



Santa Barbara County

Recommended Operational Plan Fiscal Years 2012-13 & 2013-14

Preparing for Future Challenges

Hearing Schedule

- Hearings begin Monday, June 11, 2012
- Continue on Wednesday, June 13 and Friday, June 15
- Hearings start at 9 am each day

Budget Hearing Materials

Budget Binder Tab Number:

- 1 Budget Hearing Schedule
- 2 Board Inquiry Forms
- 3 Board Letter
- 4-7 Final Budget Adj., Ongoing Grant/Contracts, Resolution
- 8 Budget Overview – CEO
- 9-29 Department Presentations
- 30 General County Programs & Outside Agencies
- 31 Expected Service Level Impacts



**FY 2012-13
Recommended Budget
Development Process**

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Budget Development Process

- November 2011 – Fiscal Outlook Report
- December 2011 – Budget Policies and Review of Budget Adoption Process
- April 2012 – Fiscal Outlook Update
- April 2012 – Potential Service Level Impacts
- May 2012 – Recommended FY 2012-13 and Proposed FY 2013-14 budget book

Budget Development Policies

- Accountability / Transparency
- Balanced Budget / Fiscal Stability
- Policy-Based Budgeting
- Service Levels
- Essential Infrastructure
- Future New Jail Operations
- Program Increase Requests
- Continuous Improvement and Innovation Strategies
- Reserves

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Balancing Current Needs with Future Risks

- Expenditures: Continue to rise faster than revenues; primarily employee benefit costs
- Revenues: Modest growth in General Revenues
- Significant use of one-time funds for ongoing services (structural imbalance)
- State budget challenges loom

Balancing Current Needs with Future Risks

(continued)

- Several years of service level reductions
- Additional Funding Needs:
 - North County Jail
 - Fire Operations
 - ADMHS
 - Deferred Capital Maintenance
 - Retirement

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Changes After Publication of the Budget

- Retirement costs in 13/14 will decrease from current proposed budget
- RDA Dissolution will result in additional General Fund and Fire District \$'s
- Property Tax Assessed Value may be lower than previously thought



Recommended FY 2012-13 Operating Budget

Budget Summary

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FY12/13 Recommended Budget Summary

Strategies to Balance

- Continued use of one-time funds to balance
=\$16.1M
- Reduce expenditures; Service Level Impacts (SLI's)
total \$10.9M
- FY12/13 Concession savings; \$15.0M Gross, \$9.1M
Net

FY12/13: Gap

(Source: Fiscal Outlook Update, April 2012)

<u>Problem:</u>	<u>Gross</u>	<u>Offsetting Rev/Exp</u>	<u>Net</u>
Expenditures	\$ (10.7)	\$ 4.2	\$ (6.5)
Goleta Neutrality	(2.3)	-	(2.3)
Prior Use of One-Time	(18.5)		(18.5)
Total Problem to solve	\$ (31.5)	\$ 4.2	\$ (27.3)
<u>Solutions:</u>			
Increased General Revenues	3.3		3.3
Concessions	15.0	(5.9)	9.1
Total Solutions	\$ 18.3	\$ (5.9)	\$ 12.3
Total of Previous GAP	\$ (13.2)	\$ (1.7)	\$ (15.0)

FY 12/13: Revised Gap

Previous GAP	\$ (15.0)
New Jail, set-aside	(2.0)
Changes from Budget Input, Rev. & Exp.	<u>(10.0)</u>
Revised Gap w/all Budget Changes	<u>(27.0)</u>
Proposed Cuts (Service Level Impacts)	10.9
Use of One-time funds	<u>16.1</u>
Total Proposed Solutions	<u>\$ 27.0</u>

