



Budget Overview

Recommended Budget
FY 2016-17

What is the Recommended Budget?

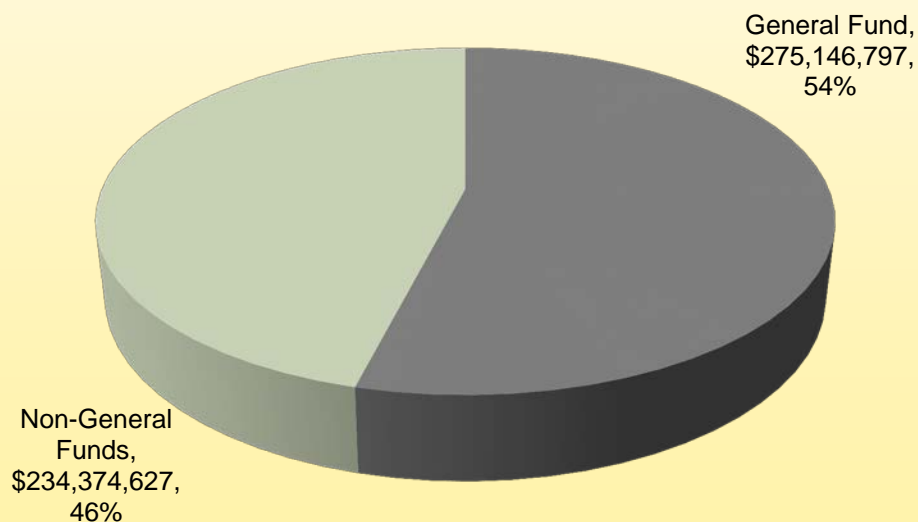
- A forecast of all planned revenue and expenses
- Provides a model for how the county might perform financially given certain assumptions about the future
- Enables the actual financial performance of the county to be measured against the forecast
- A budget should balance:
 - Total revenue equals total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

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

- Total budget decreased by \$9 million (-2%)
- General Fund increased by \$9 million (3%)
- Full Time Equivalent employees (FTEs) increased by 23.9.

How big is the Recommended Budget?

- **TOTAL** Recommended Budget = \$509,521,424
 - General Fund = \$275,146,797
 - Non-General Funds = \$234,374,627



