conducted on behalf of all property taxing jurisdictions in the County.

The Honorable Chairman and Members, Pima County Board of Supervisors
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April 30, 2001

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- Expenditures of the Recorder and Elections related to the 2000 primary and general elections were deleted.
- Employer contribution rates for retirement, worker's compensation, unemployment insurance and FICA were adjusted as required by law.
- The County's contribution to the Arizona Long Term Care System was increased by \$789,359 as required by State law.

Also included within base expenditures are adjustments to those departments that underwent a zero-base review pursuant to the Board of Supervisor's Policy adopted in October 1999 providing that all departmental budgets periodically perform this analysis. Pursuant to the Board-adopted schedule this fiscal year, the following five General Fund supported departments were reviewed to evaluate the existing base level of funding as compared to the level and volume of services actually being provided: Assessor, Community Resources, Financial and Information Services, Public Health and School Superintendent. In addition the following five departments not supported by the General Fund also underwent zero-base review: Flood Control District, Library District, Graphic Design, Stadium District and Transportation.

Under zero-base review, departments are directed to conduct an examination of their operations and budget for the current level of service without regard to their Target Base, which is the basis for budgets prepared in non zero-base review years. This approach enables clarification of departmental goals and functions in terms of services provided and activities performed to provide those services. Prioritization of services can then be determined for operational decision-making. In addition, with the development of goals and objectives under zero-base review, performance measures can be refined to clearly measure the achievement of those goals and objectives. In many cases, departments have found it beneficial to reorganize their program structure to more accurately identify their underlying service structure.

Table 4 below summarizes the adjustments to General Fund supported base expenditures resulting from zero-base reviews this fiscal year. The budgets of these departments, including the underlying data produced by these reviews and used to reestablish base expenditures and revenues, are grouped in Volume IV of this Recommended Budget.

Table 4

Zero-Base Expenditure Adjustments

<u>Department</u>	<u>Base Expenditure Adjustment</u>
Assessor	\$228,298
Community Resources	(100,795)
Financial & Information Services	148,643
Public Health	527,523
School Superintendent	(209)