

COUNTY OF FRESNO

RECOMMENDED BUDGET OVERVIEW FY 2017/18

“CATCHING UP”




Jean M. Rousseau, C.P.A.

September 18, 2017



FY 2016/17 HIGHLIGHTS

- Continued ongoing restoration of salary reductions and equity increases to employee groups
- Allocated \$10 million towards POB issue
- Added 43 correctional officers and allocated \$1 million under Quentin Hall settlement
- Increased General Reserve by \$2.3 million
- Appointed Oscar Garcia and Kelley Landano as Department Directors



FY 2017/18

BUDGET INCLUDES 3 TRACKS

1. Pro family and employee foundation
 - Use growth for existing employee salary increases
 - Address compaction issues
 - Improve health insurance contribution
 - Employee appreciation spending
2. Improve fiscal condition
3. Address significant capital project needs

Budgetary Protocols Used

- Budget historically normal revenue amounts
- Budget conservative discretionary revenue estimates
- Disciplined adherence to structural fund balance target (NCC)
- Use of one-time monies/revenues for one-time purposes

Budgeting of Normal Revenue Amounts

	PROPERTY TRANSFER FEES	SUPPLEMENTAL SECURED TAXES
BUDGETED 2017/18	\$2,000,000	\$1,000,000
ACTUAL 2016/17	\$3,302,177	\$1,797,214
ACTUAL 2015/16	\$3,213,554	\$1,419,924
ACTUAL 2014/15	\$2,732,293	\$1,438,551
ACTUAL 2013/14	\$2,764,554	\$2,183,950
ACTUAL 2012/13	\$2,449,690	\$1,060,973
ACTUAL 2011/12	\$1,966,852	\$509,896

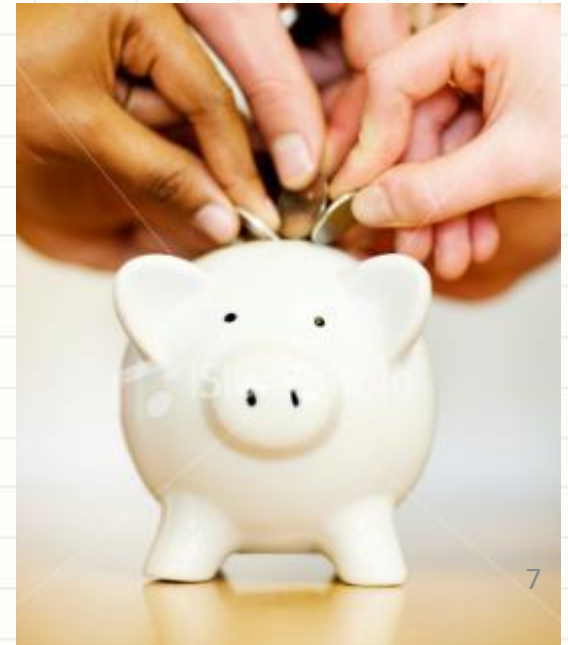
Global Overview



Fund Type	FY 2016/17	FY 2017/18
General	\$1,477,397,301	\$1,626,194,745
Special Revenue	995,743,186	1,089,125,348
Capital Projects	8,611,540	7,466,208
Debt Service	10,028,598	50,345,306
Enterprise	27,781,285	26,687,703
Internal Service	208,171,157	218,052,365
Total Recommended Budget	\$2,727,733,067	\$3,017,871,675

County General Fund

- The County's main operating fund
- Accounts for activity not required to be in special, business type, or trust funds



General Fund Budget Five Year History



Fiscal Year	Budget Amount
2013/14	\$1,321,096,387
2014/15	\$1,395,286,399
2015/16	\$1,464,056,344
2016/17	\$1,477,397,301
2017/18	\$1,626,194,745

General Fund

Net County Cost (NCC) (in thousands)

