



Budget Update

December 16, 2014

Objectives

- Review General Fund Trends
 - Revenue and Expenditures
 - Fund Balance
 - Contingency
 - Salaries, Retirement and Health Insurance
- Next Steps

General Fund Trends

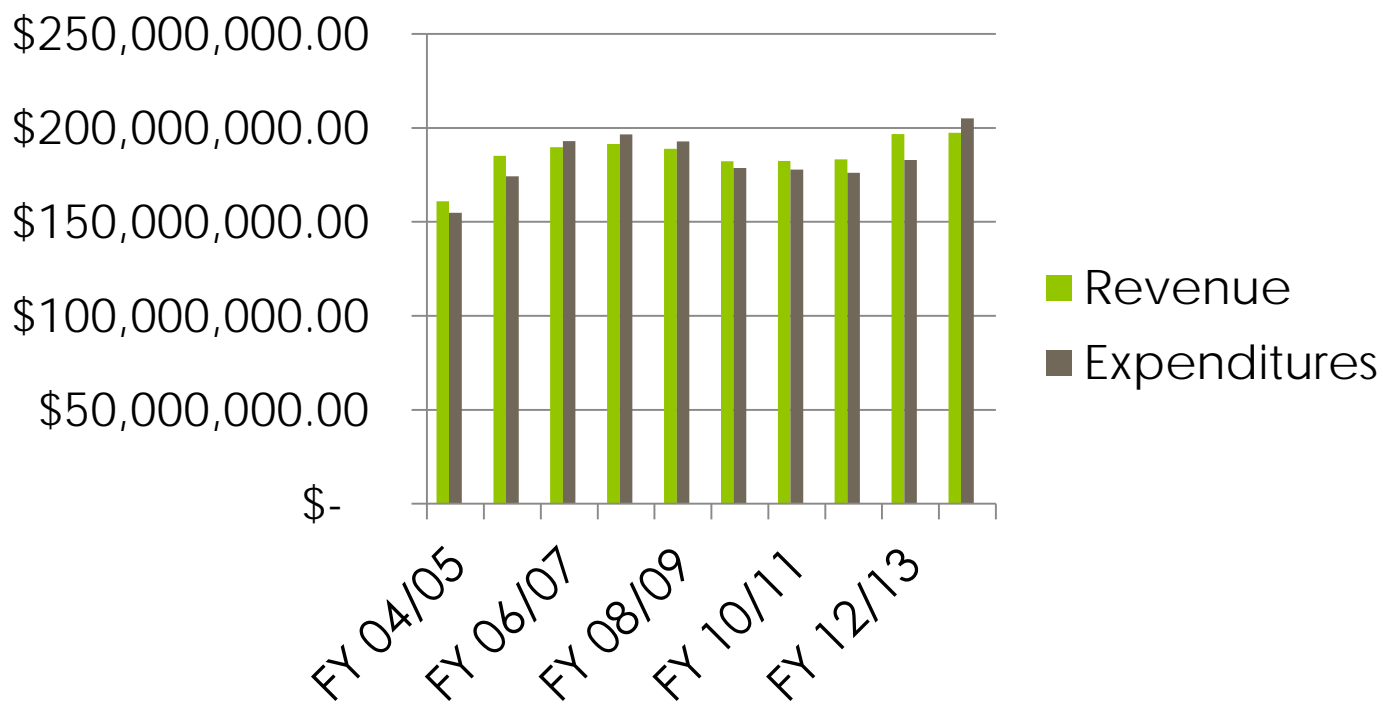
General Fund 10 Year Revenue/Expense History

