



# Budget Basics

Recommended Budget  
FY 2014-15

# What is the Recommended Budget?

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- 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 Recommended Budget balanced?

- The Recommended Budget is balanced
  - Projected Revenue = Projected Appropriations



# What assumptions are built into the Recommended Budget?

- Property tax revenue: \$56.3 million
  - 2% growth over the FY 2013-14 year end projection
- Property tax in lieu of Vehicle License Fees: \$16.4 million
  - 2% growth over the FY 2013-14 year end projection
- Sales tax revenue: \$11.4 million
  - 5% growth over the FY 2013-14 year end projection

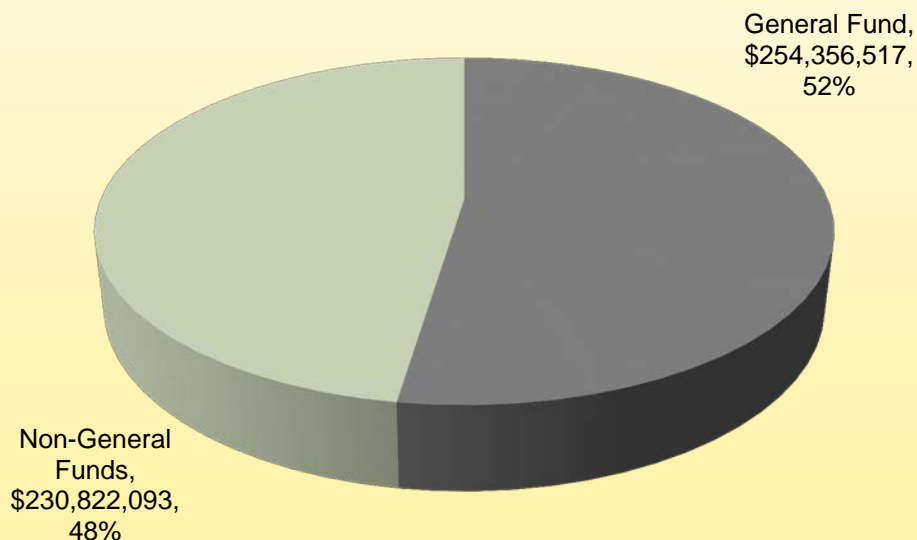
# How does the Recommended Budget compare to last year's budget?

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- Total budget decreased by \$13.5 million (-2.7%)
- General Fund increased by \$5.2 million (2.1%)
- Full Time Equivalent employees (FTEs) decreased by 9.64.

# How big is the Recommended Budget?

- **TOTAL** Recommended Budget = \$485,178,610
  - General Fund = \$254,356,517
  - Non-General Funds = \$230,822,093



# What is the General Fund?

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- The General Fund is the slice of the budget primarily funded with discretionary dollars

