



BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: 1/21/2025

*= Mandatory, information must be provided

Click or tap the boxes to enter text. If not applicable, indicate "N/A".

***Title:**

Fleet Services Internal Service Fund – Use of Contingency Request

***Introduction/Background:**

Fleet Services is requesting \$1,359,658 in additional budget authority from the Non-General Fund contingency. Per Board of Supervisors Policy D 22.15 – Use of Contingency, Non-General Fund contingency requests greater than \$500,000 require the approval of the BOS.

***Discussion:**

Fleet Services has experienced ongoing delays in procuring new vehicles due to supply chain constraints. Consequently, the vehicles and associated equipment slated for deployment in FY24 were not finalized by the close of the fiscal year. As a result, the expenses for these assets were recognized in the current fiscal year.

***Conclusion:**

Due to this unexpected rollover of expenses from the prior fiscal year, Fleet Services is requesting \$1,359,658 in additional budget authority from the Non-General Fund contingency. This request is solely for additional budget authority, not additional funding.

***Recommendation:**

It is recommended that \$1,359,658 in budget authority from Non-General Fund contingency be allocated to the Fleet Services Internal Service Fund.

***Fiscal Impact:**

Fleet Services will exceed its current fiscal year budget by \$1,359,658 due to the rollover of expenses from the previous fiscal year.

***Board of Supervisor District:**

- 1
- 2
- 3
- 4
- 5
- All

Department: Finance and Risk Management

Telephone: 520-724-3138

Contact: Ellen Moulton

Telephone: 520-724-3138

Department Director Signature: _____

Date: _____

1/6/25

Deputy County Administrator Signature: _____

Date: _____

County Administrator Signature: _____

Date: _____

1/6/2025



Budget Remediation Plan

Reset Form

Fiscal Year	Department	Fund
2025	Fleet Services	Fleet Services
Adopted Expense Budget	Projected Expense	Expense Variance
\$ 23,070,008.00	\$ 24,176,873.00	(\$ 1,106,865.00)
Adopted Revenue Budget	Projected Revenue	Revenue Variance
\$ 19,696,755.00	\$ 21,202,159.00	\$ 1,505,404.00
		Overage or Shortfall Amount
		\$ 398,539.00

1. Identify the line item and provide an explanation as to why expenses are expected to exceed the budgeted amount.

Fleet Services is currently experiencing delayed receiving of capital vehicles purchased in the prior fiscal year, but received in fiscal year 2024/25. Due to this carryover of costs from the prior year, there is currently a projected overage of \$1,106,865.

Fleet Services is also experiencing unprecedented inflation in parts for repairing existing fleet.

2. Identify the line item and provide an explanation as to why revenues are expected to fall short of the budgeted amount.

A favorable revenue variance is helping to offset the expenditure overage mentioned above.

Revenue forecast is projected \$1,505,404 over the adopted FY2024/25 budget. The increase is primarily due to the following reasons:

1. Assigned department billings for motor pool charges for Pima County departments vehicle transportation needs.
2. Accident billing charges assigned to other Pima county departments for vehicle services.
3. Cash proceeds from the sale of capital assets to auto auctions occurring throughout the year.

Fleet Services and Finance will monitor the revenue received on a monthly basis.



Budget Remediation Plan

3. Explain the steps the department will take or has taken to remediate the situation.

Fleet Services has made the following cost saving measures below to assist with the expense overage and will continue to explore additional savings.

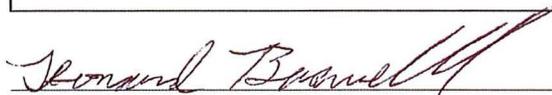
- 50179SC - Office Supplies - \$2,707 reduction
- 50186SC - Fuel and Oil - \$339,393 reduction
- 50191SC - Chemicals - \$1,742 reduction
- 50192SC - Janitorial Supplies - \$3,404 reduction
- 50193SC - Clothing, Uniforms, and Safety Apparel - \$3,500 reduction
- 50194SC - Promotional Items - \$4,000 reduction
- 50196SC - Cameras, Film and Equipment - Non-Capital - \$1,676 reduction
- 50199SC - Tools and Equipment - Non-Capital - \$8,994 reduction
- 50378SC - Furniture - Non-Capital - \$4,994 reduction
- 50242SC - Repair and Maintenance Building Services - \$13,805 reduction
- 50243SC - RandM Grounds and Landscaping - \$42,984 reduction
- 50383SC - Other Machines and Equipment - Non-Capital - \$4,169 reduction
- 50135SC - Other Miscellaneous Charges - \$8,688 reduction
- 50153SC - Solar Energy - \$4,596 reduction
- 50154SC - Telephone Provider Charges - External - \$3,048 reduction
- 50156SC - Mobile Devices - External - \$38,280 reduction
- 50102SC - Employee Training - \$8,458 reduction
- 50104SC - Employee Travel - \$9,476 reduction

4. Please identify the timeframe in which the department projects to be back within budget.

Fleet Services does not believe capital overages will align with the adopted budget for FY2024/25 due to the carryover of costs from the prior year.

At this time, Fleet Services is requesting budget capacity from the County's non-General Fund Contingency for the amount of \$1,359,658 for the capital vehicle purchased expensed in the current fiscal year. This is strictly a request for additional budget authority and not a request for funding.

Fleet Services will work with Finance and Risk Management on a monthly basis to monitor capital expense purchases to determine when the budget capacity is needed and will complete the budget authority transfer at that time.



 Signature, Appointing Authority or Designee 12-27-24
Date

Finance has reviewed and concurs with plan.



 Signature, Finance & Risk Management Director or Designee 1/3/25
Date

In accordance with BOS Policy [D22.2 Budget Accountability](#), submit completed form by the 1st of the month following a projected overage or shortage to [FIN_Budget_Remediation](#).