



# **Overview FY 2011-12 Budget Addenda**

September 19, 2011

# Fund Balance Calculation

Summary of Fund Balance Estimates	Projected Change to Fund Balance	Actual Change to Fund Balance	Variance
Department Savings	\$2,909,464	\$7,880,307	\$4,970,843
Department 15 Revenue	2,355,568	2,508,628	153,060
Department 15 Savings	10,240,641	11,693,480	1,452,839
Audit Adjustments	0	489,692	489,692
<b>Total Fund Balance</b>	<b>\$15,505,673</b>	<b>\$22,572,107</b>	<b>\$7,066,434</b>

# Other General Fund Addenda changes

	Revenue	Appropriations	Net County Cost
General Government	\$158,376	\$1,236,750	\$1,078,374
Law & Justice	3,568,273	3,886,799	318,526
Land Use & Development Services	148,433	28,144	(120,289)
Health & Human Services	1,408,630	1,390,830	(17,800)
Non-departmental	3,913,534	2,654,723	(1,258,811)
<b>Total</b>	<b>\$9,197,246</b>	<b>\$9,197,246</b>	<b>\$0</b>

# Reserve

	Recommended	Addenda	Change
General Reserve	\$8,644,444	\$8,981,140	\$336,696
Designated Reserve for Capital Projects	6,582,596	8,522,413	1,939,817
<b>Total</b>	<b>\$15,227,040</b>	<b>\$17,503,553</b>	<b>\$2,276,513</b>

General Reserve Equals 5% of adjusted GF appropriations

# Contingency

- Standard Contingency recommendation is 3% of adjusted General Fund appropriations
- Recommended budget included \$5,200,000
- Addenda includes \$5,400,000 which is approximately 3% of adjusted General Fund appropriations

# Department 15

- What is Department 15?
  - It is the General Fund “Bank Account”



# Department 15 Revenues

- Includes all Discretionary General Fund Revenues
- Revenues are not department specific
- Auditor's office is responsible for depositing the majority of these revenues
- Chief Administrative Office works closely with the Auditor's Office to track and project these revenues
- Chief Administrative Office has signature authority for this "department"



Revenues are deposited in Department 15



Bank Account =  
\$117,693,797



Less Department 15 Expenses \$25,755,028



Bank Account = \$91,938,769

**\$91,938,769 is our annual  
discretionary income**



# Our Budget (Net County Cost) for this discretionary income is:

Functional Group	\$91,938,769
General Government	16,969,082
Law & Justice	58,974,150
Land Use & Development Services	10,707,406
Health & Human Services	5,288,131
Ending Balance	\$0

# Addenda changes to Dept 15

- Revenue increases of \$3.9M
  - Property taxes increased \$979K
    - Based on FY 2010-11 actuals decreases 1.45%
  - Sales taxes increased \$384K
    - Based on FY 2010-11 actuals
  - Increased fund balance of \$2.7M

# Addenda changes to Dept 15

- Appropriations increased \$2.7M
  - Increased contingency \$200K
  - Increase to UCCE \$252K
    - Offset with decreased Net County Cost in Land Use
  - Increase to General Reserves \$234K
  - Increase to Designations for Capital Projects \$1.9M

# Non General Fund Significant Changes

- Road Fund
  - Capital Improvement Plan decreased \$2M
  - Erosion Control decreased \$1.9M
- Accumulative Capital Outlay fund decreased by \$2.2M due to phased approach of Animal Shelter project
- Health & Human Services increased approximately \$5.3M
  - Primarily related to fund balance and increased revenues
- Countywide special revenue funds increased \$2.4M

# Personnel Changes

- Deleting 16.9 positions (3 filled)
  - RIF Vector Control Technicians (EM)
    - Technicians currently doing snow removal in parking lots of County buildings as needed in South Lake Tahoe
    - Time studies indicate that less than 20% of work time is spent on these activities in the Winter
    - Using the Technicians to perform these services is an inefficient use of county resources
    - CAO and department recommending that snow removal services be shifted to DOT and Vector Control become a seasonal program, similar to West Slope
- Adding 63.6 positions
- Net increase of 46.7 FTE's
  - Majority of positions offset with increased revenues (AB109, other Federal and State grants)

