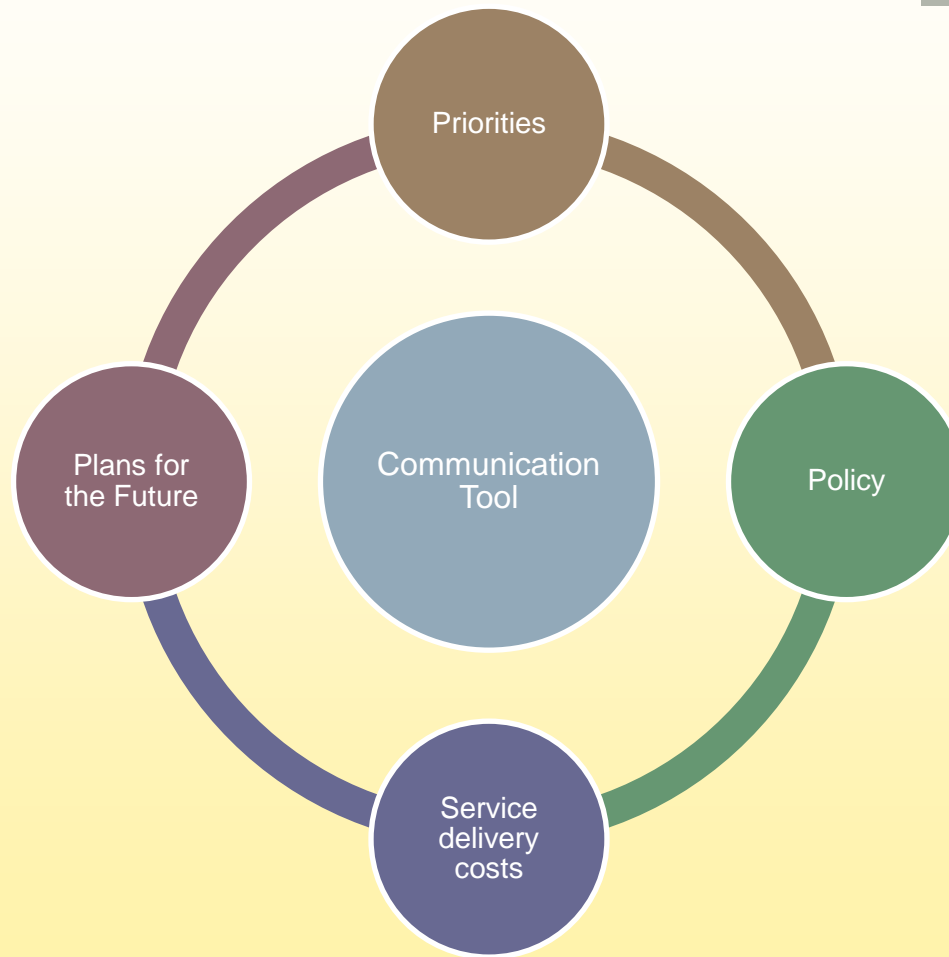




Budget Basics

February 11, 2014

What is a Budget? It's not just numbers!



Examples of Priorities



Examples of Policies

Use of one-time funds for one-time expenses

Improve Technology Efficiencies

Improve External and Internal Communication

Recruit and retain skilled workforce

Increase Infrastructure Maintenance

Plans for the Future



Spend
Conservatively

Invest Wisely

Be Flexible

Budget Calendar

January

- Preparation of Mid-year report
- Departments project fiscal year end performance
- Governor's State Budget released
- Salary projections for next Fiscal Year are calculated

February

- Mid-year report is presented to the Board
- Budget direction for next Fiscal Year budget set
- Budget kick-off

Budget Calendar

March

- Statement of County goals adopted
- Department preparation of next Fiscal Year budget

April

- Department budgets due to Chief Administrative Office for review
- 3rd Quarter projections

May

- Governor's May Revise released
- Budget Book completed
- Functional group meetings

Budget Calendar

June

- Budget Workshop
- Recommended Budget Approved

July

- Year end

August

- Books close for prior Fiscal Year
- Budget Addenda – Changes to Recommended Budget based on year end close and any additional State actions

September

- Budget Hearings
- Budget Adoption

October-December

- Adopted Budget book compiled by the Auditor-Controller
- Monthly budget monitoring

What about the numbers?