# What are Non-general funds?

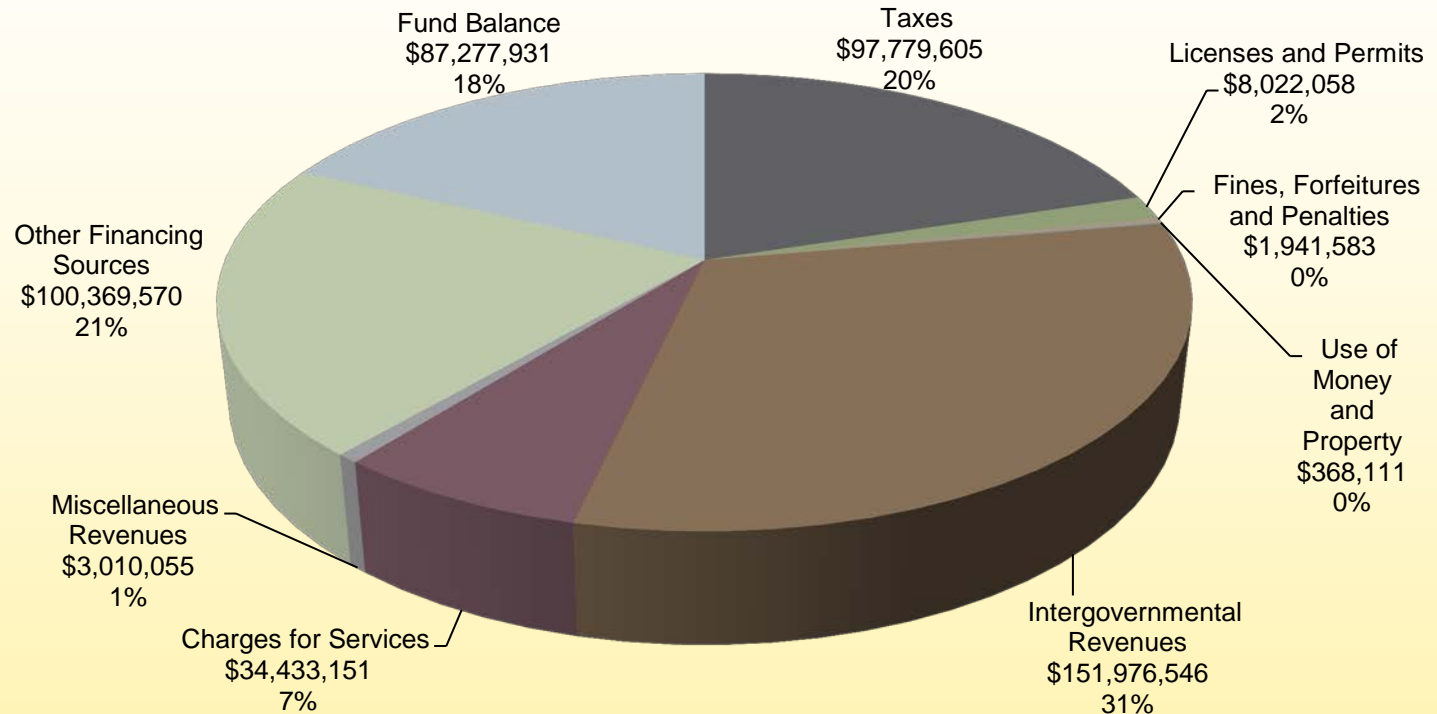
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- Non-General Fund spending is determined by state law or other special conditions



