



MEMORANDUM

Date: May 15, 2024

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

From: Jan Leshner 
County Administrator

Re: **Budget Remediation Plans Update**

This memorandum provides an update on the departmental remediation plans initially presented in the January 17, 2024, "Financial Forecast – November 2023" [memorandum](#).

The Board of Supervisors (BOS) Policy [D 22.2 – Budget Accountability](#) requires departments projecting expenditures to exceed their Appropriated Budget or projecting revenues under their Appropriated Budget for the fiscal year to develop and implement a budget remediation plan.

Attached are the updated remediation plans for Elected Officials projecting to exceed their Appropriated Budget as well as any other department projecting expenditures exceeding their Appropriated Budget, or revenues under their Appropriated Budget, by \$500,000 or more as of the Financial Forecast – March 2024. As the Sheriff has been communicating directly with the Board, there is not a remediation plan detailing the Sheriff's Department efforts. The Sheriff has indicated that they will be issuing a separate communication to the Board.

For departments experiencing overages due to inflation, please reference the Recommended Uses of Inflation Contingency Funds [memorandum](#).

As a result of these remediation plans, there are requests for the use of General Fund Contingency, which include a request for additional funding. The table below summarizes these requests for the Board's consideration.

General Fund Contingency Requests	
Department	Amount
Juvenile Court	\$ 36,002
Recorder	498,112
Superior Court	889,838
Public Defense Services	3,042,650
Sheriff	3,228,942
Total	\$ 7,695,544

The Honorable Chair and Members, Pima County Board of Supervisors
Re: **Budget Remediation Plans Update**
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There are also requests for the use of non-General Fund Contingency, which are solely requesting additional spending authority. The table below summarizes these requests for the Board's consideration.

Non-General Fund Contingency Requests	
Department	Amount
Information Technology - Software	\$ 663,855
Human Resources - Health Benefit Trust	716,794
Regional Wastewater Reclamation	2,189,798
Total	\$ 3,570,447

Per BOS Policy [D 22.15 – Use of Contingency](#), any approved requests will be provided as needed, up to the requested amount, and monitored to ensure that it is used for the purposes for which it was requested.

In addition, I have requested that Finance and Risk Management review BOS Policy D 22.2 Budget Accountability for potential enhancements to the budget remediation process.

Recommendation:

I am recommending the departments projected to be over budget be put on an immediate hiring freeze and all discretionary spending suspended through June 30, 2024. Any discretionary expenditures considered necessary for the operations of the department must be pre-approved by the County Administrator.

It is also recommended that the Board approve the uses of General Fund and non-General Fund Contingency up to the amounts listed in the event that the mitigating actions are not sufficient to cover the projected budgetary overruns.

JKL/dym

Attachment

- c: The Honorable Sheriff 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
Cathy Bohland, Director, Human Resources

ATTACHMENT



Budget Remediation Plan

Reset Form

Fiscal Year	Department	Fund
2024	Juvenile Court	General Fund - 1000
Adopted Expense Budget	Projected Expense	Expense Variance
\$ 22,447,639.00	\$ 22,554,999.00	(\$ 107,360.00)
Adopted Revenue Budget	Projected Revenue	Revenue Variance
\$ 114,900.00	\$ 98,789.00	(\$ 16,111.00)
		Overage or Shortfall Amount
		(\$ 123,471.00)

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

The following expenses are projected to exceed the budget for FY24:

- Electricity Utility -- \$78,650.
This is primarily due to an increase in rates.
- Natural Gas Utility -- \$152,750.
This is primarily due to an increase in rates.
- Solar Energy Utility -- \$17,495.
This is primarily due to an increase in usage.

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

Revenue is projected to be lower than budgeted due to a decrease in National School Lunch Program reimbursements and miscellaneous collections.



Budget Remediation Plan

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

- Limit spending to only essential costs and services necessary to operate the court.
- Limit hiring for vacant positions. Any surplus in personnel costs generated as a result of this action may be available to partially offset the operating deficit.

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

Juvenile Court anticipates an operating budget deficit for the remainder of FY24.