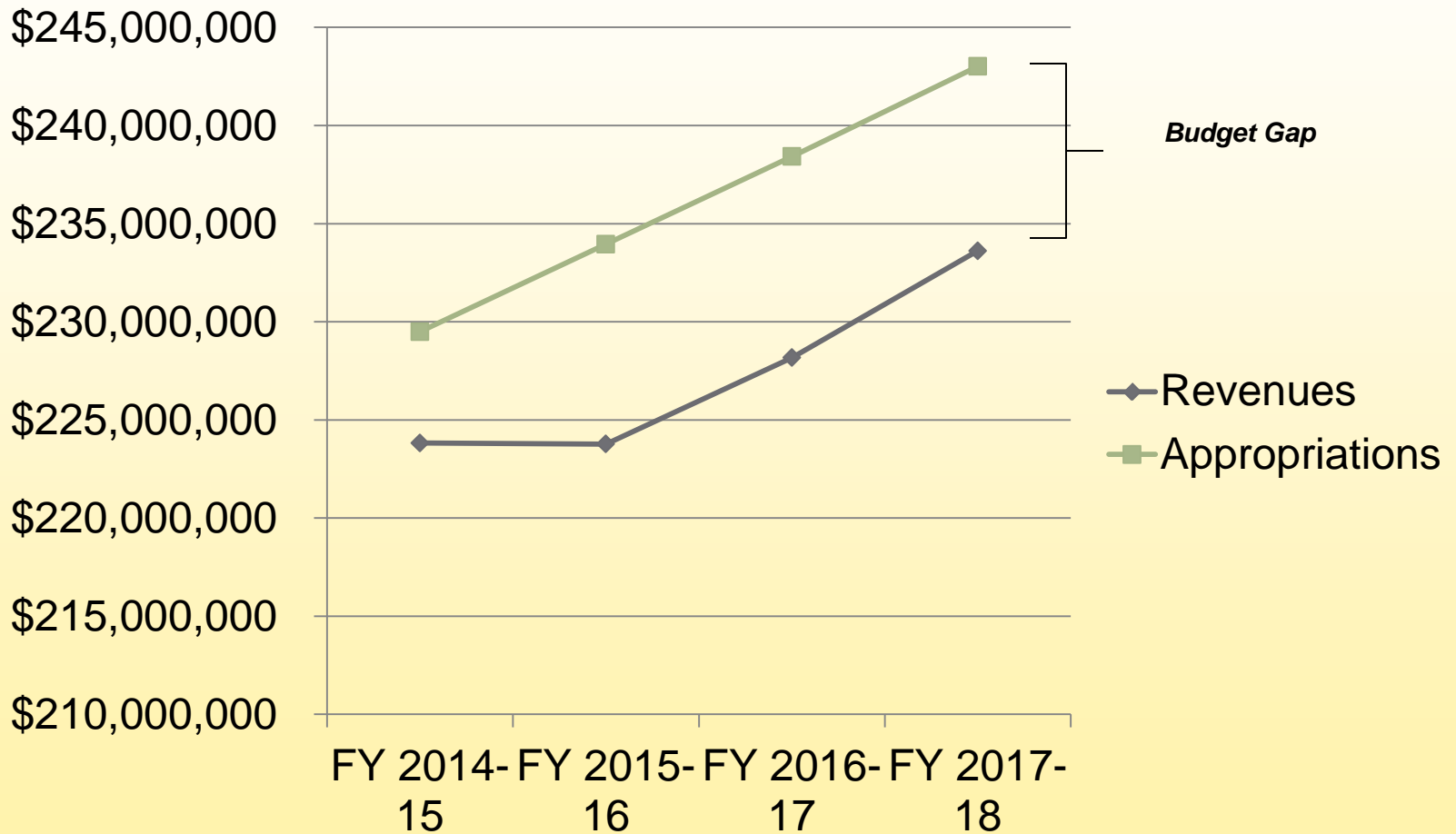
- The budget is a forecast of all planned revenue and expenses
- Provides a model for how the county might perform financially given certain assumptions about the future
- Enables the actual financial performance of the county to be measured against the forecast
- A budget should balance:
 - Total revenue equals total appropriations

Is the Budget balanced?

- The Budget is balanced
 - Projected Revenue = Projected Appropriations



However...Future year deficits



Why Budget “policy” is so critical

- Use of one-time revenues or savings for one-time expenses
- If you use one time revenues or savings for ongoing operational expenses, the budget gap widens
- If you spend conservatively and invest wisely in programs that create organizational efficiencies, the budget gap closes

How big is the Budget?

- **TOTAL** Budget = \$591,369,652
 - General Fund = \$249,166,910
 - Special Revenue Funds = \$227,653,311
 - Accumulative Capital Outlay Fund = \$21,875,818
 - Internal Service Funds = \$41,745,195
 - Risk Management & Fleet
 - Enterprise Funds = \$1,692,649
 - Airports
 - Special Districts & Other Agencies = \$49,235,769