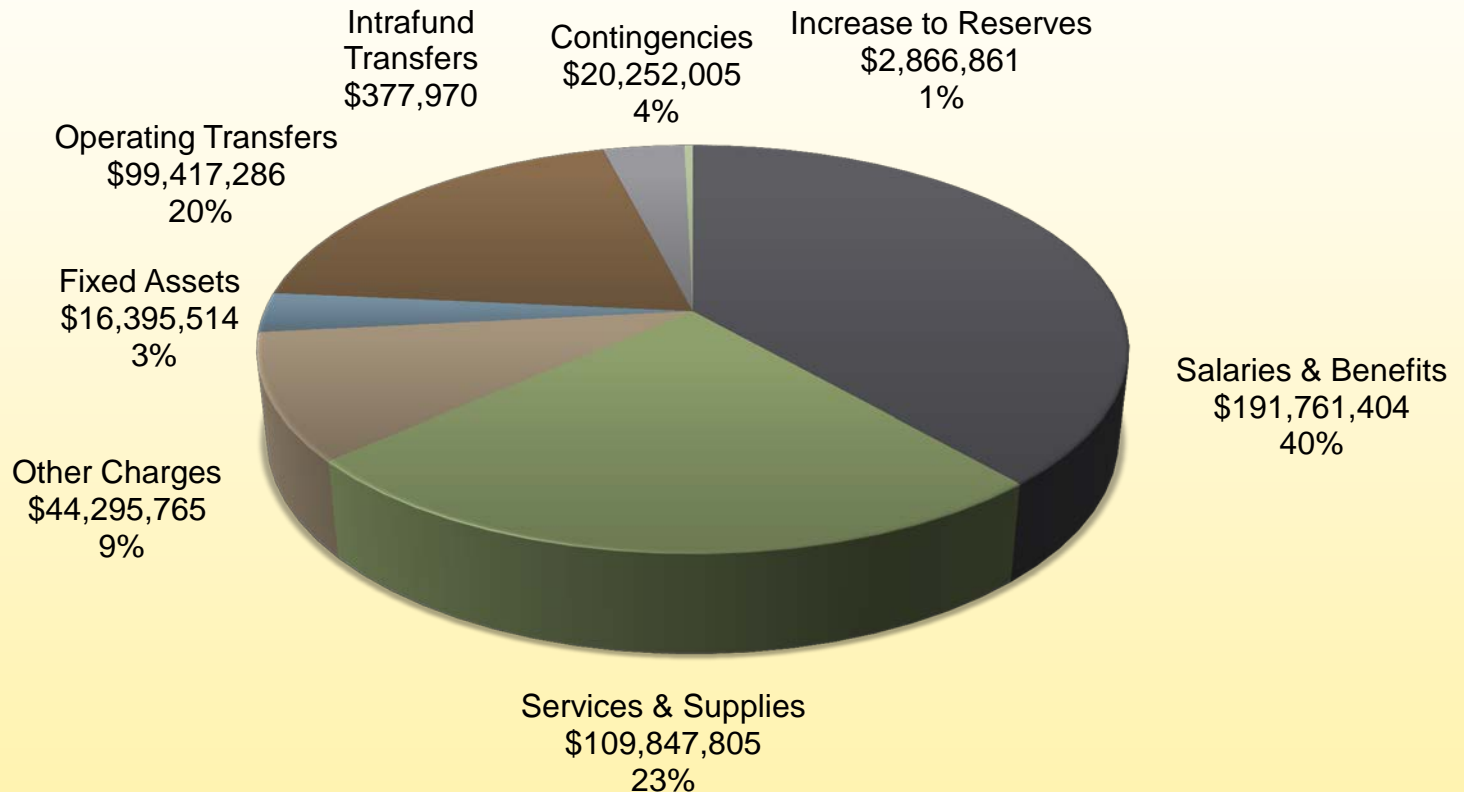


# Where does all the money come from in the Recommended Budget?



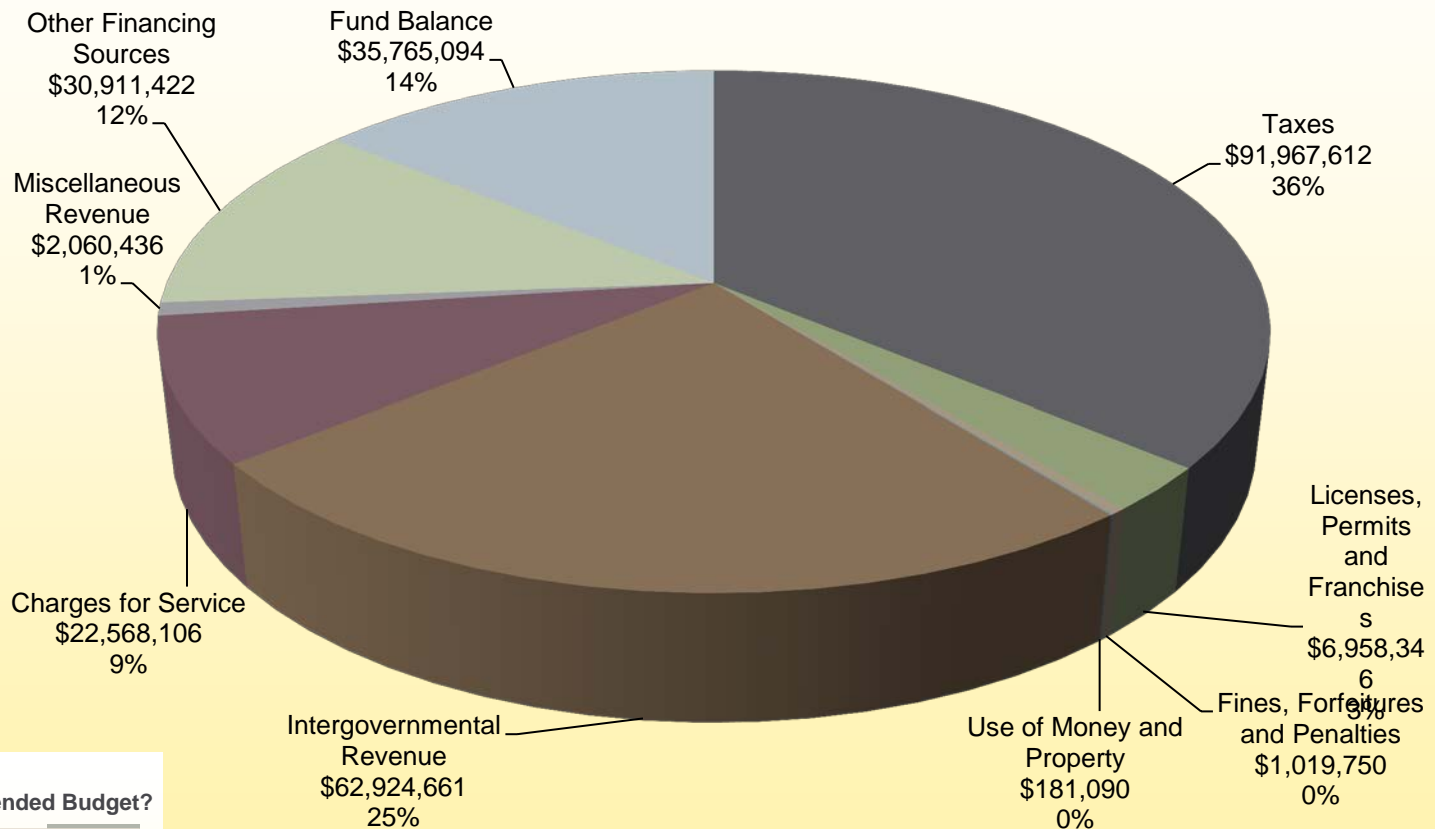
(revenue sources across all funds)

# What does the Recommended Budget pay for?



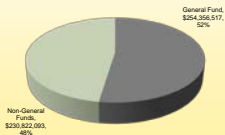
**Salaries & Benefits = People = Services to the Public**