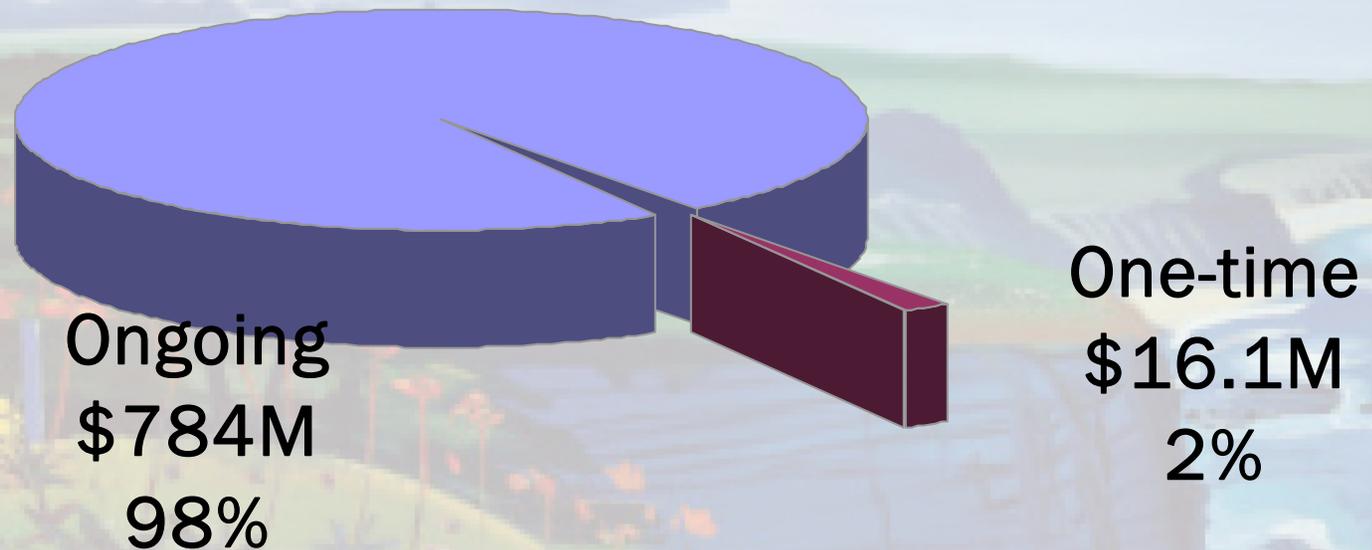
FY 12/13 Budget Summary

\$828.1 Million Balanced Budget

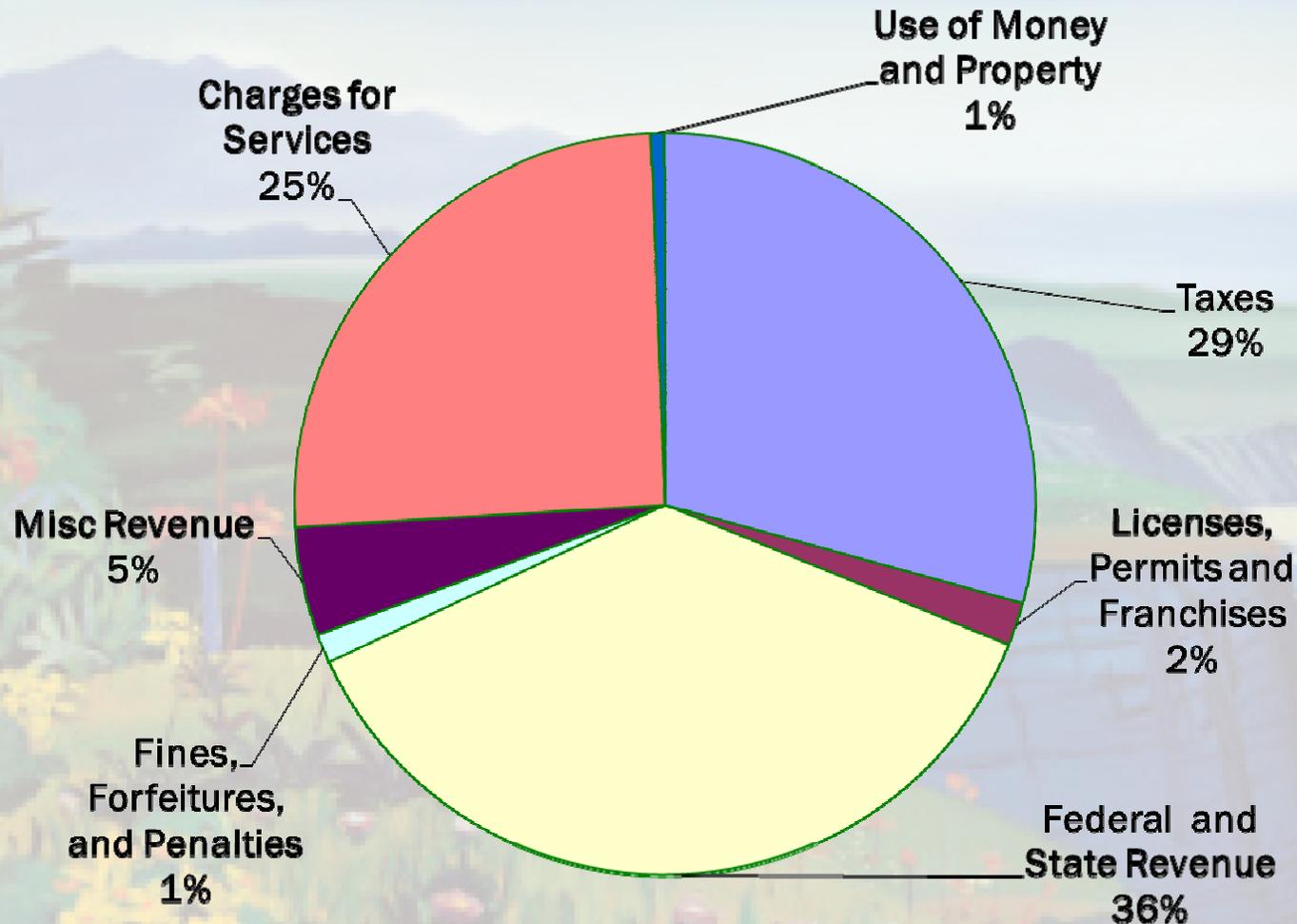
Budget at a Glance				
<i>(Dollars in Millions)</i>	Actual	Adopted	Recommended	Proposed
	FY 10-11	FY 11-12	FY 12-13	FY 13-14
Total Revenues	\$743.7	\$749.1	\$745.7	\$741.5
Other Financing Sources	\$144.7	\$116.8	\$82.4	\$86.5
Total Sources	\$888.4	\$865.9	\$828.1	\$828.0
Total Expenditures	\$766.5	\$825.0	\$800.1	\$800.6
Designated for Future Use	\$113.4	\$40.9	\$28.0	\$27.4
Total Uses	\$879.9	\$865.9	\$828.1	\$828.0
Staffing FTEs	3,911.7	3,713.7	3,801.4	3,797.5

