

FY 2010-11 Mid Year Budget Projection

**Board of Supervisors
March 15, 2011
CAO Presentation**

General Fund Summary

	FY 2010-11 Budget	Projected June 30, 2011	Variance	% of Budget
Revenues	\$201,240,579	\$201,614,352	\$373,773	100.2%
Expenditures	\$201,240,579	\$186,481,908	(\$14,758,671)	92.7%

Non-department Revenues

- Net increase of \$2.2M
 - \$1.3M in Property Taxes
 - Property tax revenues declining less than anticipated (still a projected \$2M decline from FY 09/10 actuals)
 - \$300K in Sales Tax
 - \$300K in SB90 revenue
 - \$238K in State reimbursement for prior year election costs
 - \$100K in Assessment Tax Collection Fees

Department Revenues

- Decrease of \$1.8M in department revenues primarily in the Sheriff's office related to decreased State funding
- Net effect of increase of \$2.2M in non-departmental revenues and the decrease of \$1.8M in department revenues results in an overall revenue increase of \$373K

Expenditures

- Projected net decrease of \$14.75M in expenditures
 - Departmental expenditure savings of \$4.7M
 - Non-departmental expenditure savings of \$10M
- Two departments are projecting exceeding their Net County Cost budget:
 - Recorder Clerk / Elections (\$140,270)
 - Child Support Revenue Recovery (\$3,632)

Fund Balance

- The combination of increased revenues of \$373K and decreased expenditures of \$14.75M leads to a projected fund balance of \$15.1M in FY 2011-12
 - \$9.9M in unspent contingency (this will be rolled forward to FY 2011-12)
 - \$3M in projected department savings
 - \$2.2M in additional non-departmental revenues (property and sales tax)



5 Year Forecast



FY 2011-12 Projection

Date	Action	Impact on Deficit	Projected Deficit
Proposed Budget Book			\$15,158,529
July 21, 2010	Tax role closed 2% below assumed budget resulting in additional deficit	1,192,289	
	<i>Revised shortfall projection</i>		16,350,818
July-Dec.	Board approved Early Retirement Incentives	(3,412,799)	
September	Increased fund balance assumptions	(2,000,000)	
Addenda	<i>Revised shortfall projection</i>		10,938,019
November 15	Board approved reductions to FY 2011-12 budget	(3,980,000)	
	<i>Revised shortfall projection</i>		6,958,019
Mid-Year	Increased Fund Balance projection	(3,192,444)	
Mid-Year	Decrease to Contingency & Reserve based on reduced appropriations	(282,175)	
Mid-Year	Misc. adjustments at Mid-Year	(203,113)	
	<i>Revised shortfall projection</i>		\$3,280,287

Assumptions

- Negative Property Tax growth of 4%
- Negative Sales Tax growth of 1%
- All other non-departmental revenues remain flat
- Department revenues grow approximately 2%
- Salaries & benefits grow 4% annually
- All other appropriations grow 3% annually

Closing the gap

- Employee bargaining concessions have not been finalized
 - Potential for \$1.5 - \$2M in sustainable savings
- Chief Administrative Office continues to work with all departments to identify potential additional sustainable savings
- Tax role estimates will be available in April
 - Current assumption includes a 4% decline

Personnel Changes



Changes in personnel allocation

- Amended authorized personnel resolution deletes 21.5 FTE's
 - 3 Filled Positions
 - Economic Development Coordinator
 - Reprographics Technician
 - Supervising Accountant
 - 18.5 Vacant Positions related to ERI's
 - Sheriff -10 FTE's
 - Probation – 3 FTE's
 - IT – 3 FTE's
 - Surveyor -1 FTE
 - District Attorney – 1 FTE
 - Library -0.5 FTE

Other Funds

Road Fund, Community Services, Public Health and Mental Health

Road Fund Summary

	FY 2010-11 Budget	Projected June 30, 2011	Variance	% of Budget
Revenues	\$92,738,428	\$73,745,893	(\$18,992,535)	80%
Expenditures	\$92,738,428	\$68,063,850	(\$24,674,578)	73%

- Changes related to shift in the timing on construction starts and acquisition of right of way as well as lower construction bids
- Net result of higher revenues and lower expenditures is an increase in year end fund balance of \$5,682,043

Community Services Summary

	FY 2010-11 Budget	Projected June 30, 2011	Variance	% of Budget
Revenues	\$13,411,494	\$13,411,494	\$0	100%
Expenditures	\$13,411,494	\$13,411,494	\$0	100%

- The department does not anticipate any material changes from budget

Public Health Summary

	FY 2010-11 Budget	Projected June 30, 2011	Variance	% of Budget
Revenues	\$23,604,436	\$18,660,893	(\$4,943,543)	79%
Expenditures	\$23,604,436	\$18,379,650	(\$5,224,786)	78%

- Reduced revenues is related to no planned use of fund balance
- Reduced expenditures primarily related to no planned use of Contingency (\$3.4M), services & supplies savings (\$1.9M), and salary savings (\$500K)

Mental Health Summary

	FY 2010-11 Budget	Projected June 30, 2011	Variance	% of Budget
Revenues	\$19,628,892	\$17,122,411	(\$2,506,481)	87%
Expenditures	\$19,628,892	\$16,677,325	(\$2,951,567)	85%

- Reduced revenues is related to minimal planned use of fund balance
- Expenditure savings are primarily due to programmatic changes and delayed start-up of Mental Health Services Act programs

Next Steps

- Adopt amended authorized personnel resolution deleting 21.5 FTE's
- The CAO will provide the Board with a recommended balanced budget at the end of May with budget workshops beginning on June 6, 2011