Finance has recommended a budget adjustment for electricity of \$71,358 from the Inflation Contingency. Additionally, Finance recommends the Board authorize the use of Contingency to cover up to \$36,002.

Overholt, Ronald

Digitally signed by Overholt, Ronald
Date: 2024.04.25 15:25:07 -07'00'

Signature, Appointing Authority or Designee

Date

Finance has reviewed and concurs with plan.

Ellen Moulton

Digitally signed by Ellen Moulton
Date: 2024.05.14 10:44:58 -07'00'

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](#).



Reset Form

Budget Remediation Plan

Fiscal Year	Department	Fund
2024	Superior Court	General Fund
Adopted Expense Budget	Projected Expense	Expense Variance
\$ 46,973,632.00	\$ 47,571,531.00	(\$ 597,899.00)
Adopted Revenue Budget	Projected Revenue	Revenue Variance
\$ 309,500.00	\$ 431,000.00	\$ 121,500.00
		Overage or Shortfall Amount
		(\$ 476,399.00)

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

The following expenses are projected to exceed the budget for FY24:

- Software Maintenance and Support -- \$424,000.
Vendor costs have increased significantly. MS Licensing costs account for the most significant portion of this increase. The court has made every effort to utilize fee funds to cover these increases, which has caused the Automation and Technology Fee fund to be substantially depleted. An Automation and Technology Fee increase planned for FY24, which would have partially offset these costs, did not occur.
- R&M Buildings/Grounds -- \$95,000
This is due to the remodel of the Case Management Services Division. The costs surpassed the original estimate. Also includes the cost to install the excess system furniture for Probation provided by Pima County.-
- Utilities -- \$42,000
This is primarily due to an increase in rates.
- Travel -- \$50,000
This is due to additional travel required for judicial officers, administrative and other staff.
- Security Costs -- \$50,000
This is because of an increase to the vendor rates and the number of officers.

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

Revenue is projected to be higher than budgeted due to an increase in IV-D Child Support reimbursements.



Budget Remediation Plan

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

- Limit spending to only essential costs and services necessary to operate the court.
- Utilize other funding sources when available.
- Limit hiring for vacant positions. Any surplus in personnel costs generated as a result of this action may be available to partially offset the operating deficit.
- Seek additional funding such as remaining ARPA funds, AOC funds, and local, state and federal grants.

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

Superior Court anticipates a budget deficit for the remainder of FY24.

Finance has recommended a budget adjustment for electricity of \$9,214 from the Inflation Contingency. Additionally, Finance recommends the Board authorize the use of Contingency to cover up to \$588,685.

Overholt, Ronald

Digitally signed by Overholt, Ronald
Date: 2024.04.25 13:23:40 -07'00'

Signature, Appointing Authority or Designee

Date

Finance has reviewed and concurs with plan.

Ellen Moulton

Digitally signed by Ellen Moulton
Date: 2024.05.14 10:47:59 -07'00'

Signature, Finance & Risk Management Director or Designee

Date

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Budget Remediation Plan

Reset Form

Fiscal Year	Department	Fund
2024	Superior Court	1000 - Mandated
Adopted Expense Budget	Projected Expense	Expense Variance
\$ 1,936,610.00	\$ 2,237,763.00	(\$ 301,153.00)
Adopted Revenue Budget	Projected Revenue	Revenue Variance
\$ 312,728.00	\$ 312,728.00	\$ 0.00
		Overage or Shortfall Amount
		(\$ 301,153.00)

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

Expenses are expected to exceed budget for the following line items:

- Other Judicial Services \$74,024 due to increases in salaries for judges and judicial staff.
- Expert Witnesses and Interpreters \$102,828 due to increase in per diem rates which was based on a market analysis. Also, an increase in usage of mandated interpreter services.
- Jury and Court Costs \$131,109 due to an increase in the number of jury trials.

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 exceed budget for the following line items:

- Other Court Fees \$12,000 increase revenue from audio recordings of hearings, trials and other court proceedings.
- Jury Fees \$35,000 increase in City Jury reimbursements for jurors provided.



Budget Remediation Plan

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

-Limit spending to only essential costs and services necessary to operate the court. However, expenses charged to this fund are for services mandated by statute.

