



FY 2016/17 Budget Addenda (September 12, 2016)



FY 2015/16 Summary



- Department 15 Revenues totaling \$120 million were within 0.8% of projections (*pg. 3 of 6 in the Sept. 7th memo from Laura Schwartz*)
- General Fund operating expenses, excluding Social Services and capital improvements, grew by \$5.5 million (3%) from FY 2014/15 to FY 2015/16 (*pg. 2 of 6 in the Sept. 7th letter from the CAO*)
- Ended FY 2015/16 with approximately \$4.1 million more Fund Balance than anticipated (*pg. 1 of 6 in the September 7th memo from Laura Schwartz*)

FY 2015/16 Strategic Plan Accomplishments



● Infrastructure

- ✦ Public Safety Facility
- ✦ A/B Renovations, including ADA Compliance
- ✦ ADA Compliance totaling approximately \$500,000
 - Spring Street, Placerville Main Library Restroom, Building C Restroom, Johnson Center parking, walkway and restroom renovations, Veteran's Memorial, Tahoe Sheriff's Office locker room renovation
- ✦ Completed 64 miles of chip seal, 13 miles of slurry seal, 588 miles of striping, and graded 22 miles of non-paved roads
- ✦ Completed the \$56 million Silva Valley Parkway Interchange project

● Healthy Communities

- Community Hubs are moving forward. State recently approved use of MHSa funding
- Community Health Assessment and Community Health Improvement Plan

Looking Forward.....



- **FY 2016/17 Budget Accomplishments:**

Good Governance

- Fully funded Reserves totaling \$8.3 million (5%) in accordance with Board policy
- Fully funded Contingency totaling \$5.37 million (3%) in accordance with Board policy
- Setting aside \$3.5 million in Capital Improvements/ Deferred maintenance

Looking Forward.....



● FY 2016/17 Budget Accomplishments

Infrastructure

- Additional \$2 million for road maintenance and improvements, increasing the total 2015/16 funding for road maintenance and operations to \$18.9 million
- \$3.075 million for Public Safety Facility
- \$753,000 for improvements to the Spring Street Facility
- \$1.2 million for a new Juvenile Hall
- \$159,000 for security cameras at Probation
- \$535,000 for a new property tax system

FY 2016/17 Board Priorities (Funded)



- **Public Safety Facility Debt - \$2.2 million**
 - Fully funded in addition to \$875,000 for Interim Financing Costs
- **Capital/Deferred Maintenance - \$5.0 million**
 - Funded \$3.5 million (Board Policy requires \$5 million)
- **Roads - \$3.0 million**
 - Funded \$2 million
- **Land Use Litigation - \$1.0 million**
 - Funded \$500,000
- **Property Tax System**
 - Funded \$535,000

FY 2016/17 Board Priorities (Funded)



- **Public Information Officer - \$150,000 (Fully Funded)**
- **Tree Mortality Grant - \$250,000 (Fully Funded)**
- **Community Planning Effort (Fully Funded)**
- **Juvenile Hall Match - \$1.2 million (Fully Funded)**
- **Depot Road Land Acquisition - \$320,000 (Fully Funded)**
- **Southeast Connector**
 - \$225,000 over first two years

FY 2016/17 Budget Priorities (Not Funded)



- **Fire/Ambulance – TBD**
- **Marijuana Enforcement - TBD**
- **Other Post Employment Benefit (OPEB) - \$2.5 million**
- **Fair Lane Land Acquisition - \$2.7 million**

Significant Departmental Changes (Slide 1 of 6)



- **CAO – Net County Cost increase of \$229,000**
 - CAO Administration – Net County Cost reduction totaling approximately (\$18,500)
 - CAO Parks – Net County Cost reduction totaling approximately (\$13,500)
 - Economic Development – Net County Cost increase of \$122,000 due to increased TOT revenue
 - Central Fiscal Division – Net County Cost increase of \$139,000 due to transfer of 2 positions
 - ✦ ASO from Public Defender
 - ✦ Fiscal Assistant from District Attorney

Significant Departmental Changes

(Slide 2 of 6)



- **Treasurer-Tax Collector – Net County Cost increase of \$190,000**
 - Primarily related to \$150,000 for the replacement of a remittance processing system, and the request for a Sr. Accountant to assist with FENIX transition (*pending final approval from the FENIX Executive Sponsors*)
- **Information Technology: Net County Cost increase of \$150,000 to fund an IT Director**

