



COUNTY OF FRESNO

YEAR END CLOSEOUT AND ALLOCATION OF ONE-TIME MONIES



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September 27, 2016

Agenda Item #8

CHANGE IN BUDGETARY PROCESS FOR FY 2016-17

- Prior to the FY 2016-17 budget, department Net County Cost (NCC) savings were estimated and a percentage of the savings was included in department budgets
- For FY 2016-17, actual department savings were calculated at the close of the fiscal year and a portion is recommended to be included in department budgets
- Allocated savings should be spent on one-time purposes
- Estimated Countywide (discretionary) revenues used in budget was compared to actuals and the difference allocated for one-time purposes

Fund Balance used for Budgeting Purposes Adjusted to Actual After Year End

	FUND BALANCE USED FOR FY 2016-17 BUDGET	ADJUSTED FUND BALANCE AFTER YEAR END CLOSING	DIFFERENCE TO BE ALLOCATED AS ONE-TIME
EXCESS COUNTYWIDE REVENUES	\$17,158,466	\$23,219,474	\$6,061,008
DEPARTMENT SAVINGS	\$7,569,392	\$13,024,149	\$5,454,757
RELEASE OF DESIGNATIONS	\$8,040,551	\$8,040,551	\$0
RELEASE OF FY 14-15 ENCUMBRANCES	\$2,700,000	\$2,700,000	\$0
FUND BALANCE	\$35,468,409	\$46,984,174	\$11,515,765

RECOMMENDED USE OF ONE-TIME FUND BALANCE



ONE-TIME USES	FY 2016-17
WEST ANNEX JAIL COMMITMENT (\$6.2M NCC Savings; \$2.2M Tobacco Bonds)	\$6,190,431
DISTRICT ATTORNEY BUILDING (Substituting for use of Tobacco Bonds)	\$2,209,569
DEPARTMENT CARRYOVER	\$2,215,765
CAPITAL PROJECTS (NEED DIRECTION)	\$800,000
HOMELESSNESS COSTS	\$100,000
RECOMMENDED ALLOCATION OF ONE-TIME MONIES	\$11,515,765



WEST ANNEX JAIL POTENTIAL BUDGET SHORTFALL

NCC savings carryover set aside:	\$6,190,431.00
2006 Tobacco Securitization Bonds:	\$2,177,556.13
2002 Tobacco Securitization Bonds:	\$ <u>32,012.87</u>
Total:	<u>\$8,400,000.00</u>

Recommended Actions

1. Adopt a Budget Resolution to reflect Net County Cost savings carryover from FY 2015-16 into FY 2016-17 in the amount of \$10,715,765 (4/5 vote):

(a) increasing the FY 2016-17 appropriations by \$4,025,334 for various General Fund Departments for one-time expenditures; and

(b) committing unassigned fund balance in the General Fund for the West Annex Jail in downtown Fresno (\$6,190,431), the Sheriff-Patrol Vehicle Replacement Fund (\$300,000), and the Sheriff-Eagle 2 Replacement Fund (\$200,000).

Recommended actions continued:

2. Adopt a Budget Resolution:

(a) decreasing appropriations for Fund 0400 Capital Projects-District Attorney Building Org 8854 in the amount of \$2,177,556.13 from proceeds of Tobacco Settlement Asset-Backed Bonds, Subordinate Series 2006 (2006 Tobacco Securitization Bonds), currently on deposit in the County's Endowment Fund, that were originally committed for a portion of the District Attorney Building, and cancelling such amount originally committed for the District Attorney Building

Recommended actions continued:

(b) decreasing appropriations for Fund 0400 Capital Projects-District Attorney Building Org 8854 in the amount of \$32,012.87 from proceeds of Tobacco Settlement Asset-Backed Bonds, Series 2002 (2002 Tobacco Securitization Bonds), currently on deposit in Fund 0400, Subclass 10200, that were originally committed for a portion of the District Attorney Building, and cancelling such amount originally committed for the District Attorney Building

Recommended actions continued:

(c) preliminarily earmarking proceeds of 2006 Tobacco Securitization Bonds currently on deposit in the County's Endowment Fund in the amount of \$2,177,556.13 for a portion of the costs of the West Annex Jail Project

(d) preliminarily earmarking proceeds of 2002 Tobacco Securitization Bonds currently on deposit in the Fund 0400, Subclass 10200, in the amount of \$32,012.87 for a portion of the costs of the West Annex Jail Project

Recommended actions continued:

3. Adopt a Budget Resolution increasing FY 2016-17 appropriations and estimated revenues in the Capital Projects Fund 0400, District Attorney Building Org 8854 by \$2,530,353 (4/5 vote).
4. Provide direction to staff regarding allocation of additional funding of \$800,000 to the Animal Control Facility to increase the County's requested match for a proposed donation in order to provide for a larger facility than the Board has allocated or to allocate the funds for other capital projects.



WHAT THE FUTURE HOLDS

- Economic cycle
- Retirement cost increases due to changes in the assumption rate and market performance
- Last year of adding Correctional positions related to Quentin Hall settlement and two more years of POB issue
- Drought and related water allocation issues

General Fund

Future Challenges (in thousands)

Challenge	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
POB Issue – OT	\$8,900	\$10,000	\$10,000	\$10,000	\$11,100
Jail Positions	0	\$2,700	\$2,900	\$3,300	0
Jail ADA Improvements - OT	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Retirement Change	0	0	0	\$2,500	\$2,500
Salary Restorations	X	X	X	\$2,200	