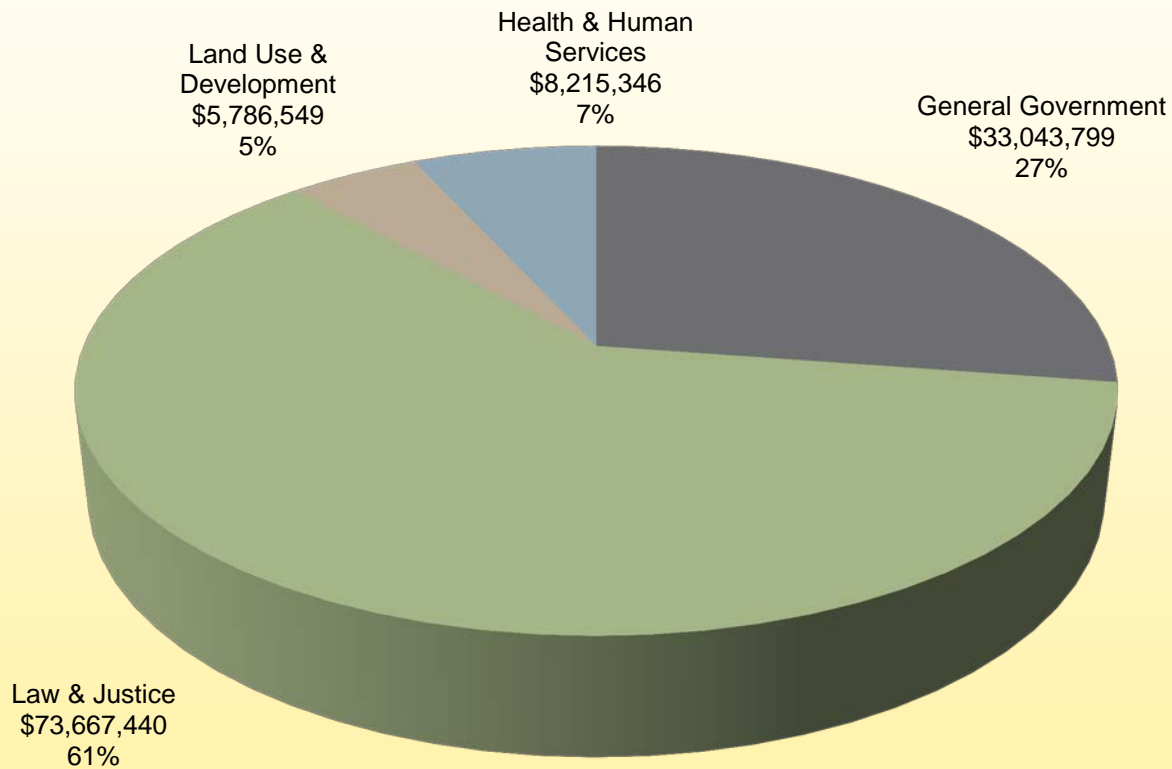
General Fund Appropriations

Expenditure Class	FY 2015-16 Adopted Budget	FY 2016-17 CAO Recm'd	\$ Increase/ (Decrease)	%Increase/ (Decrease)
Salaries & Benefits	158,192,868	168,599,883	10,407,015	7%
Operating Expenses	70,039,686	70,169,238	129,552	0%
Fixed Assets	2,174,992	1,757,556	(417,436)	(19%)
Transfers to other funds	27,484,070	26,134,117	(1,349,953)	(5%)
Contingency	6,720,000	5,340,000	(1,380,000)	(21%)
Reserve/Designation	1,192,492	3,146,003	1,953,511	164%
Appropriations	\$265,804,108	\$275,146,797	\$9,342,689	4%

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 2016-17



Distribution of Net County Cost by Department FY 2016-17

	2016-17 NCC	% of Total NCC
BOS	1,563,871	1.30%
CAO	9,884,743	8.19%
A/C	2,792,328	2.31%
Treasurer	838,308	0.69%
Assessor	3,355,791	2.78%
County Counsel	2,985,360	2.47%
Human Resources	2,138,585	1.77%
Information Technologies	8,492,514	7.04%
Economic Development/Parks & Trails	-	0.00%
Recorder Clerk	992,299	0.82%
Subtotal	33,043,799	27.37%
Grand Jury	75,319	0.06%
Courts	1,534,397	1.27%
District Attorney	6,195,935	5.13%
Public Defender	3,566,010	2.95%
Sheriff	49,872,818	41.32%
Probation	12,422,961	10.29%
Subtotal	73,667,440	61.03%
Surveyor	1,522,029	1.26%
Agriculture	505,732	0.42%
DOT - County Engineer & Cemeteries	458,050	0.38%
Development Services	3,300,738	2.73%
CDA Admin	-	0.00%
Environmental Mgt	-	0.00%
Subtotal	5,786,549	4.79%
Health - Animal Control	2,152,291	1.78%
HHSA - Admin	65,005	0.05%
Veterans	470,265	0.39%
Human Services	3,978,078	3.30%
Library	1,544,707	1.28%
Child Support Services	5,000	0.00%
Subtotal	8,215,346	6.81%
Total Department	120,713,134	100.00%

Net County Cost Changes

Functional Group	FY 2015-16 Budget	FY 2016-17 CAO Recm'd	\$ Increase/ (Decrease)	% Increase/ (Decrease)
General Gov't	31,167,197	33,043,799	1,876,602	6%
Law & Justice	66,226,388	73,667,440	7,441,052	11%
Land/Dev Svc	5,961,873	5,786,549	(175,324)	(3%)
Hlth/Human Svc*	4,725,739	8,215,346	3,489,607	74%
Total Department	108,081,197	120,713,134	12,631,937	12%

* The increase in Health and Human Services is related to A87 costs of \$3.38M

Other – Dept. 15

Description	Recommended Amount
General Fund Contingency	\$ 5,340,000
General Fund Contribution to the Accumulative Capital Outlay Facilities Investment	14,633,649
General Fund Contribution to the Miwok Indians for Health Programs	2,600,000
General Fund Contribution to DOT	3,284
General Fund Contribution to ACO fund for ERP	3,411,091
General Fund Contribution to Airports	79,292
General Fund Contribution to Parks (Placerville Pool \$25,000, Depot Road Land \$320K)	345,000
General Fund Contribution to HCED	113,359
General Fund Contribution to Health - Public Health Programs	3,502,194
Jail Medical Services Contract (CFMG)	2,265,836
Juvenile Hall Medical Services Contract (CFMG)	562,721
County Medical Services Program (CMSP)	233,492
California Children's Services (CCS) Diagnostics Program Match	309,992
California Children's Services (CCS) Program Match	90,153
Healthy Families Program Match	40,000
General Fund Contribution to Human Services - Community Services	2,463,935
Area Agency on Aging Programs	1,727,461
Senior Day Care	472,915
In Home Supportive Services (IHSS) Public Authority	66,650
Community Services Administration	123,000
Senior Shuttle	2,000
Workforce Investment Act	71,909

Description	Recommended Amount
General Fund Contribution Health - State Local Program Realignment Match	704,192
General Fund Contribution Mental Health - State Local Program Realignment Match	16,510
Annual Audit Contract	85,000
Sales Tax Audit Services	20,000
CalPERS Survivor Benefit Premium Payment (annual)	25,000
CalPERS reports required for GASB 68	5,000
SB 90 Mandates	20,000
A87 Charges to Child Support (expenditure abatement)	(337,901)
A87 Charges to Social Services	(2,759,510)
A87 Charges to HHSA Admin, CDA Admin, Animal Services & Public Guardian	(1,699,917)
University California Cooperative Extension (UCCE)	255,492
EI Dorado Water & Power Authority (EDWPA)	300,000
Tahoe Regional Planning Agency (TRPA) Compact	40,000
Resource Conservation District Contracts (EI Dorado & Georgetown)	813,500
General Fund Contribution to LAFCO	121,692
General Fund Contribution to Fish and Game Commission	20,000
Commission on Aging	2,500
Southeast Connector	225,000
Tree Mortality Match	125,000
Increase to Audit Reserve (MAA/TCM audit liability)	240,000
Increase to Reserves for Capital Projects (\$2.2M Public Safety Facility)	2,906,003
TOTAL	\$ 33,619,365

