



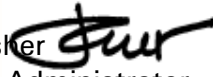
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# MEMORANDUM

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Date: May 15, 2024

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

From: Jan Leshner   
County Administrator

Re: **Recommended Uses of Inflation Contingency Funds**

In anticipation of continued inflationary pressures, the Board had allocated nearly \$5 million within the contingency fund for inflation in the Fiscal Year 2023/24 Adopted Budget. This allocation was specifically intended to address the impact of inflation on departmental budgets, ensuring the continuity of operations without compromising the quality of services provided.

As a reminder, in January 2024, the Board authorized budget adjustments related to increased electricity costs for Facilities Management and the Sheriff's Department. Finance and Risk Management (Finance) performed an analysis of all electricity bills paid over the past 21 months (July 2022 through March 2024). Most departments experienced higher than budgeted electricity costs.

Below are the recommended uses for the inflation contingency funds related to electricity.

Department	January Budget Adjustment	Proposed May Budget Adjustment	Total Budget Adjustment
Facilities Management	\$ 537,867	\$ 55,030	\$ 592,897
Justice Courts – Ajo		3,134	3,134
Juvenile Court		71,358	71,358
Kino Stadium District		55,183	55,183
Pima County Attorney		16,149	16,149
Natural Resources, Parks & Recreation		2,396	2,396
Superior Courts		9,214	9,214
Sheriff's Department	307,394	42,394	349,788
Total	\$ 845,261	\$ 254,858	\$ 1,100,119

In addition to increased utility costs, inflation has impacted prices for food supplies, fuel, and oil in the Sheriff's Department. Finance performed a 21-month analysis on food, fuel, and oil costs to determine an amount of additional funding to offset these overages due to

inflation. As a result of this analysis, we recommend using the inflation contingency in the amounts below.

<b>Sheriff's Department</b>	<b>January Budget Adjustment</b>	<b>Proposed May Budget Adjustment</b>	<b>Total Budget Adjustment</b>
Food Supplies	\$ 179,052	\$ 92,478	\$ 271,530
Fuel & Oil	64,254	127,676	191,930
<b>Total</b>	<b>\$ 243,306</b>	<b>\$ 220,154</b>	<b>\$ 463,460</b>

**Recommendation**

In response to the inflationary pressures felt by General Fund departments in the areas of electricity, food supplies and fuel & oil, I recommend providing the departments listed in the table below \$475,012 from the inflation contingency that was included in the FY 2023/24 Adopted Budget.

<b>Department</b>	<b>Electricity</b>	<b>Food Supplies</b>	<b>Fuel &amp; Oil</b>	<b>Total Budget Adjustment</b>
Facilities Management	\$ 55,030	\$ -	\$ -	\$ 55,030
Justice Courts – Ajo	3,134			3,134
Juvenile Court	71,358			71,358
Kino Stadium District	55,183			55,183
Pima County Attorney	16,149			16,149
Natural Resources, Parks & Recreation	2,396			2,396
Superior Courts	9,214			9,214
Sheriff's Department	42,394	92,478	127,676	262,548
<b>Total</b>	<b>\$ 254,858</b>	<b>\$ 92,478</b>	<b>\$ 127,676</b>	<b>\$ 475,012</b>

JKL/anc

- c: Carmine DeBonis Jr., Deputy County Administrator
- Francisco Garcia, MD, MPH, Deputy County Administrator & Chief Medical Officer
- Steve Holmes, Deputy County Administrator
- Ellen Moulton, Director, Finance and Risk Management