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# MEMORANDUM

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Date: January 13, 2014

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

From: C.H. Huckelberry  
County Administrator 

Re: **Sheriff's Department Budget Exceedance**

As I reported in my December 17, 2013 memorandum to the Board regarding departmental budget exceedances, the largest single budget variance for the fiscal year ended June 30, 2013, was the Sheriff's Department (Attachment 1). The Sheriff's expenditures ended last fiscal year with a budget exceedance of \$4,676,427 causing the Adopted Budget for Fiscal Year (FY) 2013/14 to contain an increased General Fund appropriation of \$9,838,761 to the Sheriff, or 7.8 percent of the Board-approved FY 2012/13 budget, which was \$125,516,270.

The County budget for FY 2013/14 cannot afford a similar budget exceedance by the Sheriff; and we have, in cooperation with the Sheriff and his staff, implemented a number of steps to reduce costs and manage the budget exceedance to a reasonable level. Based on October 2013 expenditures, the Sheriff anticipates a potential deficit of slightly over \$1 million and has provided a summary of such in the attached November 18, 2013 letter (Attachment 2). A more expansive analysis of the Sheriff's budget is contained in the November 5, 2013 memorandum from the Finance and Risk Management Director and Budget Division Manager (Attachment 3).

The Sheriff's budget is the largest General Fund budget of any department or agency of the County; and as such, requires close monitoring and evaluation with Sheriff staff. We appreciate the cooperation extended to our Budget staff in monitoring the Sheriff's expenditure budget for this fiscal year.

Two other analyses are underway that could also impact the Sheriff's budget. The first deals with the number of individuals referred through the criminal justice system who are housed in the Pima County Adult Detention Center (PCADC) awaiting disposition; either by trial or who have been sentenced as a result of a trial to time being served in the County jail. This effort is part of a larger analysis requested of Assistant County Administrator Ellen Wheeler regarding overall Indigent Defense costs. Pursuant to existing State law, the County is allowed to recover certain costs of criminal prosecutions caused by Arizona Department of Corrections' inmates being housed in the PCADC. Earlier case disposition

The Honorable Chairman and Members, Pima County Board of Supervisors  
Re: **Sheriff's Department Budget Exceedance**  
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and sentencing to the County jail both directly influence the PCADC population and, thereby, the cost to the Sheriff.

In addition, a cost analysis is underway regarding PCADC costs over time. A combination of service demand, management and cost management should assist in providing a more predictable long-term cost associated with the Sheriff's operational component of the PCADC, or County Jail.

For any Sheriff budget exceedance this year or any increase over the Board-approved base expenditure budget for the Sheriff in FY 2013/14, or \$135,355,031, I will place the funding of such exceedance or increase before the Board as an increase in the primary property tax rate.

CHH/mjk

**Attachments**

- c: The Honorable Clarence Dupnik, Pima County Sheriff  
Bradley Gagnepain, Administrative Bureau Chief, Sheriff's Department  
Martin Willett, Chief Deputy County Administrator  
Ellen Wheeler, Assistant County Administrator  
Tom Burke, Director, Finance and Risk Management  
Robert Johnson, Budget Manager, Finance and Risk Management

# ATTACHMENT 1



# MEMORANDUM

Date: December 17, 2013

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

From: C.H. Huckelberry  
County Administrator

Re: Departments that Exceeded Their Authorized Budget in Fiscal Year (FY) 2012/13 or Under-realized Revenues

For the fiscal year that ended June 30, 2013, a number of County departments and agencies exceeded their authorized budget, and they listed in Table 1 below.

**Table 1: Budget to Actual Negative Variances—Expenditures, FY 2012/13.**

No.	Description	Adopted	Actual	Exceedance
1	Sheriff	\$125,516,270	\$130,192,697	(\$4,676,427)
2	Contract Attorneys	7,187,938	9,259,186	(2,071,248)
3	Natural Resources, Parks and Recreation	15,055,714	16,467,949	(1,412,235)
4	Health Services	11,889,946	12,658,220	(768,274)
5	Animal Care Center	5,904,161	6,319,953	(415,792)

1. Budgeted vacancy savings were under realized by \$1.9 million. Expenditures include unfavorable variances in R&M Machinery & Equipment \$1.1 million, Other Equipment Non-capital \$126,000, Motor Pool \$567,000, Food Supplies \$473,000, and Capital \$340,000. Note: FY 2012/13 actual expenditures included the full amount of the Taser lease, \$802,560 per lease funding requirements. Expenditures above do not contain this item or the current year payment of \$160,512.
2. Billings from outside attorneys depend on actual cases assigned during the year and are difficult to accurately anticipate. The department cites an increase in death penalty cases requiring additional expert witness costs and longer trials.
3. An analysis of costs at midyear resulted in a Board-approved budget revision of \$997,521. Remaining unfavorable variance is attributed to higher than budgeted water and motor pool related costs.
4. Increased expenditures are from a mid-year analysis of operations and a Board-approved revision of the department's budget, including \$219,000 in additional funding for vaccine costs.
5. Increased expenditures are from a mid-year analysis of operations and a Board-approved revision of the department's budget.

The Honorable Chairman and Members, Pima County Board of Supervisors  
**Re: Departments that Exceeded Their Authorized Budget In FY 2012/13 or Under-realized Revenues**

December 17, 2013

Page 2

Of equal importance to budget exceedance is when a department under-realizes revenue. The departments that under-realized budgeted revenue for FY 2012/13 are shown in Table 2 below.