	Budget	Actuals	\$ Variance	% Variance
FY 04-05				
Revenues	162,908,690	161,026,053	(1,882,637)	-1%
Expenses	176,698,669	154,776,760	(21,921,909)	-12%
FY 05-06				
Revenues	191,748,772	185,057,385	(6,691,387)	-3%
Expenses	207,158,092	174,262,879	(32,895,213)	-16%
FY 06-07				
Revenues	202,435,980	189,776,857	(12,659,123)	-6%
Expenses	232,288,524	193,008,335	(39,280,189)	-17%
FY 07-08				
Revenues	211,673,757	191,368,815	(20,304,942)	-10%
Expenses	225,464,127	196,601,159	(28,862,968)	-13%
FY 08-09				
Revenues	197,898,377	188,921,984	(8,976,393)	-5%
Expenses	211,996,949	192,777,034	(19,219,915)	-9%

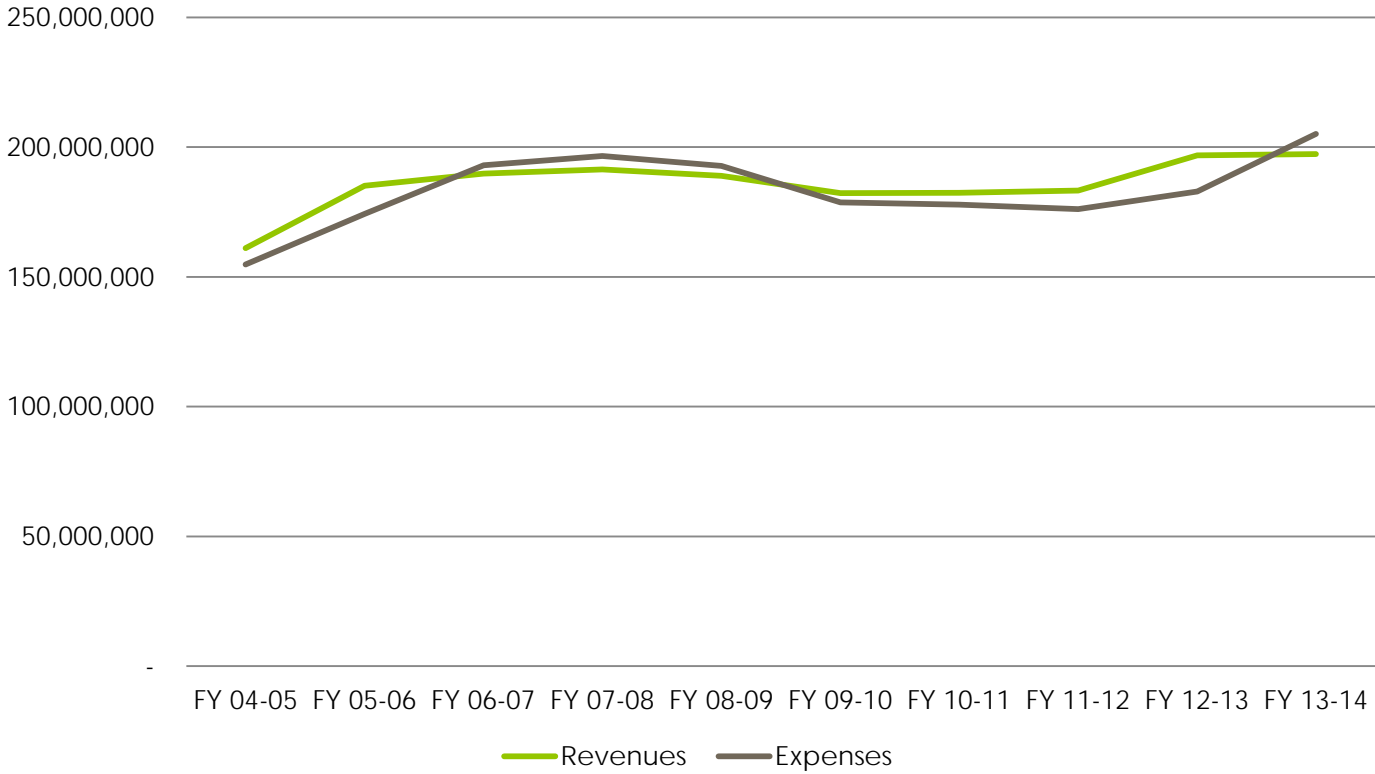
General Fund 10 Year Revenue/Expense History

