



MEMORANDUM

Date: June 7, 2022

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

From: Jan Leshar *Jan Leshar*
County Administrator

Re: Additional Pay Increase Scenario

Yesterday, District 5 requested two additional salary adjustment scenarios to be added to the discussion for the June 7, 2022 Board of Supervisors meeting. This response does not include the number of employees it would effect and I will get you that to you as soon as possible.

The new scenarios are:

- 10% (\$35,000/year or less), 5.0% (between \$35,001 and \$75,000/year), 3.0% (between \$75,001 and \$150,000/year), and 1.0% (\$150,001/year and above) for all eligible employees.
- 10% (\$40,000/year or less), 5.0% (between \$40,001 and \$75,000/year), 3.0% (between \$75,001 and \$150,000/year), and 1.0% (\$150,001/year and above) for all eligible employees.

The table below reflects the total cost of the new proposed scenario. This scenario would apply to all eligible County employees hired prior to July 1, 2022 and be implemented for the pay period ending July 16, 2022 if approved at the today's Board of Supervisor's meeting.

	10% (<35k) 5% 3% 1% Scenario	10% (<40k) 5% 3% 1% Scenario
General Fund	\$13,525,517	\$14,672,471
Special Revenue Fund	4,839,287	5,263,845
Enterprise Fund	1,300,315	1,376,714
Internal Service Fund	450,548	472,731
Total	\$20,115,667	\$21,785,761

The assumption is that all of the Departments in a Special Revenue Fund, Enterprise Fund or Internal Service Funds will identify enough cuts to their budgets to absorb the entire increase.

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The Honorable Chair and Members, Pima County Board of Supervisors
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For the General Fund, the Recommend Budget has already identified a portion of the funding, \$7.5 Million. The General Fund Departments will need to identify additional cuts to absorb the increase. As you can see in the table below, the additional cost to the General Fund for these two scenarios range between approximately \$6.0 and \$7.1 million before subtracting the two months of vacancy savings.

	10% (<35k) 5% 3% 1% Scenario	10% (<40k) 5% 3% 1% Scenario
General Fund	\$13,525,517	\$14,672,471
Less Recommended Budget	(7,529,960)	(7,529,960)
Amount Remaining	\$5,995,557	\$7,142,511
Vacancy Savings - 2 Months	(5,054,756)	(5,054,756)
Amount Remaining	\$940,801	\$2,087,755

As stated in my prior memo, there are still more than 1,200 vacant PCNs in the various departments. While not all positions can be eliminated, the County should be able to find sufficient cuts to fund any of the scenarios the Board of Supervisors decide to approve.

Because identifying these cuts will take time, the Finance and Risk Management Department (Finance) has begun working with Departments to identify sufficient cuts to cover the various scenarios. The strategies continue to be as follows, in this order:

1. Assume no more than a 2 month vacancy savings
2. Eliminate full vacant positions. Departments will not be not be allowed to reduce the FTE value of vacant position.
3. Reduce other operational costs

JKL/mp

- c: Carmine DeBonis, Jr., Deputy County Administrator for Public Works
 Francisco Garcia, MD, MPH, Deputy County Administrator & Chief Medical Officer,
 Health and Community Services
 Ellen Moulton, Director, Analytics and Data Governance
 Michelle Campagne, Director, Finance and Risk Management
 Andy Welch, Deputy Director, Finance and Risk Management
 Xavier Rendon, Budget Division Manager, Finance and Risk Management