# 5 Year Projection

- Assumptions used in May 26, 2011 projection
  - Property tax reduced 4%
  - All other discretionary revenue remains flat
  - Departmental revenue grows 1%
  - 4% growth on salaries and benefits
  - 3% growth on operating expenses
  - Fund balance = 100% Contingency carryforward plus \$2M departmental savings/increased revenues

# 5 Year Addenda changes

- All discretionary revenues were adjusted to reflect FY 2010-11 actuals
- Property tax decline reduced to 1.45% for FY 2011-12 based on FY 2011-12 property tax roll
- Departmental revenues and appropriations have been adjusted based on addenda changes

# 5 Year Projection as of September 19, 2011

As of May 26	FY 2011-2012	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016
Revenues	195,153,134	186,761,926	188,471,210	190,245,127	192,065,786
Appropriations	195,153,134	197,336,154	204,320,056	211,559,697	219,070,667
Total	0	(10,574,228)	(15,848,846)	(21,314,571)	(27,004,881)
<b>Addenda</b>					
Revenues	204,350,380	193,853,190	195,901,723	197,970,441	200,161,732
Appropriations	204,350,380	202,481,347	209,665,535	217,059,999	224,723,536
Total	0	(8,628,157)	(13,763,812)	(19,089,558)	(24,561,804)
<b>Variance</b>					
Revenues	9,197,246	7,091,264	7,430,513	7,725,314	8,095,946
Appropriations	9,197,246	5,145,193	5,345,479	5,500,302	5,652,869
Total	0	1,946,071	2,085,034	2,225,012	2,443,077



# 5 Year Projection

## Less conservative assumptions

May 26 assumption	Less conservative assumption
3% growth on operating expenses	No growth on operating expenses
Annual \$2M savings/increases	Annual \$4M savings/increases

# 5 Year Projection – Less conservative assumptions

<b>As of May 26</b>	<b>FY 2011-2012</b>	<b>FY 2012-2013</b>	<b>FY 2013-2014</b>	<b>FY 2014-2015</b>	<b>FY 2015-2016</b>
Revenues	195,153,134	186,761,926	188,471,210	190,245,127	192,065,786
Appropriations	195,153,134	197,336,154	204,320,056	211,559,697	219,070,667
Total	0	(10,574,228)	(15,848,846)	(21,314,571)	(27,004,881)
<b>Addenda</b>					
Revenues	204,350,380	195,853,190	197,901,723	199,970,441	202,161,732
Appropriations	204,350,380	201,119,998	206,695,065	212,445,008	218,414,690
Total	0	(5,266,808)	(8,793,342)	(12,474,568)	(16,252,958)
<b>Variance</b>					
Revenues	9,197,246	9,091,264	9,430,513	9,725,314	10,095,946
Appropriations	9,197,246	3,783,844	2,375,009	885,311	(655,977)
Total	0	5,307,420	7,055,504	8,840,003	10,751,923

# Remember.....

- Shortfalls are primarily structural
  - Related to insufficient revenue to fund ongoing operational expenses
- Use of one-time revenue or one-time savings will not help future year deficit, but will only “buy time”

# Next steps

- CAO to incorporate direction received during Budget Hearings into FY 2011-12 Budget
- Budget adoption on September 27
- Adopt amended personnel allocation resolution on September 27

# Additional policy decisions

- Kim Kerr will be discussing Economic Development
  - Includes Promotions
  - Includes Parks
- Kelly Webb will discuss Sheriff
  - BOS policy questions outlined on page 5 of Attachment A (or page 12 of 48 in Legistar 10-0990, attachment 12B)



*Questions or Board Comments?  
Thank you!*