**Table 2: Budget to Actual Negative Variances—Revenues, FY 2012/13.**

<b>No.</b>	<b>Description</b>	<b>Adopted</b>	<b>Actual</b>	<b>Shortfall</b>
1	Non-departmental	\$6,656,310	\$5,041,793	\$1,614,517
2	Public Fiduciary	711,131	414,457	296,674
3	School Superintendent	374,749	101,968	272,781
4	Human Resources	335,736	149,915	185,821
5	Capital Projects	48,056,218	40,945,246	7,110,972
6	Wastewater Debt Service	1,020,328	159,984	860,344

1. Budgeted vehicle impound revenues and photo traffic enforcement revenues were overestimated.
2. Revenues were impacted by a change in Probate Court rules requiring state personnel to perform some duties previously handled by the Public Fiduciary.
3. Variance is primarily due to budgeted school elections that were not held.
4. Revenue variance is from a decrease in COBRA processing.
5. Reduced revenue was from Magee/La Cañada delay \$4.4 million, Magee/Cortaro Farms/Mona Lisa/La Cañada \$2.8 million, and Ina at Oracle \$2.2 million.
6. Budgeted revenue was for the Town of Marana payment of debt service not collected due to the sale of the facility; was partially offset by interest revenue.

Over-expending Adopted Budget and under-realizing budget revenues tend to drain the overall General Fund year end fund balance. Such requires a reduction in the follow year's budget in other areas or the raising of additional revenues. Those departments that overspend their Adopted Budget or under-realize revenues will receive significantly more scrutiny during the budget development process this year.

CHH/mjk

- c: The Honorable Sarah Simmons, Presiding Judge, Superior Courts  
 Elected Officials  
 Appointing Authorities  
 Robert Johnson, Budget Manager, Finance and Risk Management

# ATTACHMENT 2



# Pima County Sheriff's Department

1750 E. Benson Highway • Tucson, AZ 85714-1758  
Phone 520-351-4600 • Facsimile 520-351-4622  
www.pimasheriff.org

Clarence W. Dupnik  
Sheriff

Keeping the Peace and Serving the Community Since 1865

November 18, 2013

Dear Mr. Huckelberry:

We have reviewed the memorandum prepared by Mr. Tom Burke and Mr. Robert Johnson dated November 5, 2013, in reference to the Sheriff's budget status. Based upon October's expenditures, our General Fund projected deficit for FY 2014 is (\$1,000,580). As we've discussed in September, our department has taken many steps to reduce costs in a reasonable manner without jeopardizing the welfare and safety of our staff and Pima County. We will continue to exercise sound financial policies to improve our financial position.

The document prepared by Central Finance reaffirmed many of the concerns that were brought to your attention. The underfunding of benefits from the one-time salary payment and insufficient resources to fund leave payouts will impact our budget by over \$1 million. Central Finance believes that the funding for medical coverage will likely not be a budget issue at year-end. We hope they are correct. The expectation from Central Finance is that the department will have to absorb any unfunded costs. Unfortunately, this mindset may result in the reduction of law enforcement services to the County.

Central Finance recommended a budget remediation plan be created and provided a list of general items to consider. Fortunately, we have already applied many of the cost-saving measures that were listed. I have directed Ron Jee to review any other possible reductions and advise me accordingly. At this time, a formal budget remediation plan is not necessary. We remain optimistic that financial variables under our direct control can be managed effectively.

In closing, the Sheriff's Department is very grateful for your support and leadership in the County. We appreciate your consideration of our request and look forward to submitting our FY 2015 budget. Please contact me or my staff if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bradley J. Gagnepain".

Bradley J. Gagnepain  
Chief, Administrative Bureau

cc: The Honorable Clarence W. Dupnik, Pima County Sheriff  
Capt. Karl Woolridge, Administrative Services Division Commander

# ATTACHMENT 3



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# MEMORANDUM

## DEPARTMENT OF FINANCE AND RISK MANAGEMENT

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To: C. H. Huckelberry  
County Administrator

Date: November 5, 2013

From: Tom Burke *Tom Burke*  
Director

Robert W. Johnson *Robert W. Johnson*  
Budget Manager

Re: **Sheriff's Adopted Budget**

This is in response to your memo of October 2, 2013 requesting Finance to review the issues included in the Sheriff's General Fund Overview – August 2013 provided to you by the Sheriff's Department (Attachment 1).

### Background

Since the time that Sheriff's Department provided you with the analysis of its budget status as of August 2013 (Period 2), the September 2013 (Period 3) accounting period ended. The department provided updated year-end forecasts and these latest numbers will be used in this analysis. Attachment 2 shows the difference between the fiscal year (FY) 2013/14 Adopted budget and the August and September year-end forecasts.

Based on the analysis in Attachment 2 and the forecast information provided by the department, the Sheriff is expected to exceed its adopted General Fund expenditures of \$135,355,031 by \$1,466,593 or 1.1 percent as of the end of September. Including offsetting forecasted operating transfers into the General Fund for the body armor purchase and forecasted revenue, the Sheriff General Fund is forecasted to exceed its adopted Net General Fund Impact by \$1,066,593 or 0.8%.

Attachment 3 represents the September Line Item Forecast Detail for the Sheriff Department's General Fund as submitted by the department to the Budget Division. The submitted monthly line item forecast information provided on this report is presented by the department in a highly summarized manner with very broad explanations for the individual line item variances. Also, the report does not summarize the issues impacting the budget from the perspective of the department as a whole. The Sheriff's document that was included in your October 2<sup>nd</sup> memo does contain some of this information which is helpful in the Budget Division's analysis of the Sheriff's monthly forecast.

As of early September, the Sheriff had 178 vacant positions and FTEs in its General Fund. This represents an unusually large vacancy factor of 11% of the total 1,595 budgeted General Fund FTEs. The majority of these positions will need to remain vacant the entire fiscal year in order

for the department to meet its budgeted vacancy savings of \$8,850,000. The large number of vacant positions tends to skew and complicate analyses of benefits and other position related costs.