Position Allocation Changes

Department	Position Additions	Position Reductions (Vacant)	Total
Assessor	4.0	-2.0	2.0
Chief Administrative Office	6.0	-5.0	1.0
Child Support Services	0.0	-1.0	-1.0
Community Development Agency	8.0	-7.0	1.0
District Attorney	9.0	-9.0	0.0
Health & Human Services Agency	28.6	-9.2	19.4
Human Resources	1.5	0	1.5
Information Technologies	3.0	-3.0	0.0
Library	1.05	-1.05	0.0
Probation	3.5	-3.5	0.0
Treasurer –Tax Collector	1.0	-1.0	0.0
Totals	65.65	-41.75	23.9

Note: This chart was updated after the Recommended Budget was printed and differs from the chart on page iii of the Budget Message. The Recommended Budget includes funding for 1886.49 full time equivalent (FTE's).

Does the Recommended Budget contain reserve funds?

- 7.6% set aside including:
 - \$8.2 million in reserves
 - 4.6% of adjusted General Fund appropriations
 - \$5.3 million for contingency
 - 3% of adjusted General Fund appropriations
- \$2.2 million set aside for the Public Safety Facility Capital Project
- \$700K set aside as Designation for Capital Projects

Change in methodology

- The reserve/contingency calculation is based on an adjusted general fund appropriation number
- Total General Fund appropriations are “adjusted” to pull out one time expenses such as Capital expenses or appropriations for departments funded 100% with other funding sources such as Child Support.
- Beginning in FY 2016-17, Human Services appropriations were also adjusted out of the total GF appropriations number due to the fact that the majority of funding is either State, Federal or Realignment

Result of change

- General Reserve is reduced by \$3M from \$11.2M to \$8.2M
- General Fund Contingency is reduced by \$1.3M from \$6.7M to \$5.4M
- Total one-time funding of \$4.3M shifted to:
 - \$2.2M Public Safety reserve
 - \$1.2M Juvenile Hall match
 - \$700K Capital Reserve
 - \$200K Depot Road Land

What does the Recommended Budget mean for the future?

- Future year deficits assume:
 - 4% growth in Property and 2% in Sales Tax
 - 6% salary savings included in Fund Balance
 - Maintaining 8% reserve/contingency
 - Annual appropriations growth of 4.5% in salaries and no growth in other expenses

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Total Revenues	\$275,146,797	\$260,931,926	\$267,595,968	\$274,437,897	\$281,566,896
Total Appropriations	\$275,146,797	\$261,657,255	\$269,390,100	\$278,108,698	\$287,186,582
Total Revenue Surplus/Shortfall	\$ -	\$ (725,329)	\$ (1,794,132)	\$ (3,670,801)	\$ (5,619,686)

Unfunded priorities not included in the Recommended Budget

- Roads - \$3M – Not funded
- Property Tax System - \$352K – Not funded
 - Explore redirecting \$352K from FENIX budget to the Property Tax system
- Tree Mortality Match - \$125,000 – Not funded
 - Recommended Budget does include \$125,000 in partial funding
- Marijuana Enforcement - \$500K – Not funded

Public Safety Facility

- The FY 2016-17 Budget includes one-time funding of \$2.2M for the Public Safety facility reserve
- Future year budget projections do not include annual funding of approximately \$2.2M for annual lease payments
- On-going funding has not been identified for the Public Safety Facility

Deferred Maintenance

- The FY 2016-17 budget also does not set aside any additional funds for deferred maintenance
- \$700K is being set aside for the Capital Replacement Reserve
- Board budget policy identifies the need for an annual set aside for the Capital Reserve of approximately \$5M.
- The FY 2016-17 budget falls significantly short of this target and future year budget projections do not include any funding for the Capital Reserve

CAO Recommendation

- Request that the Board approve the Recommended Budget as submitted with the following modifications:
 - Direct the CAO to begin the recruitment for the IT Director effective immediately utilizing savings identified through indirect cost recovery from the CCP
- Any increases in appropriations need to be offset with a corresponding decrease or with increased revenues
- If additional one time fund balance is identified after the books close in August, these funds should be set aside for Capital projects

Next Steps

- CAO Analysts will provide a brief overview of budget highlights for each functional group
- The Board will be asked to approve:
 - The Mental Health Services Act (MHSA) Plan
 - The Community Corrections Partnership (CCP) budget
- Receive public comment
- Approve the Recommended Budget as is or with necessary modifications (majority vote)