



# **RECOMMENDED BUDGET OVERVIEW**

**FY 2019-20**

Jean M. Rousseau, C.P.A.  
September 16, 2019



# FY 2018-19 HIGHLIGHTS

- ❑ Aggressive Salary and Benefit increases to improve local competitiveness
- ❑ Increased General Reserve by \$8 million
- ❑ \$14 million for various Capital Projects
- ❑ Initiated mental health services contract with the County Superintendent of Schools
- ❑ Completed renovation of first building out at the new Pelco Campus for the Department of Social Services.





# FY 2018-19 HIGHLIGHTS

- ❑ Relocation of the Sheriff's Fleet Operations to the County Fairgrounds
- ❑ Auditor-Controller implemented a new year-end closing procedure to reflect CAFR process
- ❑ Began operation of the Behavioral Health Crisis Residential Treatment Center
- ❑ BOS approved a two year staffing plan for the Public Defender to address the Department's long-term staffing needs.







# GLOBAL PROTOCOLS USED



## Budget historically normal revenue amounts

by not adjusting revenue estimates during economic cycles



## Budget conservatively for discretionary revenue estimates

discretionary revenue estimates



## Disciplined adherence

to structural fund balance target (NCC)



## Use of one-time revenues for one-time purposes

such as reserves, future budgetary challenges, capital needs, and debt extinguishment



# GLOBAL OVERVIEW (in thousands)



Fund Type	FY 2018-19	FY 2019-20
General	\$1,685,823	\$1,871,758
Special Revenue	1,177,202	1,322,352
Capital Projects	103,739	134,293
Debt Service	51,163	37,267
Enterprise	49,311	49,243
Internal Service	<u>234,028</u>	<u>253,333</u>
<b>Total Recommended Budget</b>	<b>\$3,301,266</b>	<b>\$3,668,246</b>

# COUNTY GENERAL FUND



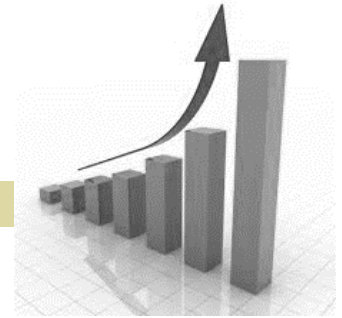
**1**

**The County's main operating fund**

**2**

**Accounts for activity not required to be in special, business type, or trust funds**

# GENERAL FUND BUDGET FIVE YEAR HISTORY (in thousands)



Fiscal Year	Budget Amount
2015-16	\$1,464,056
2016-17	\$1,477,397
2017-18	\$1,626,194
2018-19	\$1,685,823
2019-20	\$1,871,758

# RECAP OF ONGOING NCC GROWTH



## Growth in Estimated General County Revenues

□ 18-19 Unbudgeted Growth	\$6,531,651
□ 19-20 Growth (2%)	4,559,060
□ <u>19-20 COWCAP Increase</u>	<u>540,726</u>
<b>Total Estimated Revenue Increase</b>	<b>\$11,631,437</b>

## Appropriations

□ Salaries and Benefits	\$11,356,910
□ Added Staff (Public Defender)	1,307,238
□ Agreements	1,175,574
□ <u>Departments</u>	<u>4,051,945</u>
<b>Total Ongoing NCC Growth</b>	<b>\$17,891,667</b>

**Budgetary Imbalance**

**\$6,260,230**



# GENERAL FUND STRUCTURAL NET COUNTY COST (NCC) (in thousands)



Description	FY 2017-18	%	FY 2018-19	%	FY 2019-20	%
Justice Services	\$189,889	68	\$199,658	69	\$214,090	70
Human Services	41,931	15	41,475	14	42,314	14
Administration, Fiscal, & Debt	37,681	14	39,668	14	41,392	13
Land Use & Development	7,872	2.8	8,199	2.8	9,095	2.8
Contingencies & Designations	<u>572</u>	<u>0.2</u>	<u>572</u>	<u>0.2</u>	<u>572</u>	<u>.2</u>
Total NCC	\$277,945	100	\$289,572	100	\$307,463	100
General County Revenues	\$269,179		\$280,632		\$292,263	
Structural Fund Balance	\$8,766		\$8,940		\$8,940	

# GENERAL COUNTY REVENUES

(in thousands)



