



Overview FY 2012-13 Budget Addenda

September 17, 2012

Fund Balance Calculation

Summary of Fund Balance Estimates	Projected Change to Fund Balance	Actual Change to Fund Balance	Variance
Department Savings	\$5,425,893	\$12,197,896	\$6,722,003
WC & GL Savings	783,472	843,129	59,657
Department 15 Savings	3,733,306	9,497,582	5,764,276
Department 15 Revenue	1,057,329	583,293	(474,036)
Payback of MH Loan	0	3,319,000	3,319,000
Audit Adjustments	0	90,005	90,005
Total Fund Balance	\$11,000,000	\$26,530,905	\$15,530,905

Other General Fund Addenda changes

	Revenue	Appropriations	Net County Cost
General Government	\$1,236,655	\$3,367,379	\$2,130,724
Law & Justice	3,149,383	3,079,743	(69,640)
Land Use & Development Services	437,861	457,861	20,000
Health & Human Services	628,854	450,098	(178,756)
Non-departmental	16,039,132	14,136,804	(1,902,328)
Total	\$21,491,885	\$21,491,885	\$0

Investment Strategy NCC Changes

Department	Investment Team	Amount
Department 15	Information Technology	\$60,000
Chief Administrative Office	Department Accountability & Culture	272,587
Chief Administrative Office	Facilities	218,506
Human Resources	Human Resources	121,525
Information Technologies	Information Technology	298,000
Economic Development	Economic Development	890,794
	<i>Total</i>	<i>\$1,861,412</i>

Reserve

	Recommended	Addenda	Change
General Reserve	\$8,841,844	\$9,381,221	\$539,377
Designated Reserve for Capital Projects	8,793,456	18,450,608	9,657,152
Total	\$17,635,300	\$27,831,829	\$10,196,529

General Reserve Equals 5% of adjusted GF appropriations

Contingency

- Standard Contingency recommendation is 3% of adjusted General Fund appropriations
- Recommended budget included \$5,305,106
- Addenda includes \$5,630,000 which is approximately 3% of adjusted General Fund appropriations

Department 15

- What is Department 15?
 - It is the General Fund “Bank Account”



Department 15 Revenues

- Includes all Discretionary General Fund Revenues
- Revenues are not department specific
- Auditor's office is responsible for depositing the majority of these revenues
- Chief Administrative Office works closely with the Auditor's Office to track and project these revenues
- Chief Administrative Office has signature authority for this "department"



Revenues are deposited in Department 15



Bank Account =
\$125,285,477



Less Department 15 Expenses \$32,984,637



Bank Account = \$92,300,840

**\$92,300,840 is our annual
discretionary income available to fund
department Net County Cost**

Our Budget (Net County Cost) for this discretionary income is:

Functional Group	\$92,300,840
General Government	23,486,606
Law & Justice	58,408,779
Land Use & Development Services	5,512,634
Health & Human Services	4,892,821
Ending Balance	\$0

Addenda changes to Dept 15

- Revenue increases of \$16M
 - Increased fund balance of \$15.5M
 - Property taxes decreased \$87K
 - Based on FY 2011-12 actuals (no growth)
 - Sales taxes increased \$50K
 - Based on FY 2011-12 actuals (no growth)
 - Misc. increases of \$150K
 - Increased realignment revenue of \$395K

Addenda changes to Dept 15

- Appropriations increased \$14.1M
 - Increase to Designations for Capital Projects \$9.7M
 - Increase to Meyers Landfill \$2.8M
 - Increase to General Reserves \$400K
 - Increased contingency \$325K
 - Increase to realignment \$384K
 - Increase to Special Projects \$210K
 - Increase GF contribution to HHSA \$213K
 - Other misc. increases \$148K

Non General Fund Significant Changes – Increase of \$89.5M

- Change in Accounting Practice to budget full use of available fund balance
- Countywide Special Revenue Funds (\$39M)
- Health & Human Services increased (\$18M)
- Department of Transportation (\$25M)
 - Road Operations and Maintenance increased \$11M
 - Capital Improvement Plan increased \$8M
 - Special Districts \$4M
- Environmental Management (\$7M)

Personnel Changes

- Deleting 10 FTE positions
 - Does not result in any Reductions in Force
- Adding 39.15 FTE positions
 - 4 FTE's related to the investment strategy
 - 12 FTE's in Law & Justice offset by increased revenues (primarily AB 109)
 - 4 FTE's in Health offset with increased revenues (realignment)
 - 3 FTE's in Human Services related to Public Guardian
 - 6.15 FTE's in the Library offset with decreased extra-help
- Net increase of 29.15 FTE's

5 Year Projection

- Assumptions
 - Property tax remains flat
 - All other discretionary revenue remains flat
 - Departmental revenue grows 1%
 - 4% growth on salaries and benefits
 - 3% growth on operating expenses
 - Fund balance = 100% Contingency carryforward plus \$2M departmental savings/increased revenues

5 Year Addenda changes

- All discretionary revenues were adjusted to reflect FY 2011-12 actuals
- Departmental revenues and appropriations have been adjusted based on addenda changes
- Investment Strategy savings were added to fund balance projections
 - \$3M in FY 2013-14
 - \$5M in FY 2014-15
 - \$7M in FY 2015-16
 - \$10M in FY 2016-17

5 Year Projection as of September 17, 2012

As of May 25	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017
Revenues	194,251,105	191,094,529	193,354,454	195,632,756	198,073,574
Appropriations	193,573,463	199,345,226	206,472,821	213,881,353	221,458,680
Total	677,642	(8,250,698)	(13,118,367)	(18,248,597)	(23,385,106)
Addenda					
Revenues	215,742,990	199,191,111	203,356,672	207,812,137	213,314,946
Appropriations	205,408,196	205,026,981	212,642,288	220,173,895	227,980,709
Total	10,334,794	(5,835,870)	(9,285,616)	(12,361,758)	(14,665,763)
Variance					
Revenues	21,491,885	8,096,582	10,002,218	12,179,381	15,241,372
Appropriations	11,834,733	5,681,755	6,169,467	6,292,542	6,522,029
Total	9,657,152	2,414,828	3,832,751	5,886,839	8,719,343

Remember.....

- Shortfalls are primarily structural
 - Related to insufficient revenue to fund ongoing operational expenses
- Use of one-time revenue or one-time savings to fund on-going operational expenses will not help future year deficit, but will only “buy time”
- Spend Conservatively
- Invest Wisely
- Limit Government

Next steps

- CAO to incorporate direction received during Budget Hearings into FY 2012-13 Budget
- Budget adoption on September 25
- Adopt amended personnel allocation resolution on September 25

*Questions or Board Comments?
Thank you!*