### **Sheriff's Department General Fund Overview**

As requested, a review of the Positive Actions and Fiscal Challenges as outlined by the Sheriff's Department was undertaken. Comments regarding the various bullet points are addressed below. Note that this information is based on the review of the current information provided by the Sheriff's staff. Note also that it is still very early in the fiscal year and that revenue and cost estimates can fluctuate. Forecasts should become easier to estimate as the County moves through the remainder of the fiscal year.

The headcount is a measurement of the number of staff at any given time and can vary greatly during the fiscal year. The headcount provided by the Sheriff is for all Sheriff funds. Presuming all other headcounts remain steady, the Sheriff's overall headcount will possibly grow by as much as 70 positions or 5% from 1,472 in September to 1,542 due to the start of the deputy and corrections academies in October, February and May. Finance assumes that the department's Period 3 forecast already takes this overall increase in staff into account.

Higher headcounts equate to higher personnel costs. The General Fund portion of the department exceeded its FY 2012/13 personnel services budget by \$1.9 million. The department is expecting to exceed its FY 2013/14 personnel budget by \$724,611, the impact of the increased headcount should be closely monitored throughout the remainder of the fiscal year to determine the needed savings in order to end the year on budget. Also, as indicated in the bullet points, the department should continue to control the hiring of non-critical civilian positions throughout the remainder of the fiscal year. The impact of the increased headcount going into the FY 2014/15 requested budget will need to be closely scrutinized in order to remain within the base budget amount.

The Sheriff Department's Period 2 forecast, indicated that it would be \$38,838 over in operating expenses. In Period 3, this projected overage has grown to \$341,982 and is the result of forecasted unbudgeted capital lease (TASERS), utility and repairs and maintenance costs. A listing of the objects that will be over or under budget is contained in Attachment 4.

During the first week of FY 2013/14, Central Finance was notified by Sheriff's staff of the need to maintain its scheduled replacement of body armor. The \$400,000 cost of replacement of this armor for the current year was not included in the Sheriff's General Fund adopted budget. The purchase of the armor will cause the department's General Fund budget to exceed its adopted budget by the additional \$400,000. Operating transfers of cash from the Risk Management Self-Insurance Fund will fund \$300,000 of the cost, and the remaining \$100,000 of the purchase cost will be funded by Sheriff's Arizona Traffic Violations Special Revenue Fund. While the purchase of the body armor will cause the Sheriff's General Fund to exceed its budget by an additional \$400,000, the funding received from Risk Management and the Sheriff's special revenue fund will cause the net change in Net General Fund Impact to net to zero.

The Sheriff continues to utilize special revenue dollars to offset the cost of training and a large portion of its capital purchases. These funds have saved significant General Fund dollars over the last several years.

The FY 2013/14 employee compensation package consisted of three components: 1) an ongoing one percent employee salary adjustment effective June 30, 2013; 2) an ongoing two percent employee salary adjustment effective December 29, 2013 and; 3) a one time employee salary adjustment of \$200 to \$1,000 depending on time in service effective July 19, 2013. These salary adjustments were provided to all eligible County employees regardless of their fund or department.

All departments funded with General Fund monies, including the Sheriff's Department, had their budgets increased to account for both the one percent and two percent salary adjustments and benefits, and for the one-time payments, but not for the benefits associated with the one-time payments. Those departments are expected to absorb the benefit costs for the one-time payments within their adopted budget. The Sheriff's Department will need to make the necessary spending adjustments to absorb approximately \$450,000 of benefit costs.

Sheriff's staff believes that insufficient funding was received in their FY 2013/14 adopted budget for employee medical benefits costs associated with vacant positions because the medical benefits are budgeted assuming the "employee only" insurance rates. The department argues that this practice will cause it to have to absorb yet an additional \$450,000 in benefit costs. The County has historically budgeted employee medical benefits for vacant positions at the employee only rate. Although many new employees will request medical coverage of their spouse and family members, which are charged at higher rates, this will likely not be a budget issue at year-end for the following reasons:

- When calculating the expected cost of employee medical benefits, the budget system calculates these costs for all budgeted positions, including positions that are vacant. The Sheriff's Department has about 178 vacant positions that are budgeted but with only about 78 that will be filled during the year. The other 100 vacant positions cannot be filled in order to offset the FY 2013/14 budgeted vacancy savings of \$8,850,000.
- As positions become vacant and are subsequently filled with new employees, the budgeted medical costs of the former employee's position are still a part of the budget. On average, the medical coverage mix of the new employees remains approximately the same as for the former employees.
- The budget system "trues up" budgeted employee medical insurance rates and costs annually when calculating costs associated with the next year's medical rates. That means that positions that were vacant in the budget but were subsequently filled during the last fiscal year will calculate at the higher employee medical benefit rate associated with the new incumbent. If a position was budgeted as having an incumbent in the prior year's budget but became vacant, it will be calculated at the lower employee only rate. Due to the number of changes to incumbents and vacancies, any differences tend to again average out.
- The page numbered 463 of 536 in Attachment3 shows year-to-date medical insurance costs of \$2,712,384 through the end of September (see line 5411 – Health Insurance Premiums). A straight-line forecast of these year-to-date costs shows possible year-end costs of \$10,849,536 which is well under the budgeted cost of \$11,977,959. While the

Sheriff's Department did not include a specific forecast for this line item, the department is arguing that the year-end amount will be \$450,000 higher than the budgeted amount, or \$12,427,959, even though at a straight-line forecast, medical benefits would be more than \$1 million under budget. At this point, Finance does not expect medical benefits to exceed the budgeted amount.