Description	FY 2017-18 Actual	FY 2018-19 Budgeted	FY 2018-19 Actual	FY 2019-20 Recommended	%
Secured Property Taxes	\$94,461	\$96,539	\$99,313	\$101,401	34.7
Property taxes in lieu of Motor Vehicle Fees	117,197	119,776	123,533	126,004	43.1
Local Sales Tax	25,044	23,170	27,497	23,170	7.9
All Other	<u>52,885</u>	<u>41,147</u>	<u>53,192</u>	<u>41,688</u>	14.3
Total	\$289,587	\$280,632	\$303,535	\$292,263	100

# COUNTY GROSS SECURED VALUE (in millions)



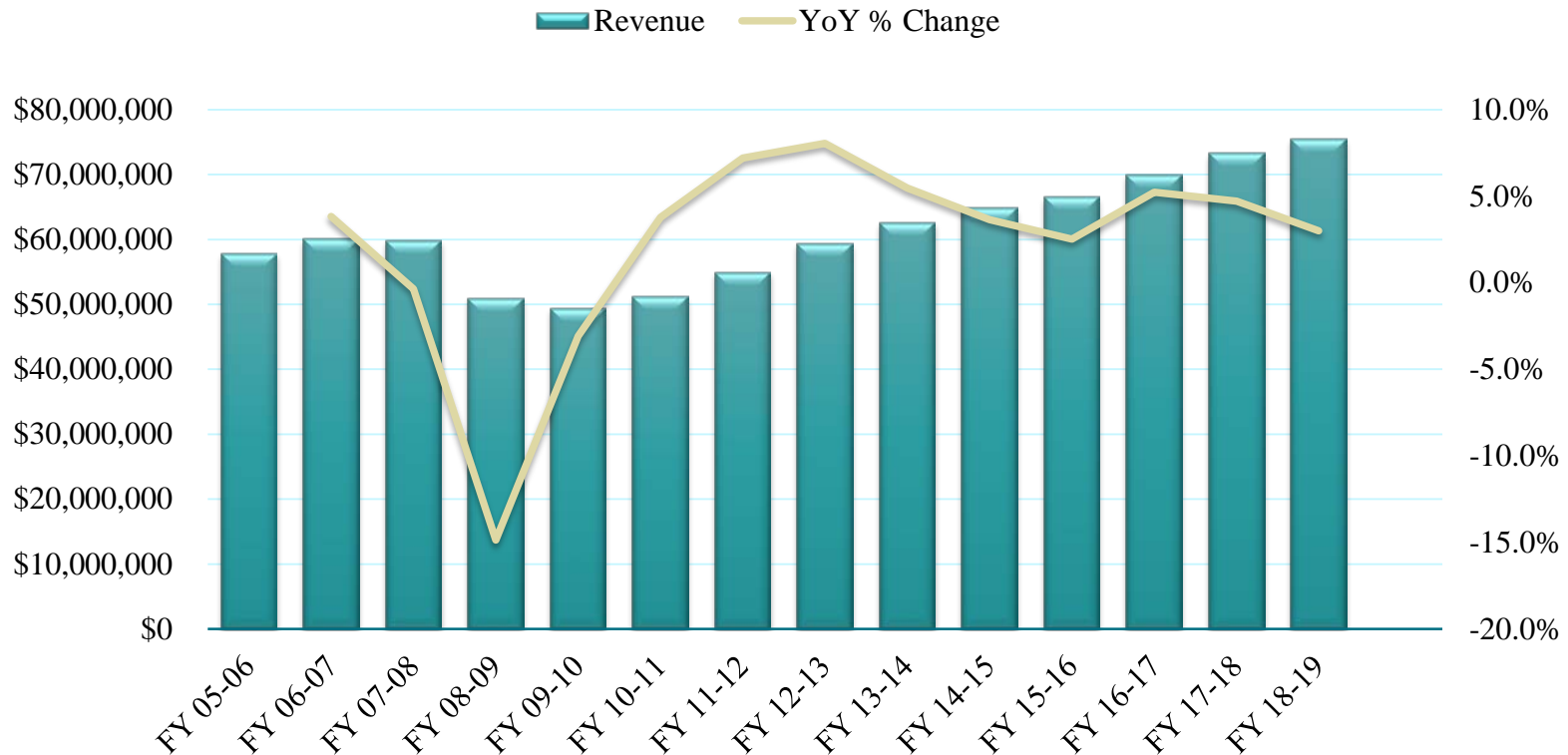
Year	Gross Secured Value (In Millions)	YOY % Change
2004	\$38,056	6.6%
2005	\$41,565	9.2%
2006	\$46,449	11.8%
2007	\$53,029	14.2%
2008	\$59,499	12.2%
2009	\$60,909	2.4%
2010	\$58,391	-4.1%
2011	\$57,958	-0.7%
2012	\$58,379	0.7%
2013	\$58,343	-0.1%
2014	\$61,519	5.4%
2015	\$65,196	6.0%
2016	\$67,898	4.1%
2017	\$71,057	4.7%
2018	\$74,950	5.5%
2019	\$78,847	5.2%
2020	\$83,105	5.4%