# Where does the *General Fund* money come from?



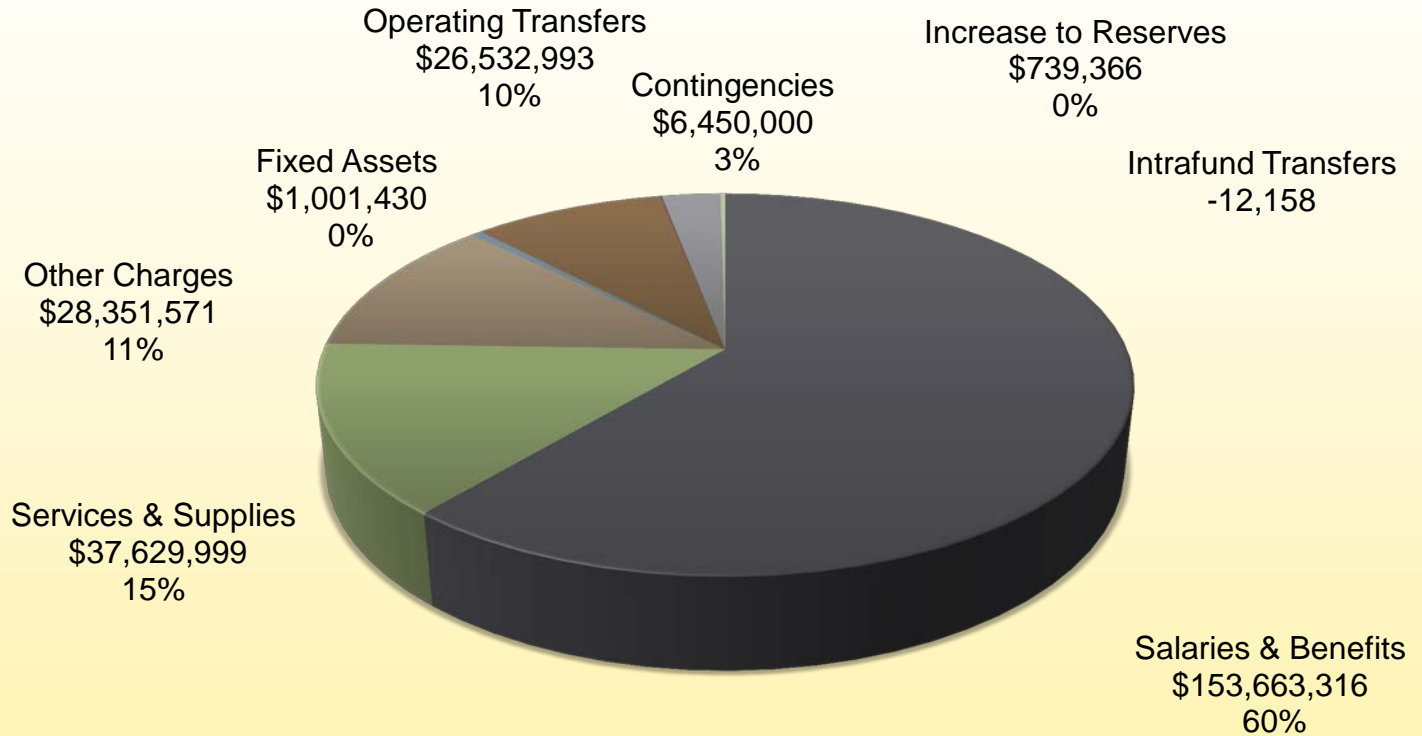
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**General Fund**  
**\$254,356,517**

# What does the General Fund pay for?



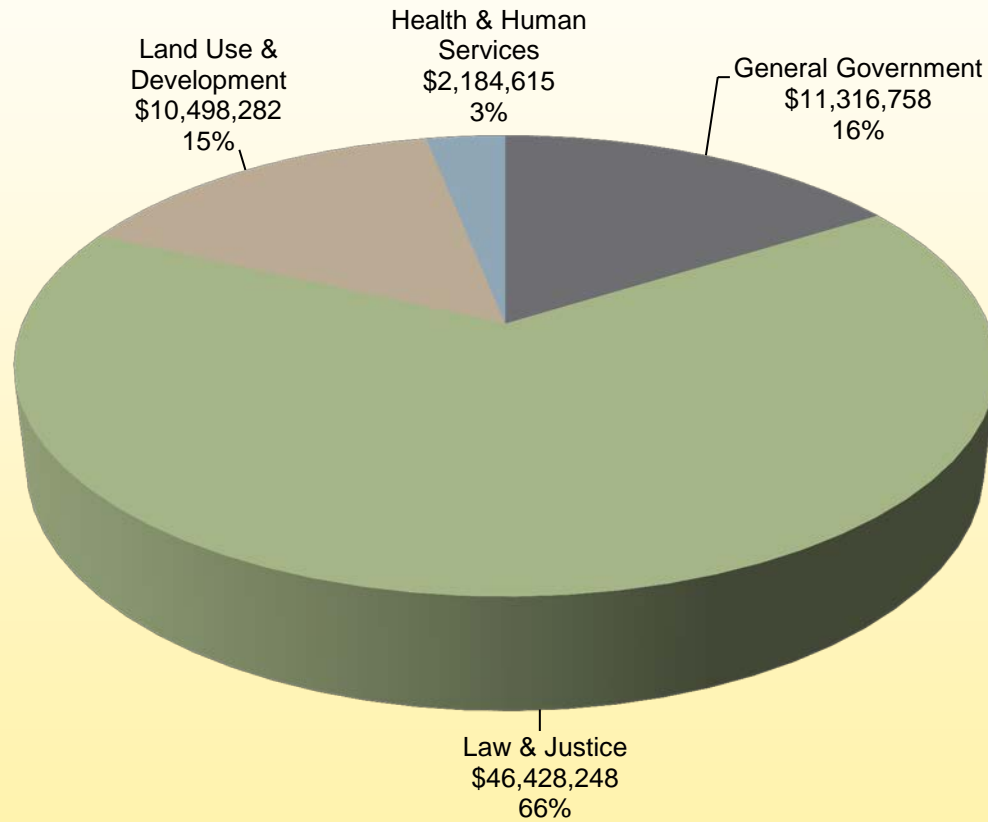
**Salaries & Benefits = People = Services to the Public**