Description	FY 2014/15	%	FY 2015/16	%	FY 2016/17	%	FY 2017/18	%
Criminal Justice	\$165,922	60	\$173,709	61	\$177,754	61	\$190,797	56
Health & Human Services	37,476	13	47,583	17	47,368	16	41,930	12
Administration, Fiscal, & Debt	41,567	13	37,627	13	40,818	14	63,723	17
Land Use	7,144	5	7,075	2	7,287	2	7,871	2
Capital Projects	0	0	0	0	5,000	2	20,000	8
Contingencies & Designations	<u>25,505</u>	<u>9</u>	<u>20,004</u>	<u>7</u>	<u>14,300</u>	<u>5</u>	<u>17,985</u>	<u>5</u>
Total NCC	\$277,614	100	\$285,998	100	\$292,527	100	342,306	100
General County Revenues	\$238,081		\$249,380		\$257,059		\$269,179	
Fund Balance	\$39,533		\$36,618		\$35,468		\$73,127	

General Fund Net County Cost (NCC) (in thousands) less one time monies

Description	FY 2016/17	%	FY 2017/18	%
Criminal Justice	\$177,195	67	\$189,830	68
Health & Human Services	41,795	16	41,931	15
Administration, Fiscal, & Debt	38,835	14	37,742	14
Land Use	7,286	3	7,872	3
Contingencies & Designations	<u>572</u>	<u>0</u>	<u>572</u>	<u>0</u>
Total NCC	\$265,683	100	\$277,945	100
General County Revenues	\$257,059		\$269,179	
Fund Balance	\$8,624		\$8,766	

General County Revenues

(in thousands)



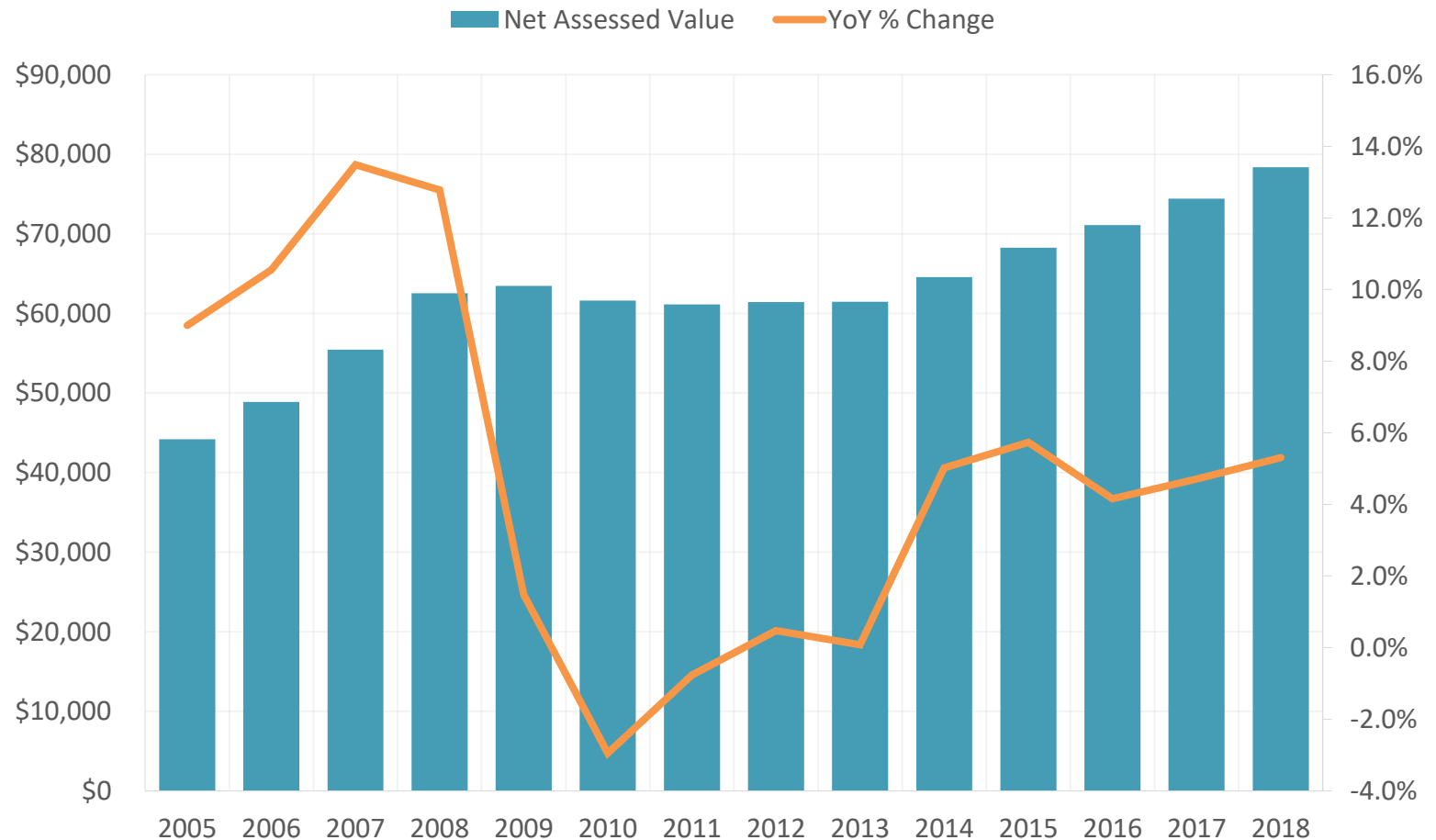
Description	FY 2015/16 Actual	FY 2016/17 Budgeted	FY 2016/17 Actual	FY 2017/18 Recommended	%
Secured Property Taxes	\$86,885	\$86,860	\$90,148	\$91,951	34.2
Motor Vehicle Fees	106,382	107,446	111,483	113,712	42.2
Local Sales Tax	22,513	23,170	27,710	23,170	8.6
All Other	<u>51,595</u>	<u>39,582</u>	<u>47,856</u>	<u>40,346</u>	15
* Total	\$267,375	\$257,058	\$277,197	\$269,179	100