## BUDGETING OF NORMAL REVENUE AMOUNTS

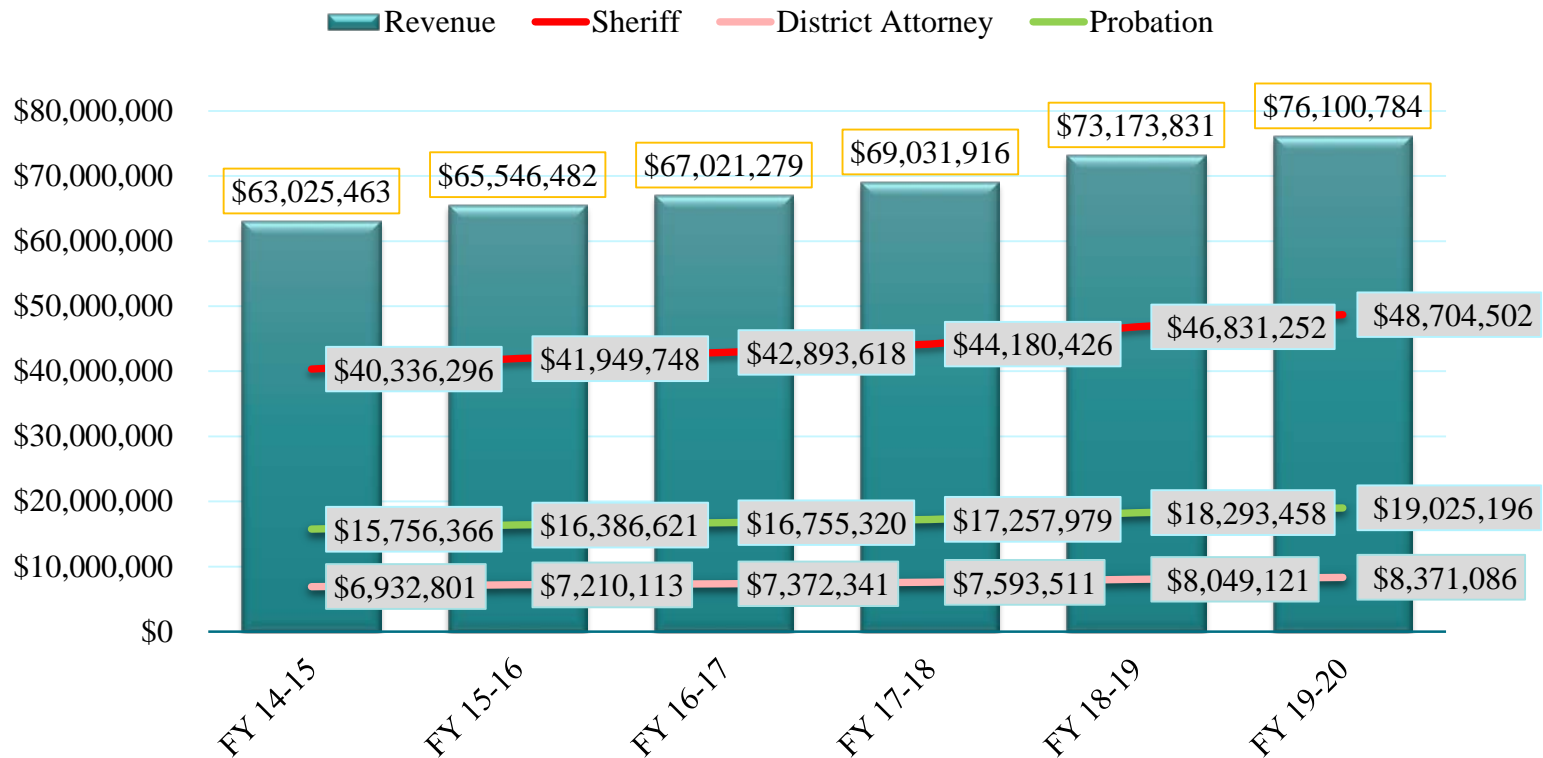
	PROPERTY TRANSFER FEES	SUPPLEMENTAL SECURED TAXES
BUDGETED 2019-20	\$2,000,000	\$1,000,000
ACTUAL 2018-19	\$3,869,752	\$2,386,490
ACTUAL 2017-18	\$3,477,096	\$2,011,594
ACTUAL 2016-17	\$3,302,177	\$1,797,214
ACTUAL 2015-16	\$3,213,554	\$1,419,924
ACTUAL 2014-15	\$2,732,293	\$1,438,551
ACTUAL 2013-14	\$2,764,554	\$2,183,950
ACTUAL 2012-13	\$2,449,690	\$1,060,973
ACTUAL 2011-12	\$1,966,852	\$509,896

