



AGENDA MATERIAL

DATE 8/21/23 ITEM NO. 2A12

MEMORANDUM

Date: August 18, 2023

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

From: Jan Leshner 
County Administrator

Re: Update to Sheriff's Department Budget for FY 2022/2023

During both the June 20, 2023 and July 11, 2023 meetings of the Board of Supervisors, the Board reviewed the Sheriff's Department budget for FY 2022/2023 and allocated additional funds from General Fund Contingency to fund budget overruns for the fiscal year. The primary drivers of the overruns were overtime, repairs and maintenance, and food supplies, many of which were driven by record inflation.

On July 11, 2023 the Board requested that staff provide at the August 21, 2023 meeting an update on the current financial status of the Sheriff's Department and historical information for previous fiscal years. This memo provides an update on the financial performance of the Sheriff's Department for FY2022/23 and the previous five fiscal years broken down into an analysis of personnel, supplies and services, and the budget as a whole.

The table below shows the Sheriff's Department's General Fund budget compared to actuals for fiscal year 2022/23 through period 14. Finance and Risk Management is in the process of closing out the accounting for FY 2022/23, therefore the numbers being presented are preliminary.

Sheriff Department General Fund	FY 2022/23 Adopted Budget		FY 2022/23 Actuals - Period 14		FY 2022/23 Actuals - Period 14 vs. Adopted Budget
Personnel Services	\$ 121,467,437	\$	122,920,113	\$	1,452,676
Operating Expenses	\$ 32,521,475	\$	33,394,971	\$	873,496
Capital Equipment > \$5,000	\$ 300,000	\$	211,853	\$	(88,147)
Sheriff Department Total	\$ 154,288,912	\$	156,526,937	\$	2,238,025

Personnel

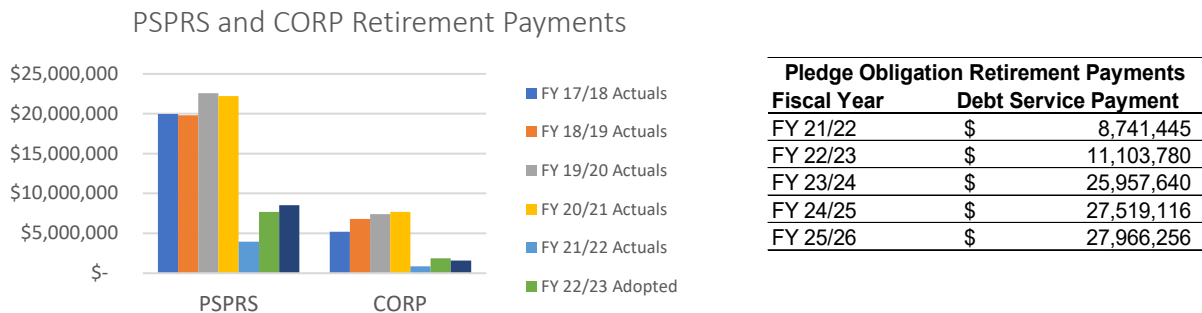
This section will focus on reviewing the historical personnel budget for the Sheriff's Department and its developments and challenges over time. The table below provides historical personnel data broken down into specific categories of interest.

Sheriff Personnel Costs General Fund	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals *	FY 2020/21 Actuals	FY 2021/22 Actuals*	FY 2022/23 Actuals Period 14
Salary and Wages	\$69,018,482	\$70,042,357	\$75,195,399	\$72,769,266	\$72,670,765	\$76,467,914
Overtime	\$3,265,667	\$4,056,492	\$2,345,993	\$1,922,926	\$5,522,232	\$9,697,671
CORP	\$5,215,567	\$6,806,017	\$7,400,825	\$7,682,342	\$851,874	\$1,599,600
PSPRS	\$19,955,798	\$19,800,127	\$22,563,755	\$22,199,261	\$3,954,186	\$8,543,587
Other Retirement	\$1,918,093	\$2,066,812	\$2,319,751	\$2,461,519	\$2,233,679	\$2,416,681
Other Personnel Cost	\$20,134,813	\$18,510,010	\$(3,631,782)	\$19,745,608	\$21,676,188	\$24,194,660
Personnel Services Total	\$119,508,420	\$121,281,815	\$106,193,941	\$126,780,922	\$106,908,924	\$122,920,113

*FY 2019/20 - The decrease in actual expenditures was primarily due to eligible Sheriff's Department salaries and benefits covered by the CARES Act grant being charged in the Grants Fund instead of the General Fund.