-Utilize other funding sources when available.

-Seek additional funding such as remaining ARPA funds, AOC funds, and local, state and federal grants.

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

Superior Court anticipates a budget deficit for the remainder of FY24 due to an increase in services required by statute.

Finance recommends the Board authorize the use of Contingency to cover up to \$301,153

Overholt, Ronald

Digitally signed by Overholt, Ronald
Date: 2024.04.25 15:26:43 -07'00'

Signature, Appointing Authority or Designee

Date

Finance has reviewed and concurs with plan.

Ellen Moulton

Digitally signed by Ellen Moulton
Date: 2024.05.14 10:46:42 -07'00'

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](#).



Budget Remediation Plan

Reset Form

Fiscal Year	Department	Fund
2024	Human Resources	Health Benefits Self Insurance
Adopted Expense Budget	Projected Expense	Expense Variance
\$ 90,066,082.00	\$ 90,782,876.00	(\$ 716,794.00)
Adopted Revenue Budget	Projected Revenue	Revenue Variance
\$ 90,015,990.00	\$ 91,546,627.00	\$ 1,530,637.00
		Overage or Shortfall Amount
		\$ 813,843.00

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

Please note that the Revised Budget is used to calculate the variances due to the impact of the Board of Supervisors approved Classification and Compensation adjustment. This remediation plan addresses the Human Resources Department's Health Benefit Trust.

The Health Benefit Trust is experiencing higher than expected medical and pharmacy claims expenses resulting in an overage that is currently projected to be \$1,000,000. Cost savings measures have materialized additional savings in some Operating expenses. This results in a total projected expense overage in the amount of \$716,794.

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

There is a favorable revenue variance that is helping offset the expenditure overage mentioned above.

Revenue forecast is projected to be \$1,530,637 over the adopted FY24 budget. This increase is primarily due to the following reasons:

More employees have enrolled in the County's health benefit plan than anticipated during the creation of the FY24 budget and fewer enrollees qualified for the healthy lifestyle discounts. These factors have lead to a projected revenue increase of \$443,000 over what was budgeted for FY 24.

In addition, more employees voluntarily enrolled in other benefit elections than what was budgeted for in FY 24. This has lead to a projection of an additional \$1,090,338 in revenue over what was budgeted in FY 24.

Human Resource and Finance Department will monitor on a monthly basis the revenue receipts for the Trust and the amount of employees enrolled in the plan.



Budget Remediation Plan

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

Human Resources has taken the cost savings measures below to assist with the expense overage and will continue to look additional savings:

- 5000 - Office Supplies - \$3,000 reduction
- 5002 - Computer Equipment - \$900 reduction
- 5003 - Food Supplies - \$500 reduction
- 5015 - Promotional Items - \$7,000 reduction
- 5018 - Other Operating Supplies - \$10,000 reduction
- 5021 - Furniture - \$2,000 reduction
- 5138 - In State Training - \$8,000 reduction
- 5152 - Other Professional Services - \$100,000 reduction
- 5312 - Other Miscellaneous Charges - \$25,000 reduction

Human Resources will continue to work with the Finance Department to look for additional cost savings measures moving forward.

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

Human Resources does not believe the impact of increased medical and pharmacy claims costs and other overages will align with the adopted budget amount for FY24. Therefore, Human Resources is requesting the remaining expenditure budget capacity be taken from the County contingency fund in the amount of \$716,794. This is strictly a request for additional budget authority and not a request for a cash transfer. Human Resources will work with Finance and Risk Management on a monthly basis to determine when the budget capacity is needed and will proceed with the transfer at that time.

In addition, the medical rates that were approved during the December 5, 2023, Board of Supervisors meeting, that are effective for FY25, included an amount to recover this projected shortfall for FY24.

Finance recommends the Board authorize the use of non-General Fund Contingency budget authority up to the requested \$716,794. This will not require the use of General Fund cash.

