



# BOARD OF SUPERVISORS AGENDA ITEM REPORT

Requested Board Meeting Date: 5/21/2024

\*= 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 part of the Fiscal Year 2023/24 Adopted Budget, nearly \$5 million in contingency was earmarked 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. At the January 23rd Board of Supervisors meeting, the BOS approved mid-year adjustments for those departments impacted by inflation. As part of the update, an assurance was made to reassess the need for additional relief for these continued costs in May, at which point we would provide final recommendations for utilizing the remaining inflation contingency.

**\*Discussion:**

After analyzing the remaining months of fiscal year 2023/24, ongoing inflationary circumstances persist, notably underscored by Tucson Electric Power's adjustment in the Purchased Power and Fuel Charge. It is evident that our utility costs for this fiscal year will be affected. In addition to utilities, other areas that experienced elevated prices were food, fuel, and oil costs. In response to these challenges, this item recommends relieving the impacted departments with final inflation contingency funding which 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:**

In response to these challenges, Finance recommends relieving the impacted departments with final inflation contingency funding, which was set aside in the Fiscal Year 2023/24 Adopted Budget.

**\*Fiscal Impact:**

Reallocate funding from the inflation contingency to the impacted departments to relieve financial pressures on the departments and ensure the continuity of operations without compromising the quality of services provided.

**\*Board of Supervisor District:**

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Department: Finance and Risk Management

Telephone: 520-724-3138

Contact: Ellen Moulton

Telephone: 520-724-3138

Department Director Signature: 

Date: 5/8/24

Deputy County Administrator Signature: \_\_\_\_\_

Date: \_\_\_\_\_

County Administrator Signature:



Date:

05/08/24