

May 21, 2018
Special Meeting
Item # 2a

Finance / Public Works

**PowerPoint Presentation /
Graph**

2018-19 BUDGET WORKSHOP

Overview

Budget Workshop Objectives

- Understand difference
 - Department Needs vs Base Operating
 - What is **IN** the Base Operating Budget
 - What is **NOT** in the Base Operating Budget
- Know County fiscal capacity for funding operations
- Hear what Departments consider fiscally important
- Preview Phase II budget requests
- Receive direction for June 12 budget adoption

Workshop Agenda

- Introductory Remarks
- Need for Change
- Budget Overview
- Meet with Departments individually
- Public Comments and Requests
- Concluding Remarks
- Next Steps

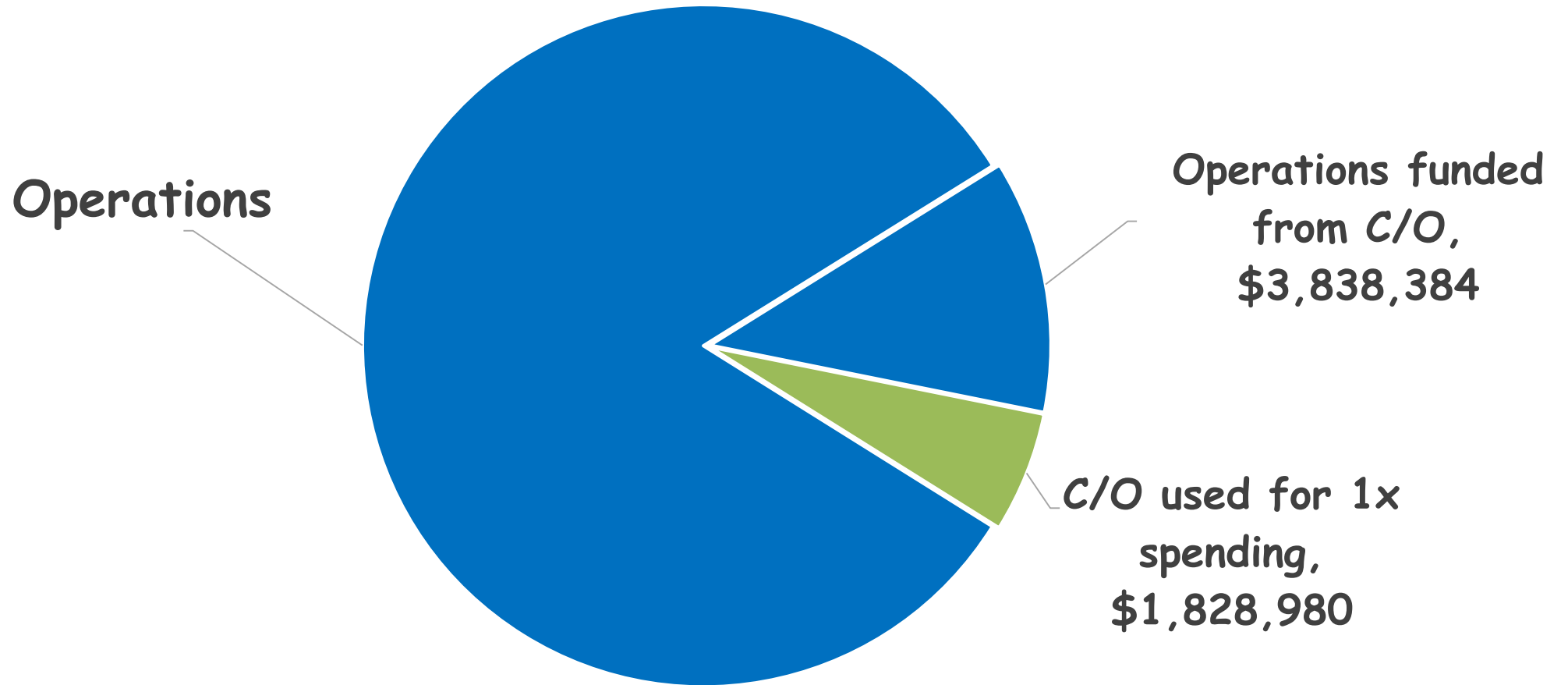
The **ELEPHANT** in the room is



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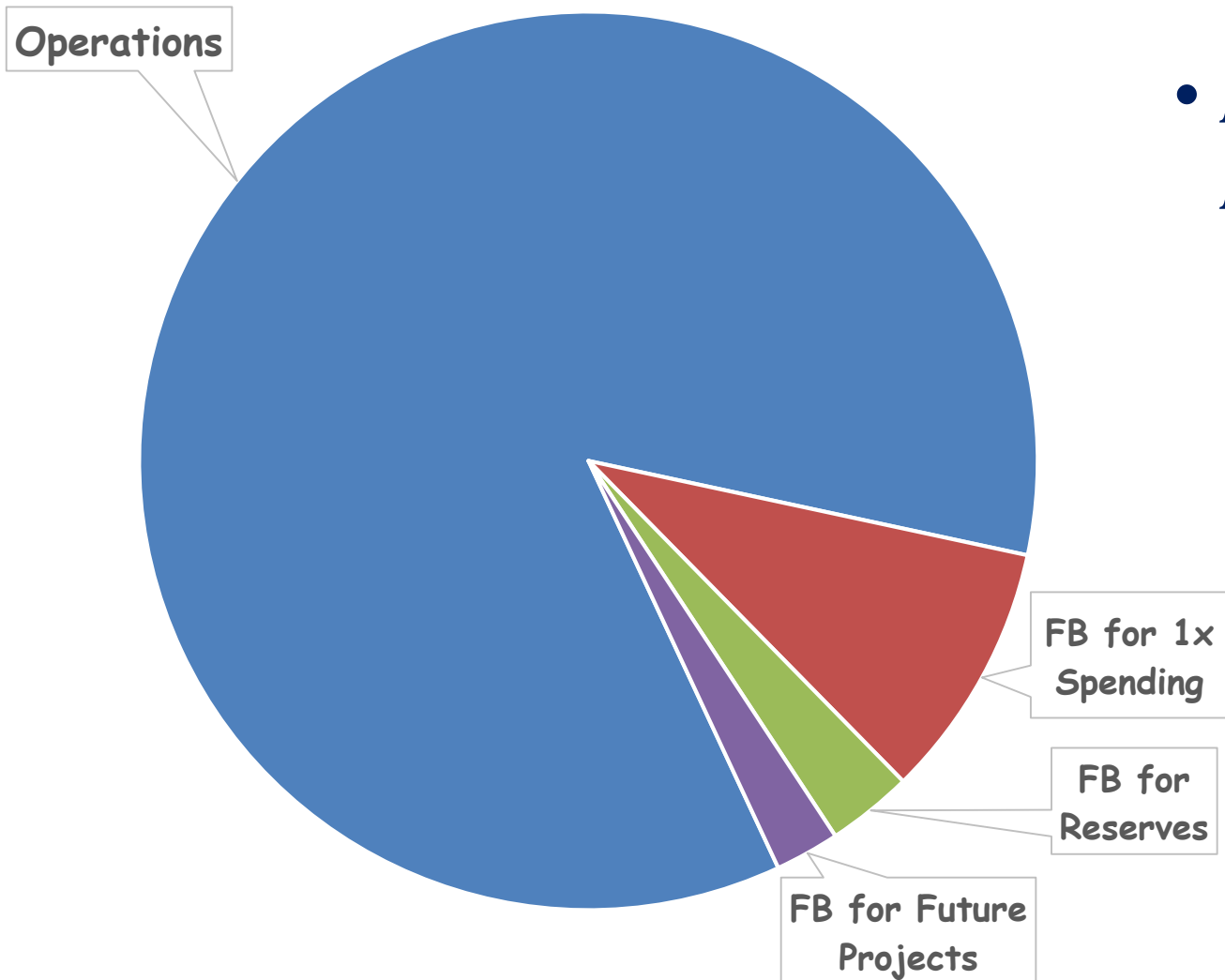
Reliance on
Fund Balance
CARRYOVER
to finance
next year's
operations

BUDGET SNAPSHOT – *This Year's GF Budget*



Model Budget