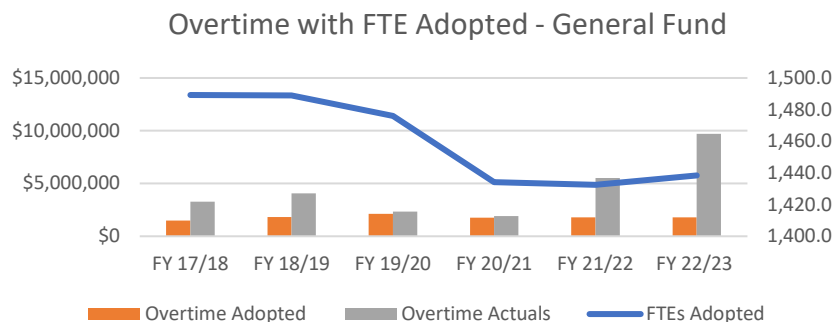
**FY 2021/22 - The decrease in budget and actuals was due to the reduction in the PSPRS and CORP retirement plan rates due to the selling of debt to fund the unfunded actuarial liability.

As seen in the table below, both Public Safety Personnel Retirement System (PSPRS) and Correction Officer Retirement Plan (CORP) realized a significant cost reduction starting in FY 2021/22. As stated in the May 22, 2023, PSPRS and CORP [memorandum](#), Pima County had a significant unfunded actuarial accrued liability for our PSPRS and CORP. In May 2021, the County issued \$300 million in Pledged Revenue Obligation debt at an interest rate of 1.99% to substantially reduce this unfunded liability.



The chart above illustrates the significant cost reduction as a result of this debt issuance. It is important to note, that although cost savings are seen within the Sheriff's PSPRS and CORP line item, there are additional associated debt payments for the Pledged Revenue Obligation debt, which are shown in the Debt Service Fund. See table above for FY 2022 – FY 2026 debt service payments.

As explained in the June 20, 2023 [memorandum](#), the Sheriff's Department has experienced a high volume of vacant positions throughout FY 2022/23. The Sheriff's Department relied heavily on overtime to cover the staffing gaps. The changes in overtime and FTEs over the last five years are illustrated in the chart below. The graph shows an increased use of overtime for FY 2021/22 and FY 2022/23, and it also shows the reduction in FTEs from a height of 1,489 in FY 2017/18 to 1,439 in FY 2022/23.



Additional statistical information related to budgeted FTEs, overtime, and inmate population is shown below.

Fiscal Year	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Average Daily Jail Population	1,838	1,848	1,775	1,526	1,676	1,778
GF Total FTEs in Adopted Budget	1,489	1,489	1,476	1,434	1,433	1,439
GF Overtime in Adopted Budget	1,493,800	1,810,848	2,116,152	1,753,866	1,791,864	1,798,356
GF Overtime Actuals	3,265,667	4,056,492	2,345,993	1,922,926	5,522,232	9,697,671
GF OT Hours - Corrections Officers		66,542	28,719	18,447	88,140	122,839
GF OT Pay - Corrections Officers		2,186,396	985,976	641,853	3,164,846	4,707,036

Supplies and Services

This section will focus on reviewing the historical supplies and services budget for the Sheriff's Department and its developments and challenges over time. The items previously identified as primary budgetary pressures at the June 20th Board meeting are illustrated here.