	Budget	Actuals	\$ Variance	% Variance
FY 09-10				
Revenues	181,727,645	182,290,212	562,567	0%
Expenses	193,206,437	178,656,325	(14,550,112)	-8%
FY 10-11				
Revenues	182,979,383	182,420,689	(558,694)	0%
Expenses	190,177,250	177,784,113	(12,393,137)	-7%
FY 11-12				
Revenues	189,014,558	183,233,325	(5,781,233)	-3%
Expenses	200,288,338	176,132,000	(24,156,338)	-12%
FY 12-13				
Revenues	204,828,295	196,787,102	(8,041,193)	-4%
Expenses	209,667,391	182,883,313	(26,784,078)	-13%
FY 13-14				
Revenues	209,849,097	197,350,021	(12,499,076)	-6%
Expenses	241,993,876	205,058,958	(36,934,918)	-15%

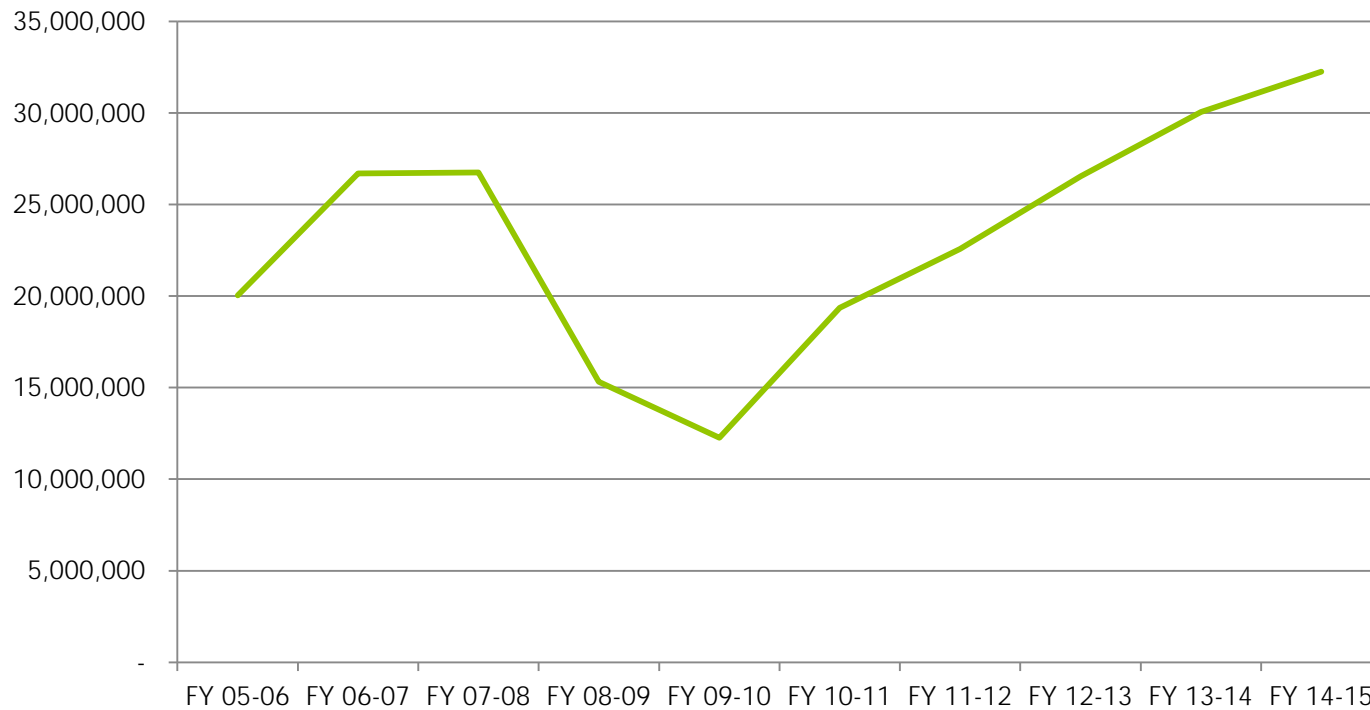
There has been a GF structural deficit 4 out of the last 10 Years