New Budget Model



- *Resilience Principle – Redundancy*
 - Don't use FB for operations
 - Prohibit unsustainable uses of FB
 - Plan ahead for LT projects

| FY 2018-2019 BASE OPERATING BUDGET SNAPSHOT | GF | NON-GF | TOTAL |
|--|-------------------|----------------------|----------------------|
| Discretionary Revenues | \$27,556,000 | \$291,000 | \$27,847,000 |
| Program Revenues | 6,650,000 | 54,755,000 | 61,405,000 |
| Transfers | 1,642,000 | 4,253,000 | 5,895,000 |
| TOTAL REVENUES | 35,720,000 | 59,299,000 | 95,147,000 |
| County Services | 34,185,000 | 25,339,000 | 59,649,000 |
| Capital Improvements | -- | 33,425,000 | 33,425,000 |
| Debt Service | -- | 645,000 | 645,000 |
| Contributions, transfers and subsidies | 1,177,000 | 4,725,000 | 5,905,000 |
| Contingency | 358,000 | 203,000 | 561,000 |
| TOTAL EXPENDITURES | 35,720,000 | 64,337,000 | 100,185,000 |
| CARRYOVER | (\$--) | (\$5,038,000) | (\$5,038,000) |

GF Base Operating Budget

WHAT DOES THIS INCLUDE?