Finally, the Sheriff has correctly stated that the County does not provide any additional funding for the anticipated payout of vacation and sick leave to retiring and terminating employees. All County departments are expected to absorb these costs within their existing adopted budgets. This is usually possible because positions remain vacant for a period of time after termination. It is also true that the County provided partial funding for these costs in past years within its Employee Benefit Liability Fund. However, due to funding constraints, this funding source was eliminated in the FY 2012/13 adopted budget. Sheriff's staff has indicated that the additional cost of retiree and terminating employee payouts could be as high as \$700,000 and that this additional cost was not included by them in their FY 2013/14 adopted budget. While the Sheriff's Department did not include these costs in their adopted budget, it does not preclude the department from absorbing the costs within their adopted budget. Throughout the year, many individual expenses are encountered that are not specifically budgeted. Similarly, some budgeted costs are not incurred. The flexibility of the budget allows for expenditure authority to be shifted within the overall budget to account for such cost shifts.

#### **Next Steps and Recommendations**

It is still early in the fiscal year, and year-end forecasts are still very fluid. Over the next several months, the year-end forecast of revenues and expenditures should become clearer.

As shown in Attachment 2, despite some of the concerns expressed by Sheriff's staff regarding personnel services costs in FY 2013/14, the department was able to reduce its forecasted personnel services overage by \$256,834 between August (Period 2) and September (Period 3). However, these personnel savings were offset by a projected increase in operating expenses between the two periods of \$303,144.

This week, the October accounting period (Period 4) will close and year-to-date actual information will be available to the department to develop its monthly Period 4 year-end forecast. It is recommended that when the Sheriff's Department completes its forecast this month that more detailed explanations of specific line item variances are included. This will give Finance staff a better understanding of the issues impacting the department as the year progresses.

Attachment 4 is the proposed general Budget Remediation document submitted to you earlier that covers steps that should be taken by a department, such as the Sheriff, that is forecasting to exceed its adopted budget at fiscal year-end. We recommend that the Sheriff's staff, with assistance from Finance staff, work through this process and ultimately produce a budget remediation plan for the \$1,066,593 forecasted expenditure overage. This plan should include prioritized expenditure adjustments and their impact to the overall Sheriff's operation.

We recommend that Finance and Budget Division staff work with the department before submission of the FY 2014/15 budget request to reduce the unusually large number of budgeted vacant positions (currently 11% of total FTEs). As indicated above, a large number of the vacant

positions will not be filled during the fiscal year in order to meet an \$8,850,000 of budgeted vacancy savings. If, during FY 2014/15, the department requires a new position that was unbudgeted and funding is available within its FY 2014/15 budget to cover the cost, a new position can be created under Administrative Procedure 22-81.

As the Sheriff's Department indicates, it faces many major fiscal challenges in the current year. While many of these challenges are the same as those faced by all other County departments, the impact in the Sheriff's Department is magnified by the relative overall size of its General Fund Budget. It is still early enough in the fiscal year to develop a budget remediation plan that will allow the Sheriff to meet its obligation of remaining within its adopted budget by fiscal year-end. Finance will continue to work closely with its counterparts in the Sheriff's Department to achieve this goal.

#### **Attachments**

- c: The Honorable Clarence Dupnik, Pima County Sheriff  
Bradley Gagnepain, Administrative Bureau Chief, Sheriff's Department  
Karl Woolridge, Administrative Services Division Commander, Sheriff's Department  
Ron Jee, Financial Services Manager, Sheriff's Department

# **ATTACHMENT 1**



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# MEMORANDUM

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Date: October 2, 2013

To: Tom Burke, Director  
Finance and Risk Management

From: C.H. Huckelberry  
County Administrator 

Robert Johnson, Budget Manager  
Finance and Risk Management

Re: Sheriff's Adopted Budget

As of August 2013, the Sheriff's Department is projecting a deficit of nearly \$1 million in their adopted budget.

I recently met with Administrative Bureau Chief Bradley Gagnepain, Financial Services Manager Ron Jee, and Administrative Services Division Commander Karl Woolridge to discuss this matter. They provided me with the attached summary of the budget issues they face, including those items related to a deficit in their adopted budget.

Please review each of the Positive Actions and Fiscal Challenges identified in the attached document and provide me with your suggestions for assisting the Sheriff's Department in the balancing of their budget.

CHH/dph

Attachment

c: The Honorable Clarence Dupnik, Pima County Sheriff  
Bradley Gagnepain, Administrative Bureau Chief, Sheriff's Department  
Karl Woolridge, Administrative Services Division Commander, Sheriff's Department  
Ron Jee, Financial Services Manager, Sheriff's Department

**PIMA COUNTY SHERIFF'S DEPARTMENT  
GENERAL FUND OVERVIEW – AUGUST 2013**

**FY 2014 Projected Deficit as of August – (\$1,020,000)**

**Positive Actions**

- Current headcount as of 9/8/13 is 1,472 as compared to 1,526 a year ago.
- Deputy academy in September was only 13; originally scheduled for 30+ recruits.
- Deputy academy for May 2014 is estimated at 20; originally scheduled for 30+ recruits.
- Corrections academies in October '13 and February '14 are expecting only 50 recruits; no significant overhires are planned.
- Hiring of non-critical civilian positions will continue to be monitored throughout the year.
- Overtime and holiday pay are projected to be at or below their budgeted amounts.
- Projected costs for operating supplies, services, and equipment are in line with budget with the exception of the body armor issue below.
- Continue to use special revenue funds for training purposes.
- Most capital purchases are charged to non-General Fund resources.

**Fiscal Challenges**

- Underfunding of benefits from the one-time bonus and Budget Division adjustments have resulted in an estimated \$450,000 deficit.
- Underfunding of medical benefits due to Budget Division's methodology for funding vacant PCNs has resulted in a deficit of at least \$450,000 or higher. The practice is to fund all vacant PCNs with "employee only" health insurance which is less costly but unrealistic. Historically, it is likely that majority of new hires will request coverage for family and household as well.
- No funding is provided for leave payouts to retirees and terminated employees. For FY 2014, this cost is projected to be over \$500,000. Over \$700,000 was expended in FY 2013.
- Central Finance has elected to process an operating transfer of \$300,000 to the Sheriff's Department for the purchase of body armor. However, the adopted budget of the department will not be increased. This will result in a financial deficit to the department's operating budget.

