

FY 2009-10 Mid Year Budget Projection

Board of Supervisors
March 2, 2010
CAO Presentation

1

General Fund Summary

	FY 2009-10 Budget	Projected June 30, 2010	Variance	% of Budget
Revenues	\$195,537,991	\$196,937,358	\$1,399,367	101%
Expenditures	\$195,537,991	\$185,698,048	(\$9,839,943)	95%

2

Submitted by L. Schwartz
#14
at Board Hearing of 3.2.10

Non-department Revenues

- Net increase of \$4.4M
 - \$6,383,713 increase in Property Taxes due to Prop 1A securitization
 - \$882,000 shortfall in Sales Taxes
 - \$460,000 increase in SB90 revenue
 - \$1.6M less in use of Tobacco Settlement funds for Animal Shelter construction (funds will remain in Tobacco Settlement special revenue fund for use in FY 2010-11)

3

Department Revenues

- Net decrease of \$3M
 - \$1,388,121 Sheriff
 - \$730,005 Development Services
 - \$367,300 IT
 - \$330,874 DOT
 - \$249,172 Child Support
 - \$224,023 Probation
 - \$149,624 District Attorney

4

Expenditures

- All departments that are anticipating revenue reductions are also anticipating offsetting reductions in expenditures except the following:
 - Development Services (\$500,000)
 - District Attorney (\$145,000)
 - Child Support Revenue Recovery (\$14,000)

5

Fund Balance

- The combination of increased revenues of \$1.4M and decreased expenditures of \$9.8M leads to a projected fund balance of \$11.2M in FY 2010-11
 - \$4.9M in unspent contingency (this will be rolled forward to FY 2010-11)
 - \$5.4M in additional non-department revenues
 - Assumes BOS adopts CAO recommendations regarding Prop 1A securitization funds
 - \$900,000 in projected department savings

6

Policy Discussion

\$6.4 million in Prop 1A securitization funds

7

CAO Recommendation

Description	Amount
Prop 1A Payment FY 2009-10	\$6,400,000
Restore designation for Capital Projects	3,400,000
Backfill Development Services FY 2009-10 shortfall	500,000
Backfill FY 2009-10 Dept. 15 revenue shortfalls	500,000
Backfill FY 2010-11 Dept. 15 revenue shortfall	1,200,000
Increase FY 2010-11 Road Fund contribution	800,000

8

One time vs. Ongoing

- One time uses
 - \$3.4M designation for Capital Projects
 - \$800K additional Road Fund contribution
- Ongoing operational backfills
 - \$500,000 Development Services
 - \$500,000 FY 2009-10 sales tax shortfall
 - \$1.2M FY 2010-11 sales tax shortfall

9

5 Year Forecast

FY 2010-11 thru FY 2013-14

10

Changes

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
As of Final FY 2009-10 Budget				
Revenues	190,810,446	192,632,639	194,197,780	196,004,252
Appropriations	193,359,028	200,152,029	207,192,044	214,498,416
Surplus/(Shortfall)	(2,548,582)	(7,519,390)	(12,994,265)	(18,494,164)
Need for Reserve	(145,149)	(317,212)	(329,075)	(341,388)
Total	(2,693,731)	(7,836,602)	(13,323,340)	(18,835,552)
As of FY 2009-10 Mid-Year Projection				
Revenues	195,968,459	191,255,553	192,988,649	194,802,998
Appropriations	192,511,136	198,325,250	205,292,194	212,522,572
Surplus/(Shortfall)	3,457,323	(7,069,697)	(12,303,545)	(17,719,575)
Need for Reserve	(3,457,323)	(313,699)	(325,422)	(337,589)
Total	0	(7,383,395)	(12,628,966)	(18,057,163)

Revenue Changes in FY 2010-11

- Increase of \$5,158,013
 - (\$803,568) reduced Sales Tax
 - (\$132,126) adjusted for one-time revenue
 - (\$289,428) reduced A-87 revenue
 - \$6,383,134 increased fund balance