- All filled positions, as of May 1, 2018
- 5% increase for most positions (Salary Survey)
- Contingency of \$358,477 (policy 1% minimum)
- 93% of Dept requested services and supplies
- GF minimum subsidy for
 - Road Fund
 - Conway Ranch
 - Senior Program
 - Cemeteries

GF BUDGETED APPROPRIATIONS

| Dept Requested VS Base Operating | DEPT REQUESTED | BASE OPERATING | VARIANCE | % |
|-------------------------------------|----------------------|---------------------|--------------------|--------------|
| Salaries & Benefits | \$26,059,000 | \$23,221,000 | \$2,838,000 | 10.9% |
| Overtime | 1,414,000 | 1,089,000 | 325,000 | 23.0% |
| Services & Supplies | 10,601,000 | 9,876,000 | 725,000 | 6.8% |
| Contributions & Transfers | 1,723,000 | 1,177,000 | 546,000 | 31.7% |
| Contingency | 407,000 | 357,000 | 50,000 | 12.3% |
| TOTAL SPENDING | \$40,204,000* | \$35,720,000 | \$4,484,000 | 11.2% |

* Excludes \$471,338 of FY 2017-18 appropriations carrying forward to FY 2018-19. These are executed contracts for one-time spending and work will be completed in the next fiscal year.

GF Base Operating Budget

WHAT DOES THIS NOT INCLUDE?

- Reduce line item spending

| | |
|-------------------------------------|--------------------|
| OVERTIME | \$325,000 |
| LEGAL & PROFESSIONAL SERVICES, FEES | 229,000 |
| TRAVEL & TRAINING | 191,000 |
| OFFICE EXPENSE & SUPPLIES | 70,000 |
| FOOD & MEDICAL SUPPLIES | 57,000 |
| UNIFORMS & CLOTHING, CELL PHONES | 45,000 |
| SPECIAL DEPARTMENT EXPENSE | 43,000 |
| EQUIPMENT MAINTENANCE & SUPPLIES | 41,000 |
| OTHER | 49,000 |
| BUDGET SAVINGS | \$1,050,000 |

GF Base Operating Budget

WHAT DOES THIS NOT INCLUDE?

- Discretionary Contributions to Other Organizations

| | |
|---|------------------|
| FIRE DISTRICTS | \$150,000 |
| PROPERTY TAX ADMIN REFUNDS | 20,000 |
| FISH STOCKING (includes \$50,000 contract encumbrances) | 180,000 |
| COMMUNITY GRANTS & PROGRAMS | 54,000 |
| TRAILS MAINTENANCE | 27,000 |
| TOURISM COST-SHARING | 15,000 |
| AIR SUBSIDY | 100,000 |
| TOTAL DISCRETIONARY ALLOCATIONS | \$546,000 |

GF Base Operating Budget

WHAT DOES THIS NOT INCLUDE?

- Remove ALL Vacant, Unfilled Positions

| | | |
|---------------------------------|---|--|
| CAO | Recreation position | |
| Finance | 1 FTS III/IV | |
| Assessor | Auditor-Appraiser | |
| IT – Radio | Communications Specialist | |
| CDD – Planning & Transportation | 1 CD Analyst 1 Associate Planner | |
| Sheriff | 5 Deputy Sheriff II | 1 Sergeant |
| Jail | 6 PSO I | 1 Sergeant |
| Public Works | Public Works Director Associate Engineer | Project Planner Admin Services Specialist |
| Facilities | 2 Maintenance Workers | |
| TOTAL POSITIONS REMOVED | 25 POSITIONS | |

Additional Budget Items for September

- **COMMUNITY REQUESTS**

- Southern Mono Historical Society
- Antelope Valley Cemetery - \$700 for insurance
- Inyo-Mono Integrated Regional Water Management Program (\$3,000)
- Walker Recycle Center – relocation of recycling services

- **GENERAL FUND**

- Contributions to Reserves
- Critical vacant positions defunded in base operating budget
- OVGWMA Contributions (\$111,000)
- Subsidy to Road Fund for imbalance (unknown)
- Ag Commissioner – underfunded by \$30,000 - \$50,000
- Expand Paramedic Service to Benton area (\$300,000)

Additional Budget Items for September

- **NON-GENERAL FUND**
 - Motorpool vehicle purchases
 - CIP projects and set-asides
 - South County Facilities