* Adjusted for accounting change in realignment license fee revenue

County Net Assessed Value (in thousands)

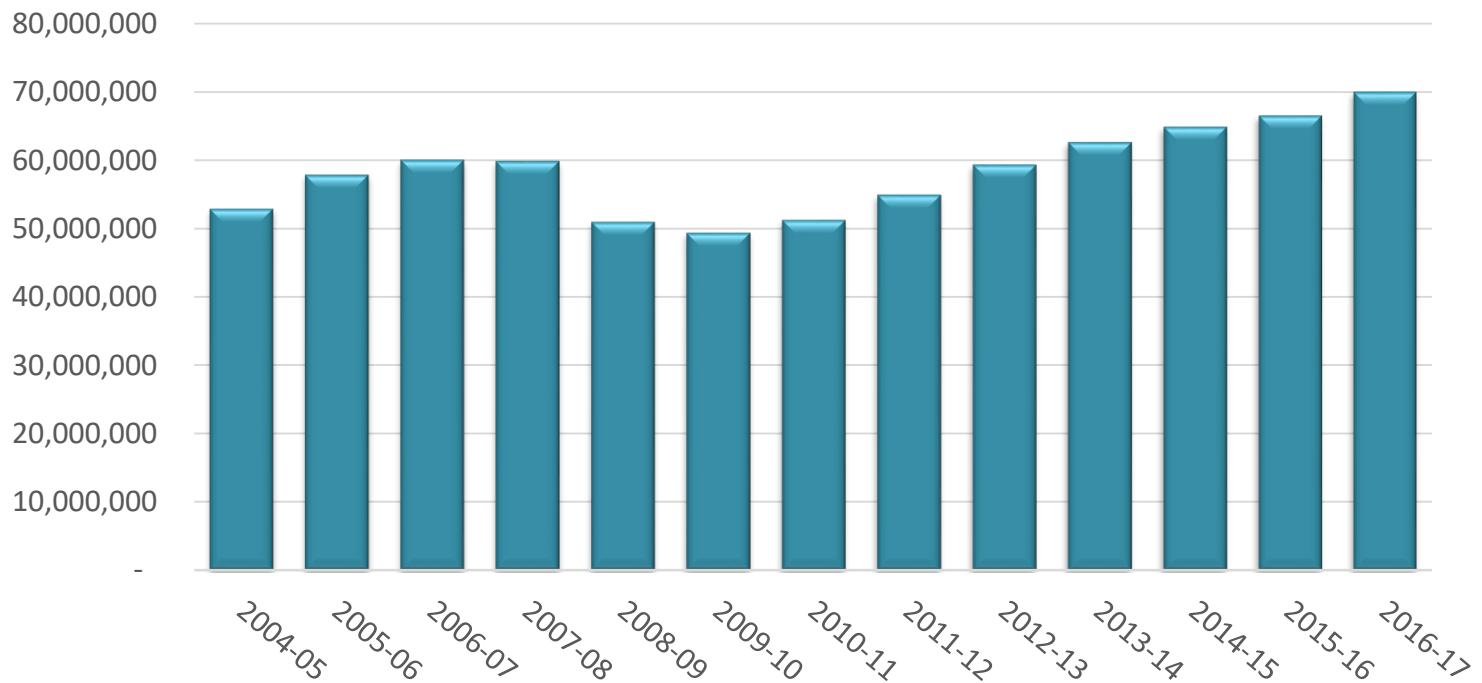
Year	Net Assessed Value (In Millions)	YOY % Change
2004	\$40,552	0%
2005	\$44,201	9.0%
2006	\$48,865	10.6%
2007	\$55,454	13.5%
2008	\$62,542	12.8%
2009	\$63,471	1.5%
2010	\$61,601	-2.9%
2011	\$61,130	-0.8%
2012	\$61,419	0.5%
2013	\$61,468	0.1%
2014	\$64,552	5.0%
2015	\$68,251	5.7%
2016	\$71,088	4.2%
2017	\$74,434	4.7%
2018	\$78,383	5.3%