Appropriation Changes in FY 2010-11

- Decrease of (\$847,892)
 - Decreased salaries & benefits for Sheriff (\$1,756,518) Tier 3 reductions
 - Decreased contingency requirement based on 3% of adjusted appropriations (\$160,000)
 - Increased contribution to Road Fund \$1,068,626

13

Total Surplus/(Shortfall) FY 2010-11

- Increased revenues of \$5,158,013 plus decreased appropriations of \$847,892 result in a revenue surplus of \$6,005,905
- Reduced appropriations means less reserve requirement to meet our 5% goal which equates to an additional \$87,826 in revenue
- New total surplus of \$6,093,731
 - Covers \$2,693,731 anticipated shortfall at FY 2009-10 Final Budget
 - Reinstates designation for Capital Projects of \$3,400,000

14

Assumptions

- Negative Property Tax growth of 0.5%
- Negative Sales Tax growth of 1% based on FY 2009-10 revised projection
- All other non-departmental revenues remain flat
- Department revenues grow approximately 2%
- Salaries & benefits grow 2.5% annually
- All other appropriations grow 3% annually

15

Personnel Changes



16

Changes in personnel allocation

- Amended authorized personnel resolution deletes 8.8 FTE's
 - Retirement incentives
 - Assessor -1 FTE
 - Sheriff -6 FTE's
 - Probation -2 FTE's
 - Add/Delete of GIS Analyst in Surveyor/Assessor
 - Add .2 Fiscal Technician in Auditor/Controller to help support payroll function

17

Other Funds

Road Fund, Community Services, Public Health and Mental Health

18

Road Fund Summary

	FY 2009-10 Budget	Projected June 30, 2010	Variance	% of Budget
Revenues	\$115,561,335	\$78,854,329	(\$36,707,006)	68%
Expenditures	\$115,561,335	\$77,549,151	(\$38,012,184)	67%

- Changes related to shift in the timing on construction starts and acquisition of right of way as well as lower construction bids
- DOT will be returning to the BOS in March with revised CIP to reflect these shifts
- New housing starts continue to decline with a FY 2009-10 projection of 75 permits compared to a budget of 166
- The fund balance within the TIM fee accounts continues to decline faster than new revenues are coming through the door. The Department will be taking a hard look at current staffing and projected funding levels in the FY 2010-11 budget

Community Services Summary

	FY 2009-10 Budget	Projected June 30, 2010	Variance	% of Budget
Revenues	\$15,247,879	\$14,640,365	(\$607,514)	96%
Expenditures	\$15,247,879	\$14,640,365	(\$607,514)	96%

- Changes in revenues and expenditures are primarily related to changes in Federal ARRA funding and additional grant revenues

Public Health Summary

	FY 2009-10 Budget	Projected June 30, 2010	Variance	% of Budget
Revenues	\$23,847,430	\$18,504,471	(\$5,342,959)	78%
Expenditures	\$23,847,430	\$19,202,796	(\$4,644,634)	95%

- Decline in revenues is related to reduced use of fund balance
- Department is on target to meet FY 2009-10 budget expectations

21

Mental Health Summary

	FY 2009-10 Budget	Projected June 30, 2010	Variance	% of Budget
Revenues	\$17,858,516	\$15,102,580	(\$2,755,936)	85%
Expenditures	\$17,858,516	\$13,751,792	(\$4,106,724)	95%

- Department projects ending the year in balance
- Projection includes approximately \$700K in Tobacco Settlement fund balance from Public Health to fund the AB3632 program. This is one time revenue in FY 2009-10 and a funding source for FY 2010-11 has not been identified

22

Next Steps

- Adopt amended authorized personnel resolution deleting 8.8 vacant FTE's
- Provide policy direction on use of \$6.4M in Prop 1A securitization funding
- CAO will direct departments to continue with FY 2010-11 budget process based on policy direction related to the Prop 1A funds
- The CAO will provide the Board with a recommended budget with budget workshops beginning on June 7, 2010

23