Cathy Bohland

Digitally signed by Cathy Bohland
DN: cn=Cathy Bohland, o=Pima County, ou=Human Resources,
email=cathy.bohland@pima.gov, c=US
Date: 2024.04.16 11:29:56 -07'00'

04/16/2024

Signature, Appointing Authority or Designee

Date

Finance has reviewed and concurs with plan.

Ellen Moulton

Digitally signed by Ellen Moulton
Date: 2024.05.10 11:49:29 -07'00'

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](#).



Budget Remediation Plan

Reset Form

Fiscal Year	Department	Fund
2024	IT	6013 B275
Adopted Expense Budget	Projected Expense	Expense Variance
\$ 5,040,856.00	\$ 6,154,640.00	(\$ 1,113,784.00)
Adopted Revenue Budget	Projected Revenue	Revenue Variance
\$ 4,952,944.00	\$ 4,334,493.00	(\$ 618,451.00)
		Overage or Shortfall Amount
		(\$ 1,732,235.00)

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

Please note that the Revised Budget is used to calculate the variances due to the impact of the Board of Supervisors approved Classification and Compensation adjustment. This remediation plan addresses the Information Technology Department's Internal Service Fund.

Increases to the projected expenses are the result of several factors:

1) Microsoft Enterprise Agreement - Renewal of the county's Microsoft Enterprise Agreement contained significant unforeseen inflationary increases as part of a new 3 year agreement. This also included increased licensing with the addition of the Sheriff Dept, Recorder's Office and Treasurer. Also, loss of previous educational discounts for the licenses issued to the Library.

Overage: Approximately \$1,035,735

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

Revenue under by \$618,451 because Supplemental for DocuSign included expense and revenue but the supplemental was approved after allocation rates were finalized and added to the budget but the IETs based on the original budget were never adjusted.

Remediation solution. Possible, recover lost revenue in FY26 allocations.



Budget Remediation Plan

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

The department has identified an additional savings of \$450k in Computer Hardware.

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

Finance recommends the Board authorize the use of non-General Fund Contingency budget authority up to the requested \$663,855 as well a move budget authority from the Hardware fund in the amount of \$450,000. This will not require the use of General Fund cash.

Javier Baca

Digitally signed by Javier Baca
DN: cn=Javier Baca, o=Pima County, ou=Information Technology Department,
email=javier.baca@pima.gov, c=US
Date: 2024.04.23 14:56:51 -07'00'

04/23/2024

Signature, Appointing Authority or Designee

Date

Finance has reviewed and concurs with plan.

Ellen Moulton

Digitally signed by Ellen Moulton
Date: 2024.05.10 12:32:50 -07'00'

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](#).



Budget Remediation Plan

Reset Form

Fiscal Year	Department	Fund
2024	Kino Sports Complex	2052
Adopted Expense Budget	Projected Expense	Expense Variance
\$ 8,826,776.00	\$ 7,974,634.00	\$ 852,142.00
Adopted Revenue Budget	Projected Revenue	Revenue Variance
\$ 3,822,158.00	\$ 3,128,977.00	(\$ 693,181.00)
		Overage or Shortfall Amount
		\$ 158,961.00

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

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

Revenue codes

4118- Based on tax receipts during the first 7 months of FY2024, the car rental market in Pima County has not shown much growth over the last year.

4262 - Sports Events - The Korean Baseball teams did not return to Tucson in 2024 they are schedule to return in 2025. FC Tucson has moved down a league resulting in less stadium games. Two large baseball tournaments (Pathways and Prospect Wire) have canceled due to low registration. The TIG Tournament played less games and no night games due to low registration. MSBL - Mens Baseball league have moved to city parks for reduced rates.

4263 - This years Centurions theme is Star Wars and the group felt that the TCC would be a better fit this year. They have agreed to return to Kino in 2025.

4265- Concert promoters where unable to secure music groups so no concerts will be held this FY



Budget Remediation Plan

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

Kino Sports Complex has secured some smaller events (additional graduations) on revenue #4259 to help offset the losses on other revenue codes. Additionally Kino Sports Complex has reduced its expenses to help offset the reduction in revenue.

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

Kino Sports Complex is working with new event/tournament directors for future events to be held at the complex and should be back within budget for FY2025

Finance concur with the plans to increase revenue. No additional budget authority is needed at this time.

