



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.
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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.

No.	Description	Adopted	Actual	Shortfall
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