County Net Assessed Value (in millions)



Public Safety Revenues

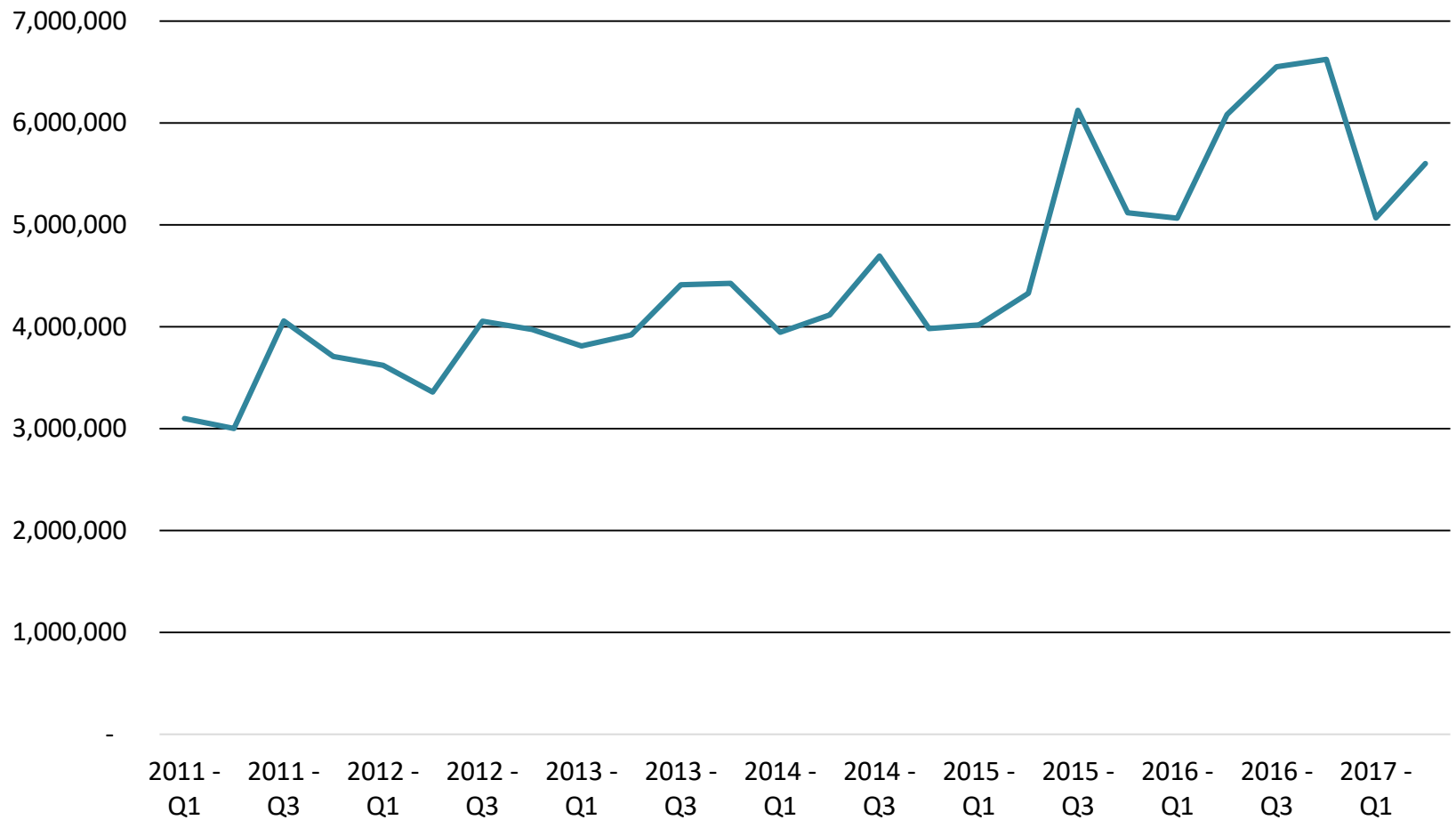
Statewide Prop 172 Sales Tax