Digitally signed by Sarah Horvath
Date: 2024.04.24 09:49:44 -07'00'

04/24/2024

Signature, Appointing Authority or Designee

Date

Finance has reviewed and concurs with plan.

Ellen Moulton

Digitally signed by Ellen Moulton
Date: 2024.05.10 12:01:12 -07'00'

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](#).



Budget Remediation Plan

Reset Form

Fiscal Year	Department	Fund
2024	Public Defense Services	1000
Adopted Expense Budget	Projected Expense	Expense Variance
\$39,689,989	\$42,732,639	(\$3,042,650)
Adopted Revenue Budget	Projected Revenue	Revenue Variance
\$1,379,190	\$1,098,172	(\$281,018)
		Overage or Shortfall Amount
		(\$3,323,668)

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

Please note that the Revised Budget is used to calculate the variances due to the impact of the Board of Supervisors approved Classification and Compensation adjustment. This remediation plan addressed the Public Defense Services General Fund.

In FY23, the County Administrator authorized an increase in misdemeanor rates and payment for travel to Office of Court Appointed Counsel attorneys outside of Tucson, however our budget was not increased to pay for these actions. The costs were \$332,500 and \$395,382 respectively. In addition, the cost of contracted attorneys is currently projected to cost \$3.8M** more than the budgeted amount.

We must provide counsel to every indigent person as mandated by the US Constitution and Arizona Statute. We do not have the option of cutting services. The majority of our caseloads are dictated by the Pima County Attorney's Office filings.

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

Attorneys Fees (revenue source 4207) are passed on from Superior Court. The Clerk of the Court collects fees for criminal cases and passes a statutorily set percentage to our office. They are trending lower than expected.



Budget Remediation Plan

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

We have been historically underfunded. Since Fiscal Year 2018-2019, contingency funds were required to close out the fiscal years, as follows:
 FY19 \$1,353,000 FY20 \$1,035,000 FY21 \$2,070,466 FY23 \$817,882
 *PDS received a base budget increase in FY22 of \$2,150,000
 We currently have 33 vacant positions with a 12 month turnover of 18.35%. Of our vacancies, 19 are Attorney positions with 14 have contingent offers out. We have 9 law clerks starting in May. We recruit continuously and were optimistic Steps 1 and 2 of the Class and Compensation Study would attract more employees, but that has not materialized. The cost of contracted attorneys outpaces the cost of employees. The vacancy savings from budgeted FTEs covers a portion of the contracted attorneys but is not enough to completely offset the more expensive contracted attorney option.**
 In addition, case filings continue to climb as can be seen below:
 Felony FY19 11,251 FY20 12,622 FY21 11,005 FY22 12,563 FY23 14,028
 Misdemeanor FY19 2,457 FY20 1,856 FY21 2,330 FY22 1,631 FY23 2,223
 Dependencies FY19 3,714 FY20 4,307 FY21 3,968 FY22 3,613 FY23 3,283
 Title 36 FY19 2,972 FY20 3,510 FY21 3,802 FY22 3,627 FY23 4,080
 We request a permanent base budget increase from contingency funds of \$3,323,668 to cover the variance between the Revised Net Fund Impact of \$38,310,799 and the Forecasted Net Fund Impact of \$41,634,467. Although we reduced our budget as required, we requested technical assistance from Finance to assist us as we are statutorily obligated to provide these mandated services.

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

**We surrendered nine attorney PCNs, transferring \$942,435 to Appropriation 02 to cover the deficit in contracted attorneys. We requested technical assistance from Finance to assist us as we are statutorily obligated to provide these mandated services.

Finance recommends the Board authorize the use of Contingency to cover up to \$3,042,650.

5-1-24

Signature, Appointing Authority or Designee

Date

Finance has reviewed and concurs with plan.

Ellen Moulton

Digitally signed by Ellen Moulton
Date: 2024.05.14 10:51:32 -07'00'

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](#).



