



BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: 4/1/2025

*= Mandatory, information must be provided

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

***Title:**

Finance & Risk Management Self Insurance Trust – Internal Service Fund – Use of Contingency Request

***Introduction/Background:**

Finance & Risk Management is requesting \$1,200,000 in additional budget authority from the Non-General Fund contingency for the Self Insurance Trust – Internal Service Fund.

***Discussion:**

Finance & Risk Management Self Insurance Trust Fund is projected to exceed its budget by \$1,200,000 due to higher-than-expected settlements and legal fees. The request is for additional budget authority only, not additional funding.

***Conclusion:**

Providing Finance & Risk Management Self Insurance Trust – Internal Service Fund with \$1,200,000 in additional budget authority from the Non-General Fund contingency will enable the continued payment of settlements and legal fees without going over budget.

***Recommendation:**

It is recommended that \$1,200,000 in budget authority from Non-General Fund contingency be allocated to the Finance & Risk Management Self Insurance Trust - Internal Service Fund.

***Fiscal Impact:**

This will have a fiscal impact on the Finance & Risk Management Self Insurance Trust – Internal Service Fund

***Board of Supervisor District:**

1 2 3 4 5 All

Department: Finance & Risk Management

Telephone: 520-724-8517

Contact: Art Cuaron

Telephone: 520-724-3138

Department Director Signature: _____

Date: _____

3.7.2025

Deputy County Administrator Signature: _____

Date: _____

County Administrator Signature: _____

Date: _____

3/8/2025



Budget Remediation Plan

Reset Form

Fiscal Year	Department	Fund
2025	Finance & Risk Management	60010 & 60018
Adopted Expense Budget	Projected Expense	Expense Variance
\$ 10,437,463.00	\$ 11,643,272.00	(\$ 1,205,809.00)
Adopted Revenue Budget	Projected Revenue	Revenue Variance
\$ 13,858,535.00	\$ 13,923,429.00	\$ 64,894.00
		Overage or Shortfall Amount
		(\$ 1,140,915.00)

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

Current Paid Losses line item from the FN Risk Monthly Actual Revenue and Expenditures - Forecast (Pd 7) for FY2025, Budgeted: \$2,727,317, Actuals as of Forecast Period 7: \$3,612,344, Variance: -\$885,027 (over budget) This overage indicates that the current paid losses will exceed the budgeted projections. The primary contributor to this increase has been a rise in settlements, including a few more substantial than anticipated.

Lawyers Budgeted: \$556,545 Forecast Period 7 Actuals: \$826,880, Variance: -\$270,335. The negative variance of \$270,335 indicates that the actual expenditures on lawyer fees have significantly exceeded the budgeted amount. This overage reflects higher-than-expected legal costs, due to increased litigation, legal consultations, or unanticipated legal issues that were not accounted for during the budget planning phase.

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

Revenue is expected to meet the budgeted amount.



Budget Remediation Plan

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

Finance & Risk Management will continue to diligently rightsize the budget and will regularly conduct reviews to promptly adapt to changes and enhance resource management.

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

Finance & Risk Management does not believe the operating expense overages will align with the adopted budget for FY2024/25 due to the 6/30/2024 Actuarial Report.

At this time, Finance & Risk Management is requesting budget capacity from the County's non-General Fund Contingency for the amount of \$1,200,000.

If approved, the budget authority transfer will be completed in FY25, Period 9.

Meridith Litton

Digitally signed by Meridith Litton
DN: cn=Meridith Litton, o=Pima County, ou=Finance and Risk Management,
email=Meridith.Litton@pima.gov, c=US
Date: 2025.03.07 08:58:31 -0700

Signature, Appointing Authority or Designee

Date

Finance has reviewed and concurs with plan.

Signature, Finance & Risk Management Director or Designee

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](#).