# How does the General Fund support county programs?

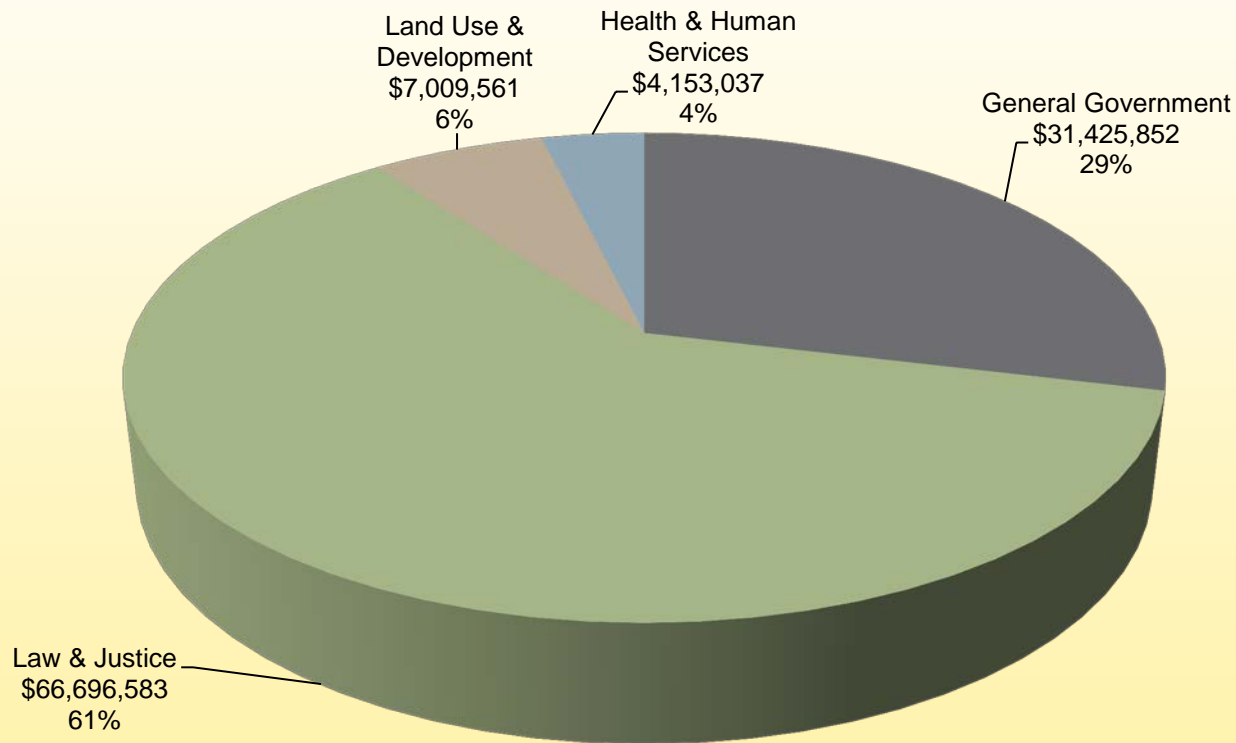
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- Departments get money from different sources
  - For example: grants, state & federal agencies, and charges for service
- When that doesn't cover all of the department's costs, the difference is made up with other General Fund discretionary dollars
- 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 2005-06