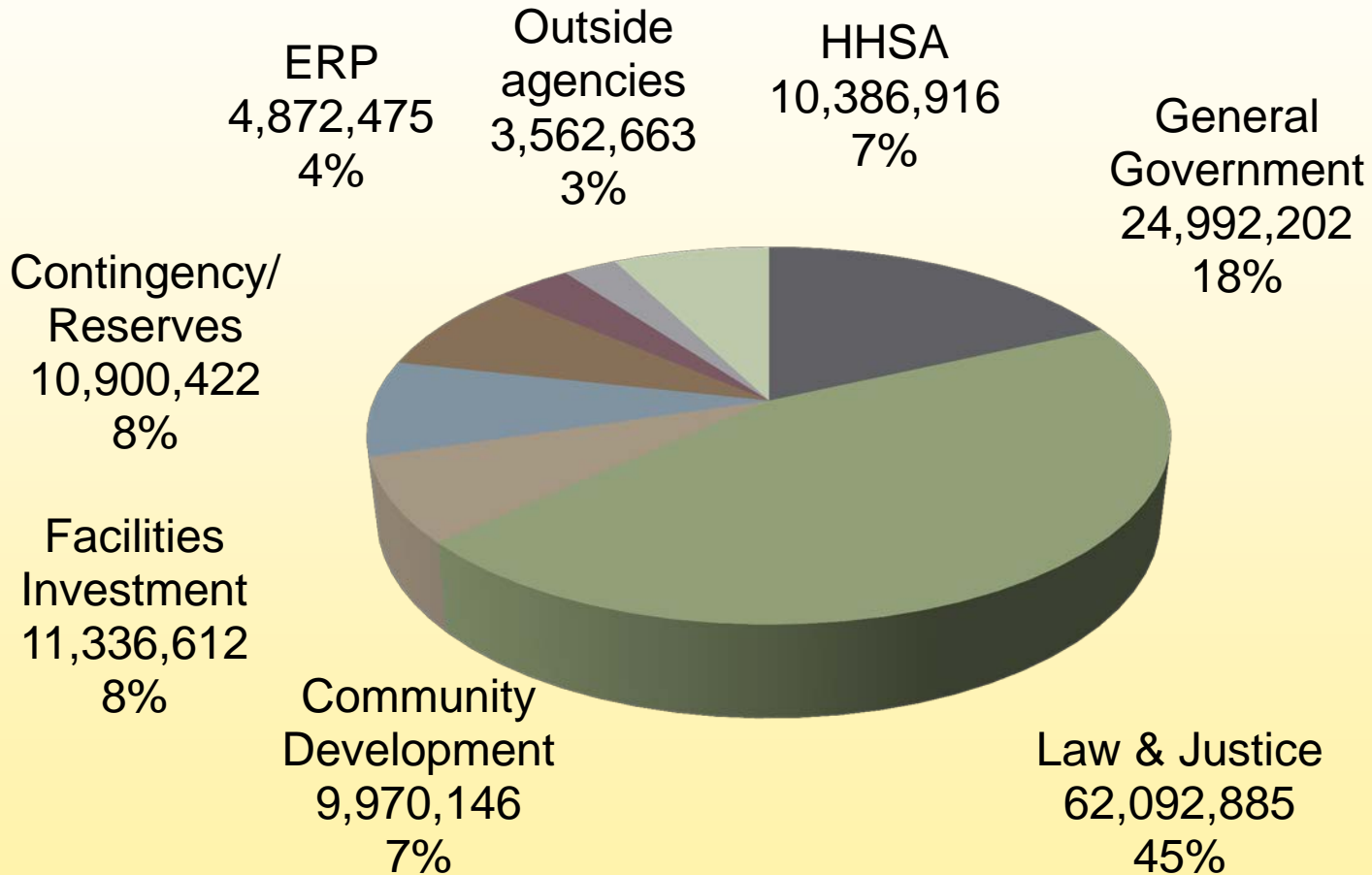
What is the General Fund?

- The General Fund is the slice of the budget primarily funded with discretionary dollars
- The FY 2013-14 Adopted Budget includes appropriations totaling \$138,114,321 of General Fund discretionary dollars
- This is where the Board has the authority to decide how to allocate the dollars

How does the General Fund support county programs?

- Departments get money from different sources
 - For example: grants, state & federal agencies, and charges for service
- When that doesn't cover all of the department's costs, the difference is made up with other General Fund discretionary dollars
- These other discretionary dollars are a department's **“Net County Cost”**
- Departments are required to live within their “Net County Cost” to ensure that no additional General Fund support is required

Distribution of Net County Cost by Program Area FY 2013-14



Does the Budget contain General Fund reserve funds?

- Funds set aside for “rainy day” including:
 - \$9.4 million in reserves
 - 5% of adjusted General Fund appropriations
 - \$10.2 million for contingency
- \$7.1 million saved for Investment Strategy
(One time funds for one-time costs)

Goal of Investment Strategy



Current Investment Priorities

- Facilities
 - 15 Year \$46M investment in deferred maintenance of current facilities
 - New Sheriff facility
- Information Technology
 - FENIX
 - Hardware/software (mainframe conversion)
- Human Resources
 - Investment in staff
 - Investment in training

Guiding Principles for FY 14-15

- One time funds used for investment priorities
 - Facilities
 - Information Technology
 - Human Resources
- No new growth in positions unless efficiencies can be shown
- Focus on change management, process improvements and fiscal efficiencies related to implementation of FENIX

Next Steps

- Budget Kick-Off scheduled for Tuesday, February 18
- Departments working on FY 2014-15 budgets due to Chief Administrative Office by April 7
- Mid-Year report presented to the Board of Supervisors on February 25
- Strategic workshop with the Board on March 24
- Budget workshops begin June 2