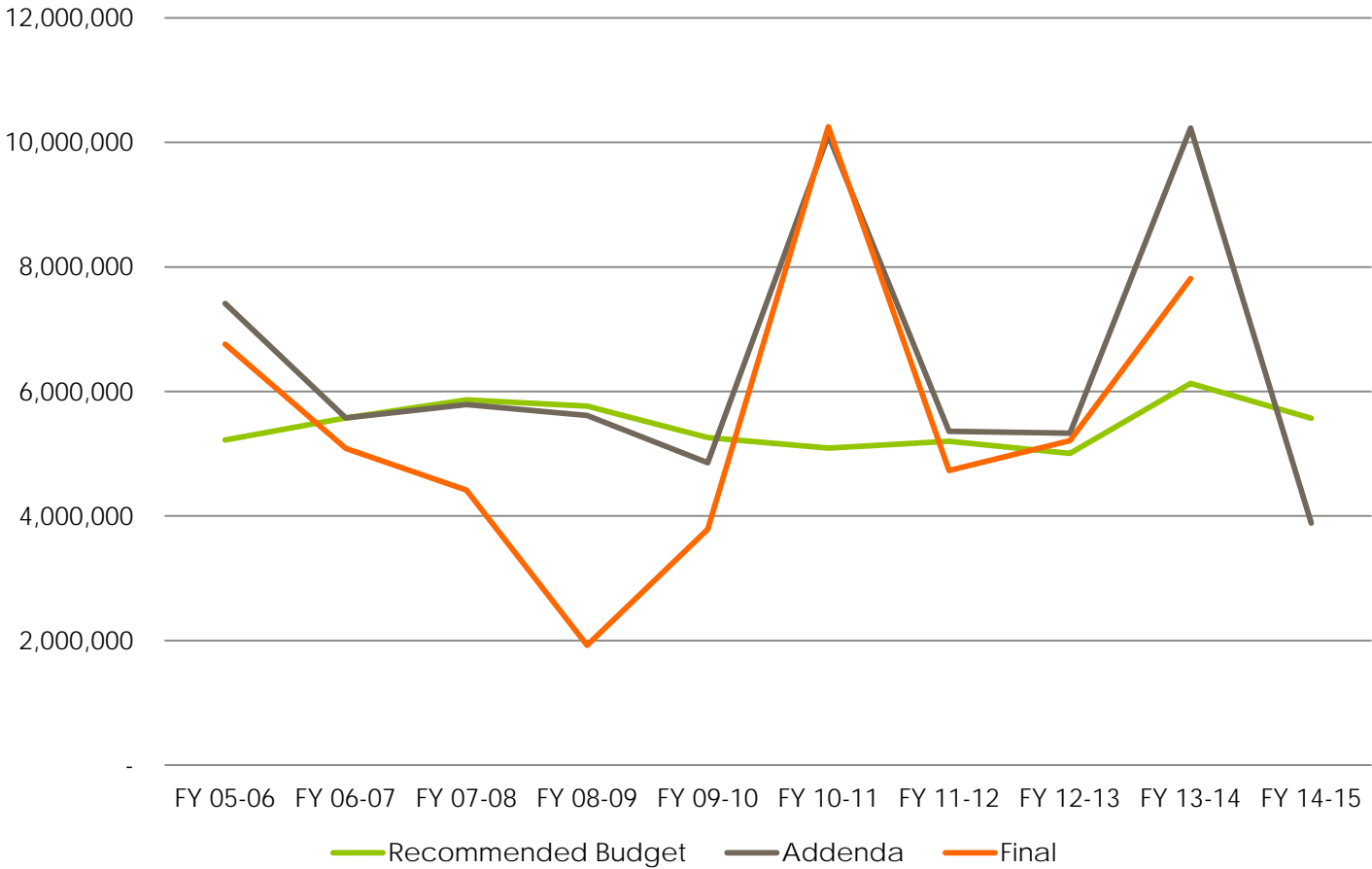
General Fund 10 Year Revenues and Expenses



