



BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: 1/23/2024

*= Mandatory, information must be provided

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

***Title:**

Recommended Uses of Inflation Contingency

***Introduction/Background:**

As the County continues to navigate the challenges posed by the current economic landscape marked by persistent inflation, we have done a mid-year review to identify the departments that are currently in need of contingency funding. The Fiscal Year 2023/24 Adopted Budget included nearly \$5 million within the contingency fund for inflation. The funds were strategically allocated to address inflationary pressures on specific departments and ensure the continuity of operations without compromising the quality of services provided.

***Discussion:**

Given the ongoing financial circumstances, notably underscored by Tucson Electric Power's recent adjustment in the Purchased Power and Fuel Charge, it is evident that our utility costs for this fiscal year will be affected. The resulting cost increase is most significantly felt by the Facilities Management and Sheriff's departments. In addition, the Sheriff's Department continues to experience elevated prices for food, fuel, and oil. In response to these challenges, this item recommends using a portion of the contingency funding that was set aside in the Fiscal Year 2023/24 Adopted Budget.

***Conclusion:**

Persistent inflation continues to pose challenges to areas throughout the County. Acknowledging these challenges, we are recommending the use of the inflation contingency set aside in the Fiscal Year 2023/24 Adopted Budget.

***Recommendation:**

Finance recommends using a total of \$1,088,567 of the inflation contingency, \$550,700 to the Sheriff's Department and \$537,867 to Facilities Management, to alleviate the impacts of inflation.

***Fiscal Impact:**

A total of \$1,088,567 will be moved from the contingency fund in the General Fund to the Sheriff's Department and Facilities Management, which are both General Fund departments.

***Board of Supervisor District:**

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Department Director Signature: _____

Date: 1/10/24

Deputy County Administrator Signature: _____

Date: 1/10/24

County Administrator Signature: _____

7/14/2021

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