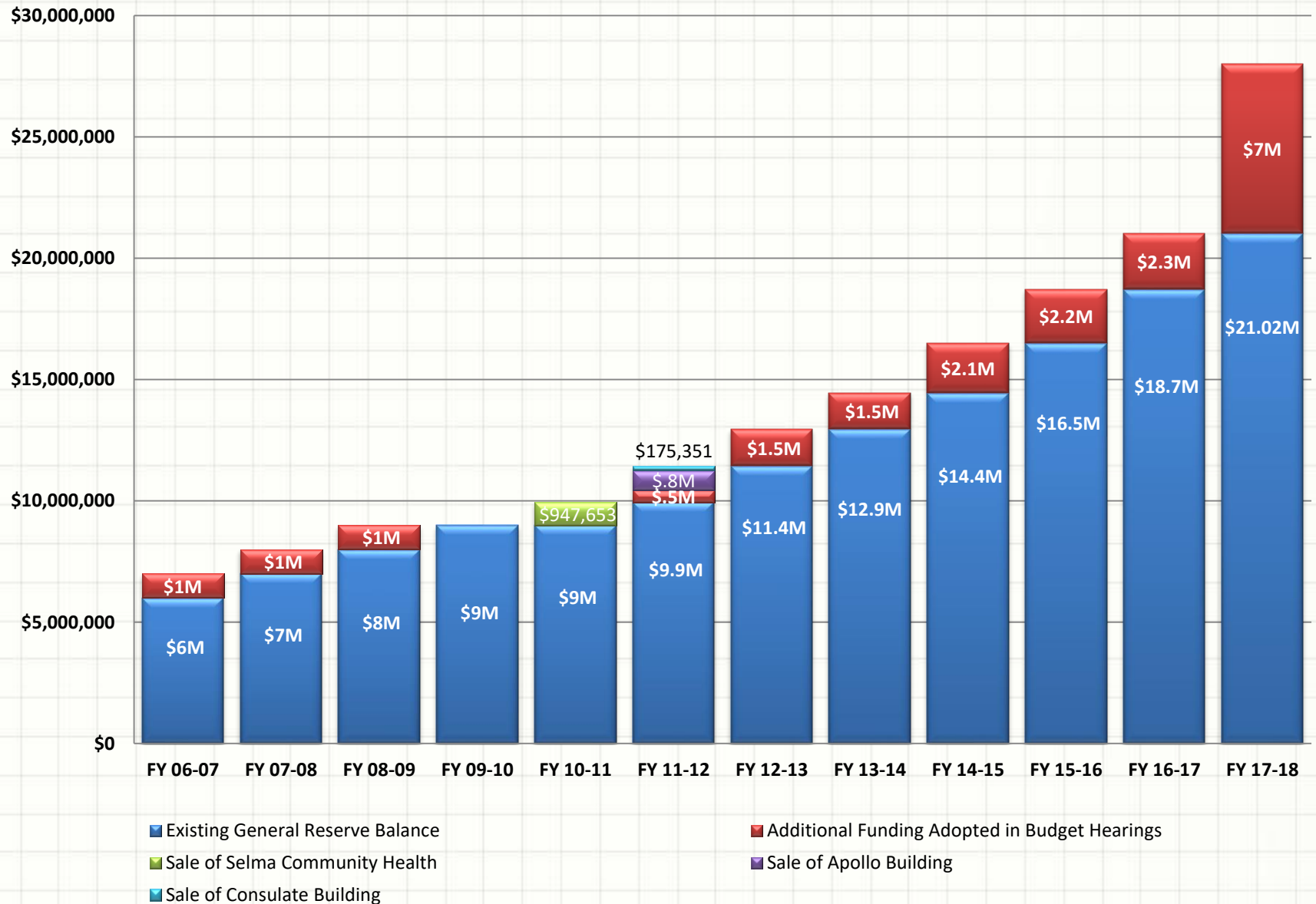
* These amounts represent the County's 95% share. Cities receive 5% of the Statewide allocation.