# Distribution of Net County Cost by Program Area FY 2014-15



# Distribution of Net County Cost by Department FY 2014-15

	<b>2014-15 NCC</b>	<b>% of Total NCC</b>
BOS	1,768,737	1.62%
CAO	6,590,063	6.03%
A/C	2,595,355	2.37%
Treasurer	1,135,938	1.04%
Assessor	3,218,712	2.95%
County Counsel	2,650,126	2.42%
Human Resources	1,856,604	1.70%
Information Technologies	7,991,452	7.31%
Economic Development/Parks & Trails	2,678,901	2.45%
Recorder Clerk	939,964	0.86%
<b>Subtotal</b>	<b>31,425,852</b>	<b>28.76%</b>
Grand Jury	80,147	0.07%
Courts	1,720,500	1.57%
District Attorney	5,689,014	5.21%
Public Defender	3,278,073	3.00%
Sheriff	45,283,765	41.44%
Probation	10,645,084	9.74%
<b>Subtotal</b>	<b>66,696,583</b>	<b>61.03%</b>
Surveyor	1,640,123	1.50%
Agriculture	500,193	0.46%
DOT - County Engineer & Cemeteries	665,413	0.61%
Development Services	4,203,832	3.85%
Environmental Mgt	-	0.00%
<b>Subtotal</b>	<b>7,009,561</b>	<b>6.41%</b>
Health - Animal Control	1,249,130	1.14%
HHSA - Admin	(995,547)	-0.91%
Veterans	400,396	0.37%
Human Services	1,661,810	1.52%
Library	1,837,248	1.68%
Child Support Services	-	0.00%
<b>Subtotal</b>	<b>4,153,037</b>	<b>3.80%</b>
<b>Total Department</b>	<b>109,285,033</b>	<b>100.00%</b>



# Does the Recommended Budget contain reserve funds?

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- 8% set aside for “rainy day” including:
  - \$10.7 million in reserves
    - 5% of adjusted General Fund appropriations
  - \$6.5 million for contingency
    - 3% of adjusted General Fund appropriations
- \$4.8 million set aside as designation for Capital Projects

# What does the Recommended Budget mean for the future?

- Future year deficits assume:
  - 2% growth in Discretionary Revenues
  - \$2 million in operational savings each year
  - Annual savings from the investment strategy
  - Maintaining 8% reserve/contingency
  - Annual appropriations growth of 4.5% in salaries and 2% in other expenses

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Total Revenues	\$254,356,517	\$234,386,645	\$243,048,621	\$251,194,908	\$256,530,897
Total Appropriations	\$254,356,517	\$246,878,125	\$255,909,670	\$265,204,995	\$274,830,740
Total Revenue Surplus/Shortfall	\$ -	\$ (12,491,480)	\$ (12,861,049)	\$ (14,010,087)	\$ (18,299,843)

# Next Steps

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- CAO Recommending the Board:
  - Approve the Recommended Budget
  - Approve the Personnel Resolution
  - Set the Budget Hearing to begin on September 15, 2014
  - Provide direction on items currently sitting in the “parking lot” in regards to the September budget addenda