# **ATTACHMENT 2**

**Pima County Sheriff's Department - General Fund  
Adopted Budget versus August and September Departmental Forecasts**

<b>Appropriation Unit</b>	<b>FY 2013/14 Adopted</b>	<b>FY 2013/14 Forecast August</b>	<b>FY 2013/14 Forecast September</b>	<b>Variance September vs Adopted Over/(Under)</b>	<b>Percent Over Adopted</b>
<b>Expenditures:</b>					
Personell Services	105,775,843	106,757,288	106,500,454	724,611	0.7%
Operating Expenses	29,529,188	29,568,026	29,871,170	341,982	1.2%
Capital	50,000	50,000	50,000	0	0.0%
<b>Total Expenditures</b>	<b>135,355,031</b>	<b>136,375,314</b>	<b>136,421,624</b>	<b>1,066,593</b>	<b>0.8%</b>
<b>Body Armor Purchase</b>	<b>0</b>	<b>400,000</b>	<b>400,000</b>	<b>400,000</b>	<b>100.0%</b>
<b>Total Expenditures plus Body Armor</b>	<b>135,355,031</b>	<b>136,775,314</b>	<b>136,821,624</b>	<b>1,466,593</b>	<b>1.1%</b>
<b>Body Armor Offsets:</b>					
Operating Transfer In from Risk Management		300,000	300,000	300,000	100.0%
Operating Transfer In from AZ Traffic Violations Fund		100,000	100,000	100,000	100.0%
<b>Revenue</b>	<b>8,988,500</b>	<b>8,988,500</b>	<b>8,988,500</b>	<b>0</b>	<b>0.0%</b>
<b>Net General Fund Impact</b>	<b>(126,366,531)</b>	<b>(127,386,814)</b>	<b>(127,433,124)</b>	<b>(1,066,593)</b>	<b>0.8%</b>
<b>Amount Over Adopted Impact</b>		<b>(1,020,283)</b>	<b>(1,066,593)</b>		
<b>Percent Over Adopted NGFI</b>		<b>0.8%</b>	<b>0.8%</b>		

# **ATTACHMENT 3**

Report ID: PC-PB-BU-0024  
 Run Date: 10/15/2013  
 Run Time: 06:00:25AM

**PIMA COUNTY**  
**Line Item Forecast Detail by Bureau by Period**  
 FY 2013/2014 Period 03

Department: SD - Sheriff  
 Bureau: B048 - Sheriff

Object	Current YTD Actuals	Straight Line Proj	Current YTD Obligations	Current FY Revised	Department Forecast	Variance	Explanation for Variance and High or Low YTD Actuals
<b>Expenditure</b>							
<b>Personnel Services - SD100001</b>							
5400 -Salaries & Wages	17,720,828	70,883,312	17,720,828	73,145,480	66,850,000	6,295,480	The projected amount in this object code includes 5400, 5404, 5408, 5429, and 5430.
5401 -Overtime	276,122	1,104,488	276,122	1,573,464	1,173,464	400,000	Projection based on current year's activities.
5402 -On Call Pay	311,299	1,245,196	311,299	1,176,808	1,231,100	(54,292)	Projection based on current year's activities.
5403 -Shift Differential	166,305	665,220	166,305	677,250	657,700	19,550	
5404 -Temporary Help	41,548	166,192	41,548	328,640	-	328,640	Projection included in object code 5400.
5406 -Holiday Worked Pay	276,268	1,105,072	276,268	1,403,670	1,403,670	-	
5407 -Special Assignment Pay	14,030	56,120	14,030	63,000	55,500	7,500	Projection based on current year's activities.
5408 -Vacancy Saving	-	-	-	(8,850,000)	-	(8,850,000)	Projection included in object code 5400.
5409 -Social Security & Medicare	1,395,050	5,580,200	1,395,050	5,432,609	35,129,020	(29,696,411)	The projected amount in this object code includes 5409, 5410, 5411, 5412, 5413, 5414, 5415, 5416, 5419, 5420, 5421, 5422, 5427, 5428, and 5431.
5410 -Unemployment Insurance	32,434	129,736	32,434	121,089	-	121,089	Projection included in object code 54009.
5411 -Health Insurance Premiums	2,712,384	10,849,536	2,712,384	11,977,959	-	11,977,959	Projection included in object code 54009.
5412 -Workers Compensation	622,589	2,490,356	622,589	2,291,856	-	2,291,856	Projection included in object code 54009.
5413 -Life Insurance	21,612	86,448	21,612	94,800	-	94,800	Projection included in object code 54009.
5414 -Employer Paid Benefit Fees	264	1,056	264	648	-	648	Projection included in object code 54009.
5415 -Employer Paid Subsidy	406	1,624	406	-	-	-	Projection included in object code 54009.
5416 -Arizona State Retirement	524,983	2,099,932	524,983	2,141,589	-	2,141,589	Projection included in object code 54009.