General County Revenues

Local Sales Tax



History of General Reserve





FY 2017/18 RECOMMENDED BUDGET HIGHLIGHTS

\$22.5 million to pay future debt obligation

- \$4.6 million to purchase the Pontiac Way property currently leased by IT Services
- \$12.3 million set aside as an advance prepayment to pay off the 2012 Lease Revenue Bonds
- \$5.6 million to meet the County's Prop 42 MOE requirement

Increase General Reserve by \$7 million

Set aside \$9 million for the Pension Obligation Bond matter



FY 2017/18 RECOMMENDED BUDGET HIGHLIGHTS

Investments in Capital Projects

- Set aside \$20 million for Capital Projects
 - \$7 million for the new Sheriff Substation
 - \$2 million to the District Attorney Building Fund
 - \$2 million for improvements to the Hall of Records
 - \$1 million for the new Animal Control Shelter
 - \$8 million for future Capital Projects
- \$2 million for ADA improvements in accordance with Quentin Hall settlement



FY 2017/18 RECOMMENDED BUDGET HIGHLIGHTS

- \$2.6 million for 42 correctional officers under the final year of the Quentin Hall settlement
- \$1.2 million for 7 new positions and conversions in the Public Defender's office
- \$500,000 for local match associated with the County's tree mortality efforts
- \$1 million for Contingencies
- \$.985 million for Budget Mitigation

OUTSIDE FUNDS' HIGHLIGHTS

- Library is making progress on the new Clovis and Reedley Library branches. Both are expected to be completed in 2019.
- \$.35 million is included in this budget for the remodel of the Sanger Branch Library
- SB 1 will provide an estimated \$7 million for improvements to the County's road system
- Construction of the West Annex Jail is expected to begin in early 2018

FY 2017/18 Budget Honorees



Thank you to Oscar Garcia and Debbie Paolinelli for your special contribution to FY 2017/18 Recommended Budget



WHAT THE FUTURE HOLDS

- Economic cycle
- Retirement cost increases due to changes in the assumption rate and market performance
- POB Issue still in litigation
- Elimination of the MOE for In-Home Supportive Services Program