

FY 2016-17 Mid-Year BUDGET REPORT

February 28, 2017

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Status of FY 2016-17 Departmental Budgets

- Most Departments Projecting to End the Year On or Under Budget & Net County Cost

- Superior Court Maintenance of Effort
 - \$367,000 over Net County Cost
 - Carry-over FY 2015-16 Payable to State

- District Attorney
 - \$140,000 over Net County Cost
 - Decreased Revenue offset by Salary Savings
 - Primarily related to employee cash-out payments, not reimbursable through current grants

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 actuals
- Should be treated as one-time money

Recap: FY 2015-16 Carry-over G.F. Fund Balance

- FY 2015-16 Projected at Feb. 2016 = \$14.1 million
- In FY 2016-17 Recommended Budget = \$16 million
- Actual/FY 2016-17 Addenda Budget = \$19.9 million

FY 2016-17 Projected G.F. Carry-over Fund Balance

- Projected to be \$13.1 million at Year-End
 - Based on December 31 actuals
 - Will monitor and update as needed

- Anticipated result of operations
 - Revenues = \$4 million below budget
 - Expenditures = \$17 million below budget

FY 2016-17 Revenues

- \$4 million below budget (1.4% of total)
- Departmental Revenues
 - Net decrease of \$6.5 million
 - Primarily related to State and Federal programs
 - Offset by reduced expenditures
- Non-Departmental Revenues
 - Net increase of \$2.4 million
 - \$900,000 increase in Property Taxes
 - \$300,000 increase in TOT Revenue
 - \$130,000 increase in Property Transfer Tax

FY 2016-17 Expenditures

- \$17 million below budget (6% of total)
- \$11.6 million unspent Departmental expenses
 - Primarily in Human Services (\$4.4 million, with like reduction in revenues)
 - Most Departments under budget at year-end
- \$5.5 million unspent Non-departmental expenses
 - Primarily in unspent Contingency (\$5.4 million)

Projected FY 2016-17 Year-End Other Funds

- HHSA - Community Services = \$600,000
 - Using \$100,000 vs. \$700,000 budgeted
- HHSA - Public Health = \$9 million
 - Using \$2 million vs. \$3.4 million budgeted
 - \$5 million set aside SLT Public Health facility
- HHSA - Mental Health = \$9.9 million
 - Using \$3.4 million vs. \$7 million budgeted
- Road Fund = \$5.7 million
 - Using \$2.8 million in FY 2016-17

FY 2017-18 Outlook

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FY 2017-18 Assumptions

What we “know” going into FY 2017-18 Budget Development

- Revenues / Funding Sources:
 - Anticipated GF Fund Balance of \$13.1 million
 - 4% growth in property taxes = \$2.4 million increase
 - 2% growth in sales tax = \$600,000 increase
- Expenses
 - 4% Salary and Benefits = \$6.7 million (all funds)
 - No growth in other general operating expenses

Maintain Funding Policy

- Maintain General Fund Contingency at 3%
 - Estimated at \$5.4 million
- Maintain General Reserve at 5%
 - Estimated at \$8.3 million
- Use one-time monies for one-time expenses

Governor's Proposed Budget

- In-Home Supportive Services
 - Local Impact est. = \$1.6 million
- Transportation Funding
 - \$4.2 billion increase over current funding
 - Allocated same as current (44% local)

Future Budget Pressures

- CalPERS - Cost Increases
- Federal - Possible Repeal of ACA
 - Medi-Cal Expansion
- El Dorado County – Infrastructure Needs

Prepare Now for Future

CAO Budget Message to Departments

- Status Quo Budget
 - What is Needed to Maintain Current Services/Programs
 - Focus on Efficiencies
- Additions as Supplemental Budget Request
- Re-evaluate FY 2016-17 Budget Projections
- One-Time Funding for One-Time Expenses
- Budget Requests Due March 6th
 - Begin Analysis and Discussions with Departments
- Budget Workshop - April 19th

Recommended Actions

- Approve 2 Amendments to Adopted Budget
 1. Establish Public Safety Facility Match reserve
 2. Reverse \$2 million MC&FP transfer

- Select Two Board Members – Functional Group Budget Meetings Ad Hoc Committee