Report ID: PC-PB-BU-0024  
 Run Date: 10/15/2013  
 Run Time: 06:00:25AM

**PIMA COUNTY**  
**Line Item Forecast Detail by Bureau by Period**  
 FY 2013/2014 Period 03

Department: SD - Sheriff - Continued  
 Bureau: B048 - Sheriff - Continued

Object	Current YTD Actuals	Straight Line Proj	Current YTD Obligations	Current FY Revised	Department Forecast	Variance	Explanation for Variance and High or Low YTD Actuals
<b>Expenditure - Continued</b>							
<b>Personnel Services - SD100001 - Continued</b>							
5419 -Elected Official Retirement	6,643	26,572	6,643	26,154	-	26,154	Projection included in object code 54009.
5420 -Public Safety Retirement	3,034,730	12,138,920	3,034,730	10,892,132	-	10,892,132	Projection included in object code 54009.
5421 -Corrections Officer Retirement	841,031	3,364,124	841,031	3,291,115	-	3,291,115	Projection included in object code 54009.
5422 -Dental Insurance Premiums	44,443	177,772	44,443	179,078	-	179,078	Projection included in object code 54009.
5427 -Labor Distribution Fringe Charged Out/Credit	-	-	-	(145,175)	-	(145,175)	Projection included in object code 54009.
5428 -Labor Distribution Fringe Charged In/Debit	57,505	230,020	57,505	33,856	-	33,856	Projection included in object code 54009.
5429 -Labor Distribution Salaries Charged Out/Credit	(9,417)	(37,668)	(9,417)	(507,523)	-	(507,523)	Projection included in object code 5400.
5430 -Labor Distribution Salaries Charged In/Debit	63,488	253,952	63,488	36,645	-	36,645	Projection included in object code 5400.
5431 -Budgeted Benefits	-	-	-	390,699	-	390,699	Projection included in object code 54009.
<b>Personnel Services Sub-total:</b>	<b>28,154,545</b>	<b>112,618,180</b>	<b>28,154,545</b>	<b>105,775,843</b>	<b>106,500,454</b>	<b>(724,611)</b>	

**Operating Expenses - SD100002**

5000 -Office Supplies	56,803	227,212	68,633	420,000	420,000	-	
5001 -Software Under\$100,000	27,299	109,196	29,096	100,000	100,000	-	
5002 -Computer Equipment Less Than\$1,000	10,099	40,396	27,008	100,000	100,000	-	
5003 -Food Supplies	549,943	2,199,772	701,682	2,638,000	2,638,000	-	
5004 -Food Preparations Supplies	22,710	90,840	27,128	127,500	127,500	-	
5005 -Drugs & Pharmaceuticals	1,464	5,856	2,928	3,100	7,100	(4,000)	Projection was based current year's expenditures.
5006 -Medical & Lab Supplies	35,644	142,576	58,788	184,000	189,000	(5,000)	Projection was based current year's expenditures.
5007 -Fuel & Oil	49,422	197,688	56,947	310,000	260,000	50,000	Projection based on prior year's result

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**PIMA COUNTY**  
**Line Item Forecast Detail by Bureau by Period**  
 FY 2013/2014 Period 03

Department: SD - Sheriff - Continued  
 Bureau: B048 - Sheriff - Continued

Object	Current YTD Actuals	Straight Line Proj	Current YTD Obligations	Current FY Revised	Department Forecast	Variance	Explanation for Variance and High or Low YTD Actuals
<b>Expenditure - Continued</b>							
<b>Operating Expenses - SD100002 - Continued</b>							
5008 -Books, Subscriptions & Videos	1,513	6,052	1,600	42,500	42,500	-	
5009 -Law Enforcement Supplies	149,125	596,500	264,980	821,174	821,174	-	
5010 -Repair & Maintenance Supplies	41,688	166,752	54,490	417,000	350,000	67,000	Projection based on prior year's result
5011 -Classroom Educational Testing Supplies	-	-	-	2,000	2,000	-	
5012 -Chemicals	3,238	12,952	4,797	5,000	10,000	(5,000)	Projection based on prior year's result
5013 -Janitorial Supplies	150,920	603,680	245,361	705,000	745,000	(40,000)	Projection was based current year's expenditures.
5014 -Clothing, Uniforms, And Safety Apparel	277,224	1,108,896	333,912	1,498,620	1,498,620	-	
5015 -Promotional Items	719	2,876	719	10,000	10,000	-	
5017 -Cameras, Film & Equipment	2,696	10,784	5,551	10,000	10,000	-	
5018 -Other Operation Supplies	1,961	7,844	4,634	50,000	50,000	-	
5019 -Animal Control Supplies ) (Food & Other	901	3,604	3,176	8,000	8,000	-	
5020 -Tools & Equipment Under \$1,000	42,937	171,748	75,995	234,000	234,000	-	
5021 -Furniture Under\$1,000	2,141	8,564	3,094	52,000	52,000	-	
5102 -Court Reporters	-	-	-	3,500	-	3,500	
5104 -Expert Witness & Interpreters	1,506	6,024	1,506	-	2,000	(2,000)	Projection was based current year's expenditures.
5105 -Miscellaneous Legal Expenses	8,635	34,540	8,635	-	10,000	(10,000)	Projection based upon current year's costs.
5106 -Transcription Services	49,032	196,128	318,332	160,000	210,000	(50,000)	Projection based upon historical and current year's costs.
5107 -Law Enforcement Services	28,217	112,868	101,962	250,000	190,000	60,000	Projection based on prior year's result
5108 -Extradition & Investigation	33,739	134,956	35,625	180,000	150,000	30,000	Projection based on prior year's result
5121 -Accounting And Auditing Services	-	-	-	12,000	12,000	-	
5125 -Software Maintenance And Support	660,777	2,643,108	705,316	692,000	692,000	-	

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**PIMA COUNTY**  
**Line Item Forecast Detail by Bureau by Period**  
 FY 2013/2014 Period 03