General Fund Fund Balance History



General Fund Contingency History

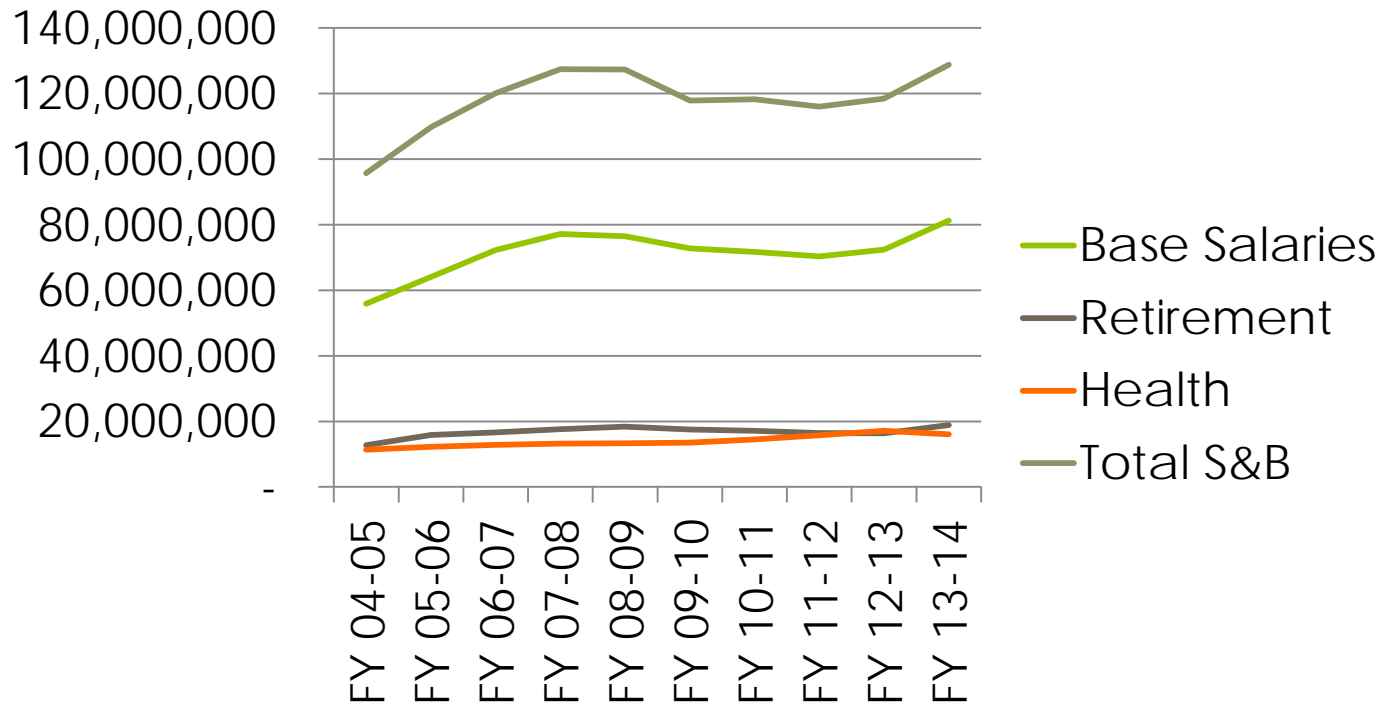


Total Position Allocation

GF and Non GF Positions

Position Allocation from County Budget	Position Count
FY 07/08	2086
FY 08/09	2038
FY 09/10	1835
FY 10/11	1761.43
FY 11/12	1703.23
FY 12/13	1747.73
FY 13/14	1824.21
FY 14/15	1848.34