Significant Departmental Changes

(Slide 3 of 6)



- **County Counsel – Net County Cost increase of \$250,000 for potential increased costs relative to land use litigation, increasing the total FY 2016/17 budget to \$500,000**
- **Community Development – Changes related to funding for roads and further discussion**

Significant Departmental Changes

(Slide 4 of 6)



- **District Attorney – No changes to Net County Cost at this time, pending a Board policy decision related to the Office of Traffic Safety Grant**
- **Sheriff – Net County Cost decrease of \$227,000 related to various grants and the recovery of a portion of Indirect Costs from AB109/Prison Realignment**

Significant Departmental Changes

(Slide 5 of 6)



- **Probation – Net County Cost decrease of \$232,000 primarily as a result of 3% Salary Savings and recovery of additional Indirect Costs from AB109/Prison Realignment**
- **HHSA/Fiscal & Admin – Net County Cost increase of \$986,000 as a result of over collecting administrative costs, paid with FY 2015/16 savings from HHSA**

Significant Departmental Changes

(Slide 6 of 6)



- **HHSA/Public Health – General Fund Contribution reduction of \$225,000 primarily due to a waiver of County Medical Services Program (CMSP) participation fees**
- **HHSA Staffing Changes:**
 - 1 Mental Health Worker to implement Laura’s Law, fully funded with State MHSA funds
 - 3 FTEs in Social Services, fully funded with State/Federal funding

Future Challenges



- **Other Post Employment Benefit (OPEB)**
 - Recommending a workshop as part of the Good Governance Strategic Plan goal in January
- **\$1.5 million short of fully funding Capital Reserves/Deferred Maintenance**
 - Recommending funding \$3.5 million of the \$5 million Board policy requirement
- **Tree Mortality**
 - FY 16/17 budget identifies \$250,000
- **Medical Marijuana Regulation and Safety Act**
- **Homelessness**

Future Challenges



- **Libraries**
 - Currently using a significant amount of fund balance and is not sustainable
- **Fire/EMS**
- **Staffing Costs**
 - Salary & Benefit Costs total approximately 79% of General Fund expenditures
 - From 2011/12 to 2016/17, added approximately 133 FTEs, 111 of which were in HHSA
 - Of the remaining 22 positions, at least 10 are funded with State & Federal Funding

Operational Efficiencies



- **Efficiency in Operations**

- Identify appropriate staff levels and establish appropriate base line budgets, and analyze Indirect Cost Rates
- Pursue continued technology improvements
- Minimize use of leased space

Operational Efficiencies



- **Restructuring Opportunities**
 - Evaluate centralization of functions such as fiscal and information technology
 - Evaluate consolidation of functions shared among departments
 - Evaluate alternative service delivery methods for non-mandated services
 - Evaluate policies and ordinances to ensure they promote efficient service delivery

Operational Efficiencies



- **Regionalization**
 - Pursue regional collaboration in areas such as economic development, Geographic Information Services, and housing and senior programs
 - Avoid duplication of services that could be at a regional vs. local level, including potential opportunities with the cities of Placerville and South Lake Tahoe

Revenue Enhancements



- Board's Budget Policy requires us to *“pursue new revenues to the fullest extent possible for all services, as well as total cost identification (including departmental overhead and indirect costs) for fee setting purposes. To the extent possible, any new revenues for programs receiving General Fund support should be used to offset the cost of existing staff and programs, rather than funding new staff or programs.”*
 - Ensure full recovery of allowable indirect costs from state, federal and grant funding
 - Ensure appropriate billable rates for services provided by County staff.
 - Identify opportunities for appropriate cost recovery through County fees for services
 - Consider options for new/increased tax revenues for issues such as road maintenance, fire and EMS
 - Maximize program reimbursements and cost-sharing through state and federal funding sources

Pending Policy Decisions for Discussion



- **District Attorney**
 - Office of Traffic Safety Grant

- **Discussion regarding the Statewide decline of funding for road maintenance and local impacts**

Board Direction



- **Chief Administrative Office recommending the Board consider adoption of the County of El Dorado Budget for Fiscal Year 2016/17 and direct staff to return on September 27, 2016 with a budget resolution and revised personnel resolution based on discussion and direction received during the budget hearing.**