Budget Remediation Plan

Reset Form

Fiscal Year	Department	Fund
2024	Recorder	General Fund
Adopted Expense Budget	Projected Expense	Expense Variance
\$ 8,342,735.00	\$ 8,840,847.00	(\$ 498,112.00)
Adopted Revenue Budget	Projected Revenue	Revenue Variance
\$ 4,250,000.00	\$ 4,250,016.00	\$ 16.00
		Overage or Shortfall Amount
		(\$ 498,096.00)

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

As of our period 9 projection, we anticipate being over budget in election-related materials, with the most notable being other professional services with the Runbeck service provider. These overruns are due to the State clawing back funding from the House Bill 2862 General Appropriations bill, which provided County Recorders funds to review the accuracy of the voter registration rolls. Pima County's share was \$950,000, and the Recorder's office made financial decisions about purchasing new equipment, additional mailings and outreach materials based on that funding. The Recorder's office only received \$239 thousand of the \$950 thousand. Because the State clawed back the funds, we had to shift the costs to the General Fund.

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



Budget Remediation Plan

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

We continue to evaluate our non-election spending needs to try and mitigate these unforeseen shifts from the State.

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

The Pima County Recorder's Office does not believe that we can reach a balanced forecast and is requesting that the remaining expenditure budget capacity be taken from the County contingency fund to ensure the integrity of the election process.

Finance recommends the Board authorize the use of Contingency to cover up to \$498,112.

Marion Chubon

Digitally signed by Marion Chubon
Date: 2024.05.15 08:40:24 -07'00'

Signature, Appointing Authority or Designee

Date

Finance has reviewed and concurs with plan.

Ellen Moulton

Digitally signed by Ellen Moulton
Date: 2024.05.15 10:30:32 -07'00'

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](#).



Budget Remediation Plan

Reset Form

Fiscal Year	Department	Fund
2024	RWRD	5008
Adopted Expense Budget	Projected Expense	Expense Variance
\$ 159,307,816.00	\$ 161,497,614.00	(\$ 2,189,798.00)
Adopted Revenue Budget	Projected Revenue	Revenue Variance
\$ 194,126,386.00	\$ 204,147,671.00	\$ 10,021,285.00
		Overage or Shortfall Amount
		\$ 7,831,487.00

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

Appropriation code 01 -- Personnel Services is forecasted to be under budget by \$2,128,403 due to vacancy savings and funds transfer that has already occurred. The adopted budget does not reflect the \$1,191,431 that was transferred from CIP budget to cover pay raises due to compensation study.

Appropriation code 02 -- Supplies and Services is forecasted to be over budget by \$4,040,944
Factors contributing to budget overage:

1. increase in TEP electricity charges -- object code 5301 is forecasted to be \$702,046 over budget
2. increase in chemicals prices -- object code 5012 is forecasted to be \$1,019,461 over budget
3. increase in Engineering services -- object code 5114 is forecasted to be \$338,000 over budget
4. increase fuel charges for biosolids hauling -- object code 5304 is forecasted to be \$170,000 over budget
5. increase in repair services and unplanned repairs -- object codes 5010 and 5149 are forecasted to be \$1,938,996 over budget, which includes the cost to replace the failed pipe at Tres Rios WRF

The adopted budget does not reflect the approved increase in spending authority of \$250,000 for unplanned purchase of radios this fiscal year.

Overall RWRD is forecasting to be over budget by \$2,189,798 in operational expenses, once the CIP funds transfer and additional budget contingency authorization is accounted for in the forecast.

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

N/A



Budget Remediation Plan

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

Department moved \$1,191,431 from CIP Fund 5006 to Fund 5008 to mitigate Fund 5008 overage. Department received an increase in budget authority of \$250,000 for the unplanned purchase of radios -- radios had to be replaced due to a battery issue that made them unsafe for field operations staff. Revised Budget for expenses totals \$159,307,816 reducing the forecasted expense variance to \$2,189,798

RWRD has cut expenses in areas where possible without compromising on daily operations of the utility. However, as outlined above (#1), most of the overages are due to inflation and increasing prices for supplies/services necessary to operate. The Department also had a large pipe fail at the Tres Rios treatment facility that requires immediate replacement. The Department will transfer budget authority from a CIP project that can be delayed this fiscal year to O&M to cover the emergency pipe repair/replacement. The Department may need to request an increase in budget authority from the County contingency budget to cover other additional expenses that are due to inflationary impact of TEP rate increase, chemical costs and other essential supplies/services provided to operate the utility.

