



FY 2017-18 Mid-Year BUDGET REPORT

March 6, 2018

- ❖ Status of Current Budget & Any Needed Changes
- ❖ Provide Outlook for Next Year's Budget for Planning Purposes

Status of FY 2017-18 Departmental Budgets

- Most Departments Projecting to End the Year On or Under Budget & Net County Cost
- District Attorney
 - \$177,430 over Net County Cost
 - Decreased Grant Revenue vs. Budgeted
 - Increased expenses due to negotiated increases & lease buyout
- Community Development Services – Admin.
 - \$392,000 over Net County Cost due to decreased cost allocation
 - Will plan to adjust charges to serviced departments in following year
 - Offsets surplus from prior years, in concept

Carry-Over Fund Balance

- Used to support following year's budget
- Rely on savings from prior year operations
- Usually project & budget conservatively
- Shrinks as budget more closely to actual needs
- Should be treated as one-time money
 - i.e., use to increase reserves or fund one-time expenses

FY 2017-18 Projected G.F. Carry-over Fund Balance

- Projected to be \$10.4 million at Year-End
 - Unspent Contingency = \$5.3
 - Net savings in departmental operations (not ACO)
 - Based on December 31 actuals
 - Will monitor and update as approach year-end
- Compares to:
 - \$13.1 million last year at this time
 - \$5.4 from unspent Contingency
 - \$16 million used in Recommended Budget
 - Contingency - \$5.5 million
 - Designation for Capital Projects - \$5 million
 - Increase General Reserve - \$162,700
 - Increase Public Safety Facility Reserve - \$220,000
 - Other one-time costs (Property Tax System, IT infrastructure)

FY 2017-18 General Revenues

- Funds the County Cost of operations
- \$1.3 million higher than budgeted
 - Property Taxes - No increase vs. budgeted
 - Budget was increased in Adopted Budget
 - Sales & Use Tax - \$460,000 increase
 - 2.5% over prior year actual
 - Transient Occupancy Tax - \$278,000
 - less than 2% over prior year actual
 - Property Transfer Tax - \$167,000
 - same as prior year actual
 - Shingle Springs Rancheria - \$252,000
 - Includes \$200,000 for gaming machines



FY 2018-19 Outlook

FY 2018-19 Assumptions

- For Budget Planning Purposes
- Revenues / Funding Sources:
 - Anticipated GF Fund Balance of \$10.4 million
 - 5% growth in property tax over 2017-18 budget = \$3.2 million increase
 - 2% growth in sales tax over 2017-18 budget = \$700,000 increase
- Expenses
 - If general 4% Salary and Benefits = approx. \$7 million (all funds)
 - Could change after review department requests
 - No growth in other general operating expenses

Property Tax Distribution



Maintain Funding Policy

- **Maintain General Fund Contingency at 3%**
 - Approximately \$5.4 million
- **Maintain General Reserve at 5%**
 - Approximately \$8.5 million
- **Use one-time monies for one-time expenses**
 - including increases to reserve funds
- **Designation for Capital Projects**
 - minimum \$5 million, up to 2% of replacement value

Future Budget Pressures

- **CalPERS Cost Increases**
 - \$4.58 million increase countywide
 - \$2.75 million General Fund share
 - Fund GF share with Reserve set aside in FY 2017-18
 - Expect to replenish reserve fund in Sept.
- **Negotiations, Class & Comp Study Implementation**
 - Still completing negotiations with all groups
 - Funding our Compensation Strategy
- **Infrastructure Needs**
 - Solutions for Public Safety and District Attorney
 - Pending solutions for SLT El Dorado Center and Placerville Juvenile Hall
 - Information technology needs are on-going, IT 3-year plan
 - Need to fund on-going maintenance and plan for repairs & replacements

Continue to Plan Ahead

CalPERS – Recap of Cost Increases

CalPERS Retirement Plans		Tuesday, September 5, 2017	
Snapshot Comparison Miscellaneous & Safety			
2018 Valuation Data	Miscellaneous	Safety	Total
Avg. Benefit - Service Retirement	\$18,286	\$44,575	
FY 2017-18 Contribution Rate	19.603% of payroll	38.173% of payroll	
FY 2018-19 Contribution Rate	21.591 % of payroll	40.869% of payroll	
FY 2019-20 Rate (Projected)	24.1 % of payroll	44.8% of payroll	
FY 2020-21 Rate (Projected)	26.4 % of payroll	48.6% of payroll	
FY 2017-18 Contribution	\$18,886,601	\$11,647,063	(Budgeted)
FY 2018-19 Contribution	<u>\$21,910,280</u>	<u>\$13,199,855</u>	(Announced)
FY 2018-19 Increase	\$3,023,679	\$1,552,792	\$4,576,471
General Fund Share @ 60%			\$2,745,883
Projected FY 2019-20 Contribution	<u>\$25,189,554</u>	<u>\$14,903,444</u>	
FY 2019-20 Increase	\$3,279,274	\$1,703,589	\$4,982,863
General Fund Share @ 60%			\$2,989,718
Total Increase over 2 years	\$6,302,953	\$3,256,381	
Projected FY 2020-21 Contribution	<u>\$28,421,344</u>	<u>\$16,652,603</u>	
FY 2020-21 Increase	\$3,231,790	\$1,749,159	\$4,980,949
General Fund Share @ 60%			\$2,988,569
Total Increase over 3 years	\$9,534,743	\$5,005,540	

Note: FY 2020-21 does not reflect CalPERS recent amortization policy change.

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CAO Budget Message to Departments

Status Quo Budget:

- What is Needed to Maintain Current Services/Programs
- Continue to evaluate efficiencies
- Any additions as Supplemental Budget Request
- Re-evaluate FY 2017-18 Budget Projections
- One-Time Funding for One-Time Expenses

Next Steps - Budget Development Process

Department Budget Meetings with CAO Staff

Next Meetings:

- Functional Group Budget Meetings – March 19th & 22nd
- Budget Special Meeting – April 20th
- Budget Hearing – June 18th