Salary & Benefit Trends



Salary & Benefits Table

10 Year General Fund Salary History				
	Base Salaries	Retirement	Health	Total S&B
FY 04-05	55,917,296	12,707,171	11,393,535	95,693,538
FY 05-06	64,065,999	15,849,478	12,205,255	109,786,521
FY 06-07	72,222,722	16,605,561	12,802,280	120,047,562
FY 07-08	77,179,997	17,646,407	13,220,860	127,434,028
FY 08-09	76,492,850	18,400,997	13,290,196	127,321,246
FY 09-10	72,749,489	17,519,037	13,494,292	117,857,787
FY 10-11	71,702,970	17,101,432	14,496,204	118,190,799
FY 11-12	70,296,675	16,408,196	15,732,105	115,975,309
FY 12-13	72,325,211	16,366,411	17,127,113	118,477,499
FY 13-14	81,234,336	18,930,751	16,019,234	128,789,567

GF Positions added in FY 14-15

- Public Defender – 2 FTE's \$250,000
- Auditor-Controller – 2 FTE's \$225,000
- HHSA – 3 FTE's \$123,000
- Veteran's – 1 FTE \$100,000
- CDA – 9 FTE's \$839,177
 - Offset with increased revenues

Revised Estimate

Addenda	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Revenues	239,348,440	253,142,409	264,033,412	272,297,031
Approp.	258,463,954	266,635,191	276,312,529	286,334,826
Total	(19,115,513)	(13,492,781)	(12,279,116)	(14,037,795)

Revised	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Revenues	225,646,820	235,899,249	242,362,823	249,106,971
Approp.	230,411,022	235,294,088	240,345,993	245,550,283
Total	(4,764,202)	605,161	2,016,829	3,556,687

Unbudgeted GF Liabilities	Estimated Cost
Water	\$2,000,000
Aid to Fire	\$800,000 annually
Community Region Boundary Line EIR	\$150,000
General Plan Implementation	Variable
Roads	Variable
Parks	Variable
Property Tax System	\$2,000,000
LMIS Systems	\$2,000,000
Sheriff Admin Facility	\$50,000,000
Renovation A&B and other deferred maintenance	\$15,000,000
Courthouse Road Improvements	\$4,000,000
Camino Interchange	TBD
Juvenile Hall	\$10 - \$20M
Employee Payment Of Accruals	TBD
Retiree Health	Variable
Compensation Study	\$100,000

Observations

- Limited ability to isolate General Fund positions to prepare solid projections.
- Limited ability to isolate one-time expenses.
- Need for improved transparency in expenses captured in Department 15.

Recommended BOS Actions

- Direct CAO to implement soft hiring freeze
 - Re-set's the organization with the least impact on existing employees
 - May need to be reviewed on a case by case basis by the Chief Administrative Officer
- Direct CAO to prepare to delete vacant positions added in June 2014
- Direct departments which filled the newly added positions to not fill positions when there is turnover in a similarly classified position

Recommended BOS Actions

- Direct the CAO to give Departments Net County Cost targets for FY 2015-16 based on reducing or eliminating the projected General Fund structural deficit while Budget Advisory Committee develops strategies for future budget methodology and financial policies.
- Implementing strategies will result in GF savings of approximately \$13 million.

Next Steps

- Wait mid-year projections to assess revenue projections. (Est mid-February)
- Chief Administrative Office is meeting with each department to identify and discuss impacts of implementation Board directed balancing strategies.
- Set Board date in January for the CAO to return with a report regarding impacts of proposed Budget measures.