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

Due to the increase of costs beyond the Department's control, the Department will request an increase in budget spending authority to remain within budget. The Department will work with Finance to request the increase when appropriate.

Finance recommends the Board authorize the use of non-General Fund Contingency budget authority up to \$2,189,798 million if needed. This will not require the use of General Fund cash.

Jaime Rivera

Digitally signed by Jaime Rivera
Date: 2024.04.24 09:33:53 -07'00'

04/24/2024

Signature, Appointing Authority or Designee

Date

Finance has reviewed and concurs with plan.

Ellen Moulton

Digitally signed by Ellen Moulton
Date: 2024.05.10 12:20:01 -07'00'

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](#).



Budget Remediation Plan

Reset Form

Fiscal Year	Department	Fund
FY2024	Transportation	Transportation Operations
Adopted Expense Budget	Projected Expense	Expense Variance
\$ 65,806,307.00	\$ 62,979,315.00	\$ 2,826,992.00
Adopted Revenue Budget	Projected Revenue	Revenue Variance
\$ 79,892,264.00	\$ 77,544,362.00	(\$ 2,347,902.00)
		Overage or Shortfall Amount
		\$ 479,090.00

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

Please note that the Revised Budget is used to calculate the variances due to the impact of the Board of Supervisors approved Classification and Compensation adjustment. This remediation plan addresses the Department of Transportation's Operations Fund.

Expenses are not forecasted to exceed the budgeted amount for FY24.

At period 9 Expenses remain forecasted to not exceed the budgeted amount for FY24.

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

Arizona Department of Transportation has updated their 10 year forecast for Highway User Revenue Fund (HURF) and Vehicle License Tax (VLT). The updated forecast is lower than the projected revenue in the adopted FY24 budget. The HURF forecast (object 4115) has decreased by \$1,950,367 and the VLT forecast (object 4117) has decreased by \$593,880. HURF and VLT represent 98% of DOT's revenues; any decrease in revenues results in a decrease in either service delivery or ability to fund and deliver future improvements. ADOT's reduced revenue forecast will also affect future fiscal years.



Budget Remediation Plan

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

The Transportation Department (DOT) is primarily funded by HURF and VLT, the only option to remediate the reduction in revenues is to make an equivalent reduction to expenditures. DOT has reviewed all expenditures with changes to nearly every object codes. The primary reductions were made in seven (7) object codes:

- 5001 - New Software under \$5M - \$200,000 reduction
- 5010 - Repair & Maintenance Supplies - \$300,000 reduction
- 5034 - Aggregates for Non-Pavement Construction - \$400,000 reduction
- 5037 - Street Signals and Lighting - \$150,000 reduction
- 5114 - Engineering Services - \$200,000 reduction
- 5151 - R&M Grounds and Landscaping - \$500,000 reduction
- 5152 - Other Profession Services - \$300,000 reduction

These reductions in expenses will have no impact to the FY24 Pavement Preservation program. These reductions are in other operational areas of DOT.

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

The Transportation Department worked with the Finance Department to have all of the expenditure reductions reflected in the FY24 Period 5 forecast.

DOT and Finance continue to monitor the actual revenue receipts on a monthly basis and make adjustments as necessary, either increasing expenditures if the revenues come in stronger than currently projected or decreasing expenditures if collections further weaken.

Finance concurs. No additional budget authority is needed at this time.

Digitally signed by Kathryn Skinner
DN: cn=Kathryn Skinner, o=Transportation, ou=Pima County,
email=kathryn.skinner@pima.gov, c=US
Date: 2024.04.23 10:07:31 -07'00'

04/23/2024

Signature, Appointing Authority or Designee

Date

Finance has reviewed and concurs with plan.

Ellen Moulton

Digitally signed by Ellen Moulton
Date: 2024.05.10 12:21:36 -07'00'

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](#).