Department: SD - Sheriff - Continued  
 Bureau: B048 - Sheriff - Continued

Object	Current YTD Actuals	Straight Line Proj	Current YTD Obligations	Current FY Revised	Department Forecast	Variance	Explanation for Variance and High or Low YTD Actuals
<b>Expenditure - Continued</b>							
<b>Operating Expenses - SD100002 - Continued</b>							
5126 -Medical Professional Services	6,780	27,120	6,780	39,600	39,600	-	
5127 -Laboratory & X-Ray Services	14,345	57,380	17,571	60,000	80,000	(20,000)	Projection based on prior year's result
5130 -Veterinary Services	2,971	11,884	52,440	44,200	30,000	14,200	Projection based on prior year's result
5137 -Other Support Care	-	-	-	1,000	1,000	-	
5138 -In State Training	(482)	(1,928)	(482)	-	-	-	
5140 -In State Travel	2,689	10,756	2,689	5,000	5,000	-	
5141 -Out Of State Travel	5,622	22,488	5,622	10,000	10,000	-	
5142 -Postage & Freight	16,748	66,992	17,298	86,955	86,955	-	
5143 -Printing & Microfilming	45,776	183,104	45,776	255,100	205,100	50,000	Projection based on prior year's result
5144 -Towing Services	5,658	22,632	5,658	57,000	57,000	-	
5145 -Security	6,244	24,976	6,884	69,700	59,700	10,000	Projection based on prior year's result
5147 -Leases & Rental	6,476	25,904	61,074	209,200	209,200	-	
5148 -Leases & Rental- Real Estate & Machinery	56,139	224,556	267,057	110,000	70,000	40,000	
5149 -R&M-Machinery & Equipment Services	592,844	2,371,376	970,525	1,994,000	2,144,000	(150,000)	Projection based on prior year's result
5150 -R&M Building Services	62,433	249,732	208,110	700,000	795,000	(95,000)	Projection based on prior year's result
5151 -R&M Grounds And Landscaping	15,918	63,672	56,467	5,000	5,000	-	
5152 -Non-Medical Consultants	24,542	98,168	81,171	154,000	154,000	-	
5156 -Investigative Services	4,010	16,040	5,669	35,000	35,000	-	
5160 -Banking Credit Card Fees And Charges	1,322	5,288	1,322	5,000	5,000	-	
5162 -Advertising	241	964	258	10,000	3,000	7,000	Projection based on prior year's result
5163 -Laundry & Linen Services	7,155	28,620	7,734	29,000	32,000	(3,000)	Projection based on prior year's result
5203 -Interdepartmental Supplies & Services- Charged In/Debit	6,400	25,600	6,400	-	-	-	
5205 -Departmental Overhead- Charged In/Debit	533	2,132	533	-	-	-	
5300 -Telephone & Internet	577,142	2,308,568	578,680	2,409,898	2,409,898	-	
5301 -Electricity	434,877	1,739,508	434,877	1,383,000	1,383,000	-	
5302 -Water & Sewer	161,030	644,120	161,030	380,800	500,800	(120,000)	Projection based on prior year's result
5303 -Natural Gas	17,536	70,144	17,536	257,900	257,900	-	

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**PIMA COUNTY**  
**Line Item Forecast Detail by Bureau by Period**  
 FY 2013/2014 Period 03

Department: SD - Sheriff - Continued  
 Bureau: B048 - Sheriff - Continued

Object	Current YTD Actuals	Straight Line Proj	Current YTD Obligations	Current FY Revised	Department Forecast	Variance	Explanation for Variance and High or Low YTD Actuals
<b>Expenditure - Continued</b>							
<b>Operating Expenses - SD100002 - Continued</b>							
5304 -Waste Disposal And Recycling	15,472	61,888	67,868	131,400	111,400	20,000	Projection based on prior year's result
5305 -Mileage Reimbursement	177	708	177	1,600	1,600	-	
5306 -Motor Pool Charges	2,491,538	9,966,152	2,491,538	9,889,797	9,889,797	-	
5309 -Dues And Memberships	6,313	25,252	6,313	8,500	15,500	(7,000)	Projection based on prior year's result
5312 -Other Miscellaneous Charges	19,313	77,252	31,276	99,000	99,000	-	
5314 -Payments To Governments	-	-	-	2,000	2,000	-	
5321 -Other Insurance Premiums	487,832	1,951,328	487,832	1,950,144	1,950,144	-	
5329 -Interest Expense- Pooled Investments	-	-	-	-	2,000	(2,000)	
5338 -Job Training & Training Supplies	-	-	250	-	-	-	
5504 -Office Machines & Computers- Non-Capital	18,741	74,964	64,413	100,000	100,000	-	
5505 -Law Enforcement Equipment - Non-Capital	1,803	7,212	1,803	-	1,803	(1,803)	
5508 -Other Machines & Equipment- Non-Capital	1,535	6,140	17,077	-	18,367	(18,367)	
5601 -Capital Lease Principal Payment	160,404	641,616	160,404	-	146,385	(146,385)	
5603 -Capital Lease Interest Payment	-	-	-	-	14,127	(14,127)	
<b>Operating Expenses Sub-total:</b>	<b>7,488,430</b>	<b>29,953,720</b>	<b>9,489,525</b>	<b>29,529,188</b>	<b>29,871,170</b>	<b>(341,982)</b>	
<b>Capital Equipment &gt;\$5,000 - SD100003</b>							
5560 -Office Machines & Computers- Capital	-	-	23,753	50,000	50,000	-	
5561 -Law Enforcement Equipment - Capital	130	520	205	-	-	-	

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**PIMA COUNTY**  
**Line Item Forecast Detail by Bureau by Period**  
 FY 2013/2014 Period 03