Revenue Enhancements

- SPECIAL SALES TAX ADD-ON (0.25% to 1.0%, \$165,000 - \$660,000)
- TOT – 1% INCREASE (\$300,000)
- TOURISM BUSINESS IMPROVEMENT DISTRICT (TBID)
- FEE COSTING & ADJUSTMENT
- SPECIAL ASSESSMENTS (HOUSING, EMS)
- BOND FINANCING (EMERGENCY COMMUNICATIONS)

Public Works - Engineering Budget Workshop

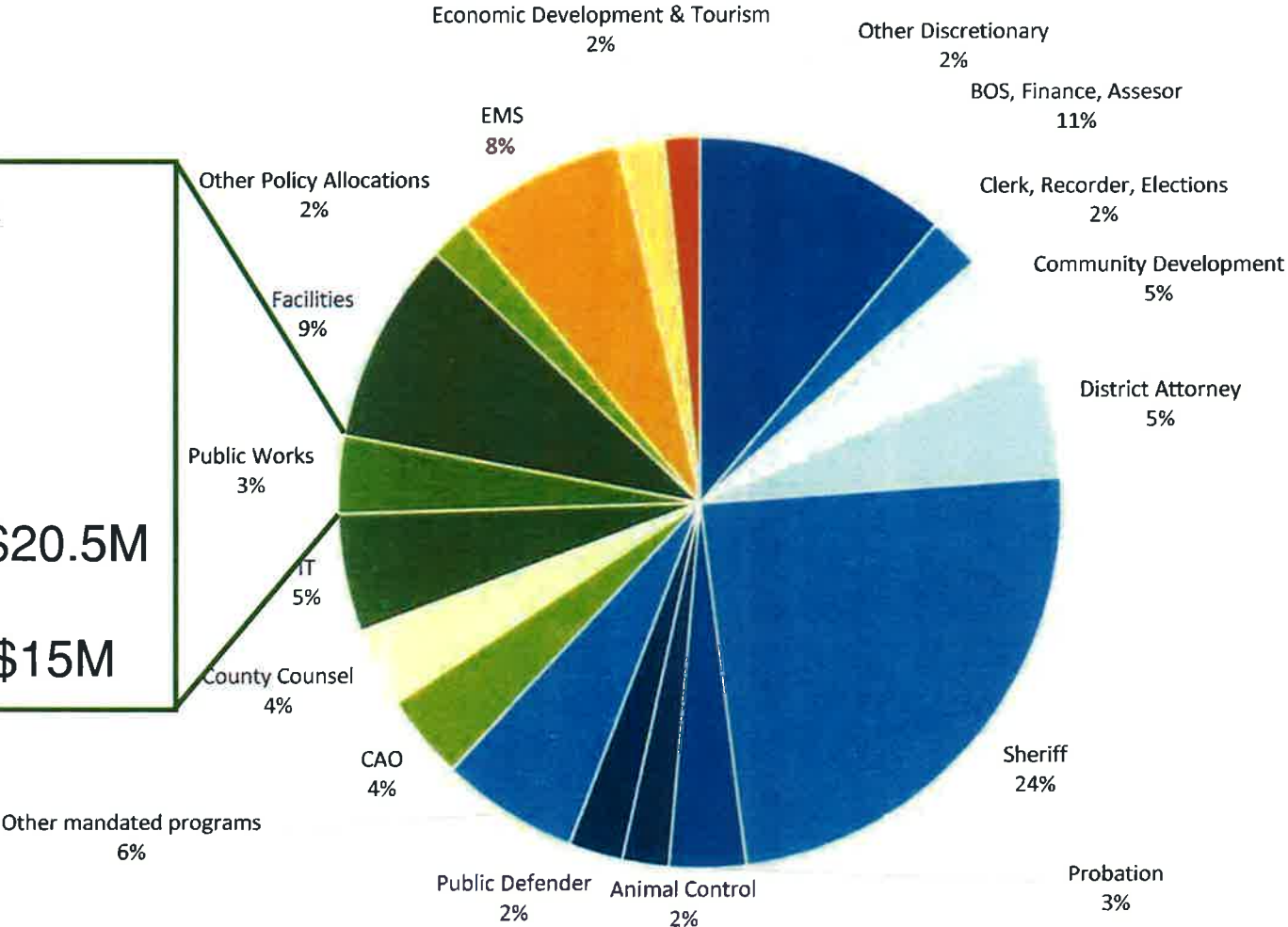
Strategic Tactics

Build Teams

The New Jail - \$27M

South County Offices - \$20.5M

The 5-Year Road CIP - \$15M



\$30M Total