# PUBLIC SAFETY REVENUES STATEWIDE PROP 172 SALES TAX





# PUBLIC SAFETY REVENUES STATEWIDE PROP 172 SALES TAX



# FUND BALANCE OVERVIEW

(in thousands)



Description	SB 90 Reimb. Nov. 2015	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget	FY 2019-20 Budget	Total
Structural Fund Balance	\$0	\$8,625	\$8,941	\$8,941	\$8,941	\$35,448
One time	<u>9,000</u>	<u>26,844</u>	<u>64,186</u>	<u>41,059</u>	<u>74,096</u>	<u>215,185</u>
Total Fund Balance	<b>9,000</b>	<b>35,469</b>	<b>73,127</b>	<b>50,000</b>	<b>83,037</b>	<b>250,633</b>
Budgetary Fund Balance	0	35,469	34,127	36,469	52,060	158,124
GASB 54 Cleanup	0	0	39,000	13,531	30,977	83,508

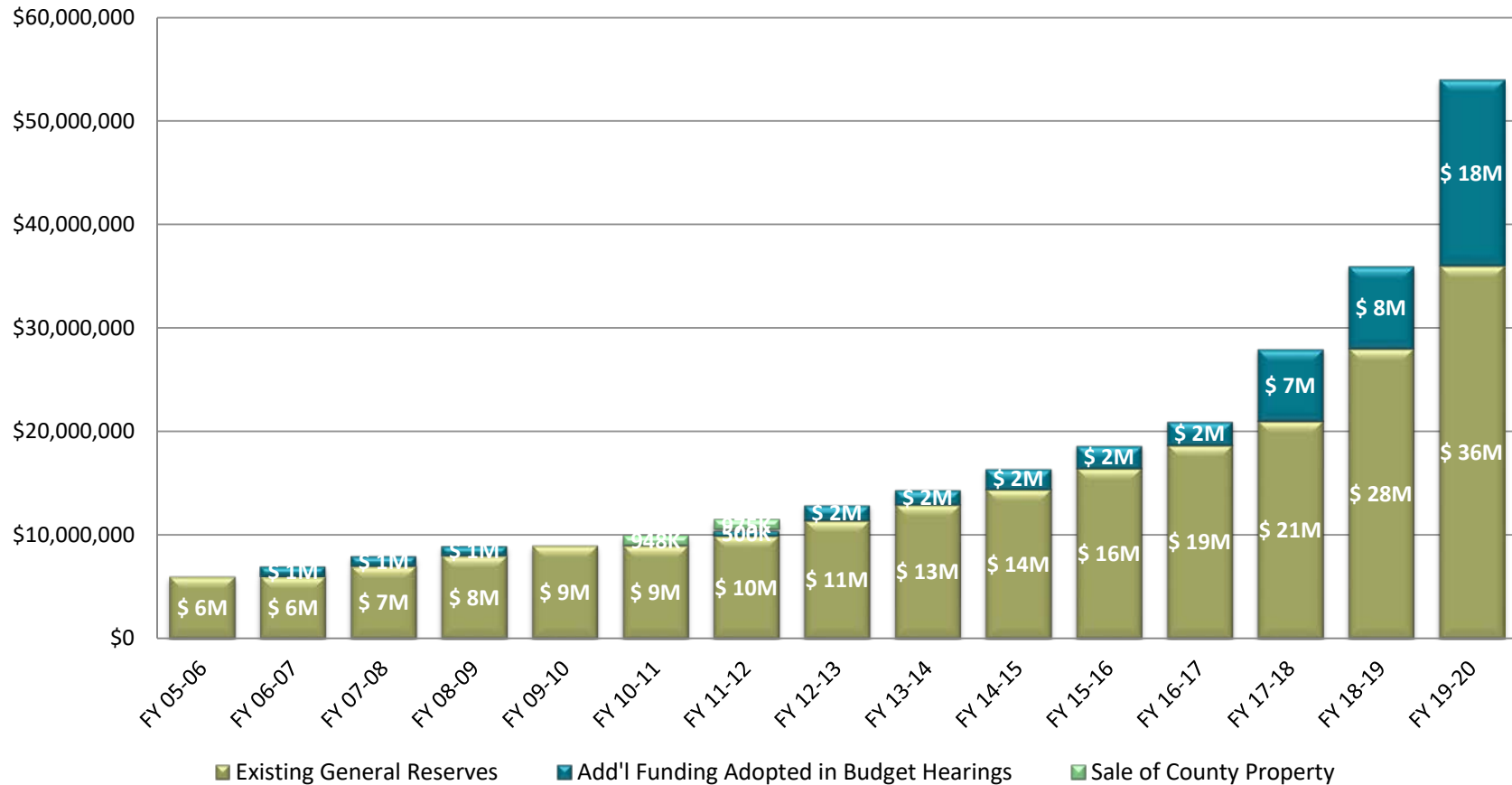
# USE OF ONE TIME MONIES - OVERVIEW

(in thousands)



Description	SB 90 Reimb. Nov 2015	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget	FY 2019-20 Budget	Total
General Reserve	\$0	\$2,300	\$7,000	\$7,976	\$18,000	\$35,276
Capital Projects	9,000	5,000	22,000	14,000	21,886	71,886
Debt Service	0	15,569	31,429	0	10,000	56,998
Budget Mitigation	0	428	1,413	10,428	10,428	22,697
Departments	0	3,546	2,344	8,655	13,783	28,328
Total	\$9,000	\$26,843	\$64,186	\$41,059	\$74,097	\$215,185

# HISTORY OF GENERAL RESERVE



# CAPITAL PROJECTS - OVERVIEW

(in thousands)



Description	FY 2015-16 Budget	FY 2016-17 Budget	FY 2017-18 Budget	FY 2018-19 Budget	FY 2019-20 Budget	Total
Sheriff Sub. 2	\$3,000	\$0	\$7,000	\$6,000	\$1,917	\$17,917
DA Building	3,000	0	2,000	0	0	5,000
Animal Shelter	3,000	0	1,000	1,000	3,000	8,000
Hall of Records	0	0	2,000	6,000	4,000	12,000
Ag Commissioner	0	0	0	0	6,000	6,000
Misc. Projects	<u>0</u>	<u>5,000</u>	<u>10,000</u>	<u>1,000</u>	<u>6,969</u>	<u>22,969</u>
Total	\$9,000	\$5,000	\$22,000	\$14,000	\$21,886	\$71,886