Department: SD - Sheriff - Continued  
 Bureau: B048 - Sheriff - Continued

Object	Current YTD Actuals	Straight Line Proj	Current YTD Obligations	Current FY Revised	Department Forecast	Variance	Explanation for Variance and High or Low YTD Actuals
<b>Expenditure - Continued</b>							
Capital Equipment >\$5,000	130	520	23,958	50,000	50,000	-	
Sub-total:							
<b>Total Expenditures</b>	<b>35,643,105</b>	<b>142,572,420</b>	<b>37,668,028</b>	<b>135,355,031</b>	<b>136,421,624</b>	<b>(1,066,593)</b>	
<b>Revenue</b>							
<b>Operating Expenses - SD100002</b>							
4404 -Other Misc. Revenue Operating	33,583	134,332	33,583	-	-	-	
<b>Operating Expenses Sub-total:</b>	<b>33,583</b>	<b>134,332</b>	<b>33,583</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Revenue - SD100005</b>							
4100 -Federal Revenue Operating	4,221	16,884	4,221	300,000	300,000	-	
4203 -Other Court Fees	79	316	79	-	-	-	
4209 -Jury Fees	-	-	-	500	500	-	
4216 -Sheriffs Fees	197,193	788,772	197,193	1,228,000	1,228,000	-	
4217 -Correctional Housing	1,378,985	5,515,940	1,378,985	7,300,000	7,300,000	-	
4250 -License & Permits	-	-	-	25,000	25,000	-	
4308 -Justice Court Traffic Fines	431	1,724	431	20,000	20,000	-	
4400 -Rent and Royalties	435	1,740	435	-	-	-	
4403 -Overages & Shortages Operating	1	4	1	-	-	-	
4404 -Other Misc. Revenue Operating	299,897	1,199,588	299,897	115,000	115,000	-	
4407 -Interest Revenue Pooled Investments Operating	1	4	1	-	-	-	
4415 -Late Fees and Interest Charges on Overdue Receivable	157	628	157	-	-	-	
<b>Revenue Sub-total:</b>	<b>1,881,400</b>	<b>7,525,600</b>	<b>1,881,400</b>	<b>8,988,500</b>	<b>8,988,500</b>	<b>-</b>	
<b>Total Revenues</b>	<b>1,914,983</b>	<b>7,659,932</b>	<b>1,914,983</b>	<b>8,988,500</b>	<b>8,988,500</b>	<b>-</b>	

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**PIMA COUNTY**  
**Line Item Forecast Detail by Bureau by Period**  
FY 2013/2014 Period 03

Department: SD - Sheriff - Continued

Net Fund Impact	(33,728,122)	(134,912,488)	(35,753,045)	(126,366,531)	(127,433,124)	1,066,593
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B048 Additional Notes:

N/A

# **ATTACHMENT 4**

## **Budget Remediation**

Pima County adopts budgets for its various departments for a fiscal year running from July 1st to June 30th that covers twelve individual monthly accounting periods. Beginning with end of period 1 (July), budgets are monitored for compliance to assure that a particular department fund does not exceed its adopted budget at fiscal year-end.

Departments forecast expenditures, revenues, operating transfers, etc. at the department fund level versus its Adopted Budget. If a particular department and fund is forecasted to be over its adopted budget in expenditures or under its adopted budget in revenues regardless of the amount, a remediation plan must be developed and submitted to the County Finance Budget Division for review and forwarding to the County Administrator within the time frame required in Section B of Board of Supervisors Policy Number D 22.2 – Budget Accountability Policy. The Budget Division can also assist in developing this remediation plan.

Only the Board of Supervisors, as the County's governing body, can revise the County adopted budget. This is a rare and formal action that must comply with the requirements of ARS 42-17106.

At times during the fiscal year, if a department and fund is identified as possibly exceeding its adopted bottom-line budget within an appropriation unit, an administrative adjustment may be made by the Finance Department on the County accounting systems to allow the impacted department to continue operations while a budget remediation plan is developed and implemented. Note that this administrative adjustment does not change the individual department's adopted budget. All elected officials and department directors must manage their organizations so as not to exceed the budget adopted by the Board of Supervisors.

### **Budget Remediation Plans may include the following elements:**

The department should perform a complete analysis of its year-to-date actuals at the department, fund, unit and object (expense) level to determine the sources of significant variances from the adopted budget. The department should identify the causes for each of these variances. In addition to analyzing variances at the individual unit and object, the department should describe the overall impact of these variances on its adopted budget. A "big picture" analysis should be completed including identifying elements within the budget that can be reduced or adjusted to bring the department budget back in line with the adopted budget.

A similar analysis should be completed at the individual program level to determine if costs, revenues, etc. are being recorded properly and are supporting the department's goals and objectives as detailed in the adopted budget. If a program is costing more than budget or budgeted revenues are not being realized, an analysis should be made to determine the causes and remedies identified.

Upon completion of the variance analysis and the isolation of the causes of the variance, the department can begin to develop a remediation plan. The steps taken to remediate unfavorable budget variances may include cutting back or delaying the level of services, not completing

lower priority goals and objectives for the program or other programs within the department, finding alternative sources to complete goals and objectives, etc. These impacts need to be identified and savings quantified.

Remedial budget savings to consider may include:

- Vacant positions that can remain vacant longer to make up any budget shortfall.
- Overtime and other special pays may need to be reduced or eliminated.
- Filled positions that may require a transfer or layoff as funding is no longer available. Note that this issue may occur more often in grants or capital projects related positions whose funding is no longer available or whose project has been completed.
- Departmental contracts or other professional services should be reviewed and prioritized.
- Identify potential savings in motor pool costs.
- Reduction or elimination of In State and Out of State Travel and Training.
- Delay capital purchases.
- Review various supply expenses and reduce.
- Adjust various Repair and Maintenance related costs.
- Review revenues and identify opportunities to enhance.

This is a partial list for departments to consider as the department looks at adjusting its budget. Any adjustments to individual expenses should be looked at in respect to their impact on the department as a whole. Initial easy fixes may become more problematic when reviewed in the larger context.

A budget remediation plan may have negative impacts to the department's goals and objectives for the fiscal year. However, it is up to department management to proactively mitigate and reduce those impacts as much as possible.

A budget remediation plan should prioritize budget adjustments. This prioritization should be explained in the body of the plan.

The budget remediation plan and any attachments should be forwarded to the Budget Division for review and comment within the time frame required in Section B of Board of Supervisors Policy Number D 22.2 – Budget Accountability Policy. The Budget Division will send the final version of the document to the County Administrator with its recommendations.

In the absence of a budget remediation plan, the County Administrator will request Finance to recommend budget adjustments.