Fiscal Year	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Actuals	FY 2020/21 Actuals	FY 2021/22 Actuals	FY 2022/23 Actuals
Clothing, Uniforms, and Safety Apparel	\$187,358	\$279,300	\$234,587	\$366,478	\$200,302	\$190,257
Medical & Lab Supplies	\$175,353	\$159,575	\$175,640	\$63,317	\$387,027	\$304,650
Fuel & Oil	\$142,474	\$127,340	\$137,179	\$143,849	\$326,135	\$385,489
Janitorial Supplies	\$511,172	\$562,688	\$635,655	\$401,147	\$542,705	\$702,912
Law Enforcement Supplies	\$424,754	\$793,708	\$645,213	\$462,491	\$380,072	\$1,031,254
Food Supplies	\$2,193,681	\$2,321,233	\$2,225,117	\$2,344,814	\$3,130,438	\$3,491,769

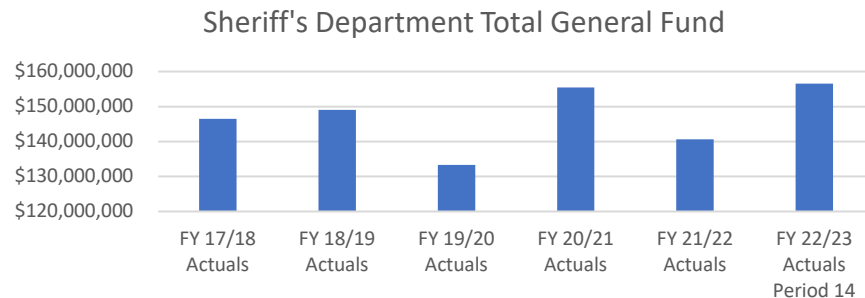
Of the many areas that experienced rising financial pressures, the most notable categories within the supplies and services grouping were repair and maintenance, food, and operational supplies. FY 2021/22 and FY 2022/23 show the impact of the rise in inflation and its impacts on the general prices of goods and services at that time.

The table below shows the average daily cost of food per inmate over the last five years.

Fiscal Year	Food Supplies	Average Daily Jail Population	Average Daily Cost Food Per Inmate
Actuals FY 2017/18	\$2,162,505	1,838	\$3.22
Actuals FY 2018/19	\$2,286,004	1,848	\$3.39
Actuals FY 2019/20	\$2,202,291	1,775	\$3.40
Actuals FY 2020/21	\$2,329,825	1,526	\$4.18
Actuals FY 2021/22	\$3,110,798	1,676	\$5.09
Actuals FY 2022/23	\$3,464,534	1,778	\$5.34

Total Sheriff Department Actuals

The table below provides historical data for Sheriff's Department actuals from FY 2017/18 through FY2022/23 Period 14.



*FY 2019/20 – The decrease in actual expenditures was primarily due to eligible Sheriff's department salaries and benefits covered by the CARES Act grant being charged in the Grants Fund instead of the General Fund.

**FY 2021/22 – The decrease in budget and actuals was due to the reduction in the PSPRS and CORP retirement plan rates due to the selling of debt to fund the unfunded actuarial liability.

Lastly, the table below provides an update on the total actual expenditures for FY 2022/23 compared to the FY 2023/24 Adopted Budget. There was a 4% increase in the Sheriff's budget between FY 2022/23 and FY 2023/24.

Sheriff Department General Fund	FY 2022/23 Adopted	FY 2022/23 Actuals Period 14	FY 2023/24 Adopted
Personnel Services	\$ 121,467,437	\$ 122,920,113	\$ 124,546,700
Operating Expenses	\$ 32,521,475	\$ 33,394,971	\$ 35,084,801
Capital Equipment > \$5,000	\$ 300,000	\$ 211,853	-
Sheriff Department Total	\$ 154,288,912	\$ 156,526,937	\$ 159,631,501

JKL/dym

c: The Honorable Chris Nanos, Pima County Sheriff
 Carmine DeBonis, Jr., Deputy County Administrator
 Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer
 Steve Holmes, Deputy County Administrator
 Ellen Moulton, Director, Finance and Risk Management