# FY 2019-20 RECOMMENDED BUDGET HIGHLIGHTS

**Increase General Reserve by**

**\$18 million**

**Set aside**

**\$21 million**

for Capital Projects:

- ❑ \$4 million Hall of Records Improvements
- ❑ \$1.9 million for the new Sheriff Substation
- ❑ \$3 million for the new Animal Control Shelter
- ❑ \$6 million Ag Commissioner Building
- ❑ \$500k EMS Building
- ❑ \$2 million Park Projects
- ❑ \$3.5 million for Department moves

**Set aside**

**\$11 million**

for unforeseen or emergency expenditures:

- ❑ \$10 million for Budget Mitigation
- ❑ \$1 million for contingencies

**Included**

**\$1 million**

for ADA improvements in accordance with Quentin Hall settlement



# FY 2019-20 RECOMMENDED BUDGET HIGHLIGHTS

## Social Services

- The 2<sup>nd</sup> and 3<sup>rd</sup> buildings at Pelco are expected to be completed at the end of the fiscal year.
- Occupancy is expected in early FY 2020-21.

## District Attorney

- Entered into a ten-year lease purchase agreement for the Rowell Building.
- Allows for the consolidation of a majority of the Department with a Spring 2020 occupancy.
- \$10 million is allocated in this budget toward the payoff of the building.



# OUTSIDE FUNDS' HIGHLIGHTS

## Library

- The Library is making progress on the new Clovis and Reedley Library branches. Both are expected to be completed by 2021.
- **\$22.8 million** of Library funding is included in this budget for the new Clovis and Reedley branches.

## Roads

- SB 1 will provide an estimated **\$17-20 million** for improvements to the County's road system.



# WHAT THE FUTURE HOLDS

**Economic  
Cycle**

**Updating County  
Capital Needs**

**3 Ongoing  
Lawsuits**

**Growth of  
the IHSS  
Program**

**Ongoing  
Retirement  
Challenges**





# THANK YOU

Jean M. Rousseau, C.P.A.