Use of One-Time Funds

FY 2012-13 Recommended Budget

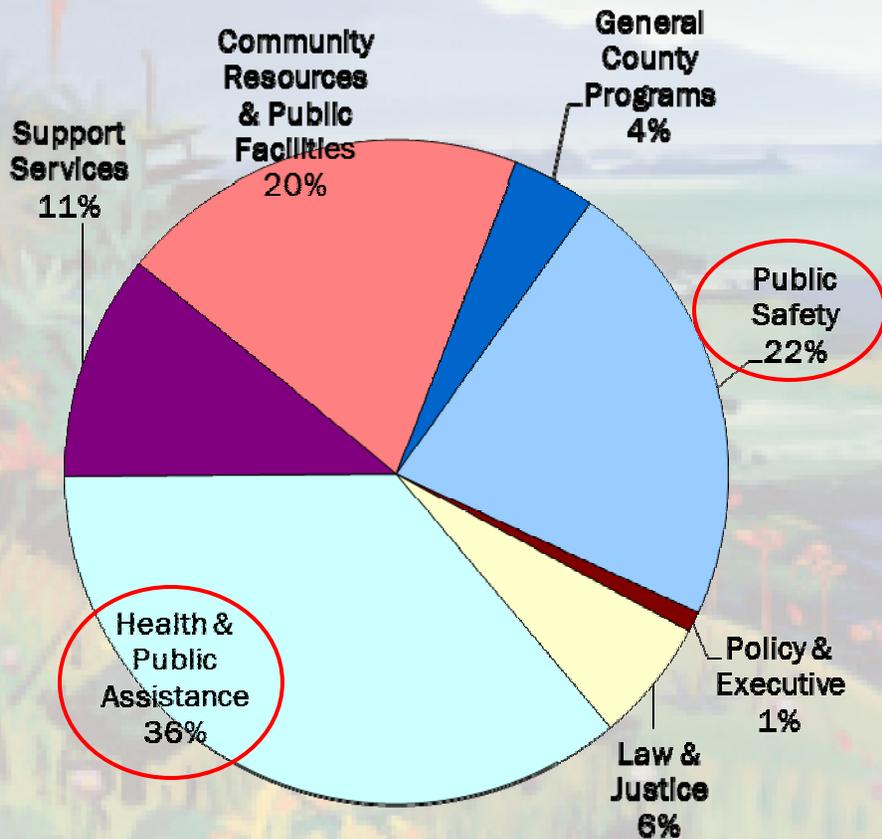


Revenues by Source

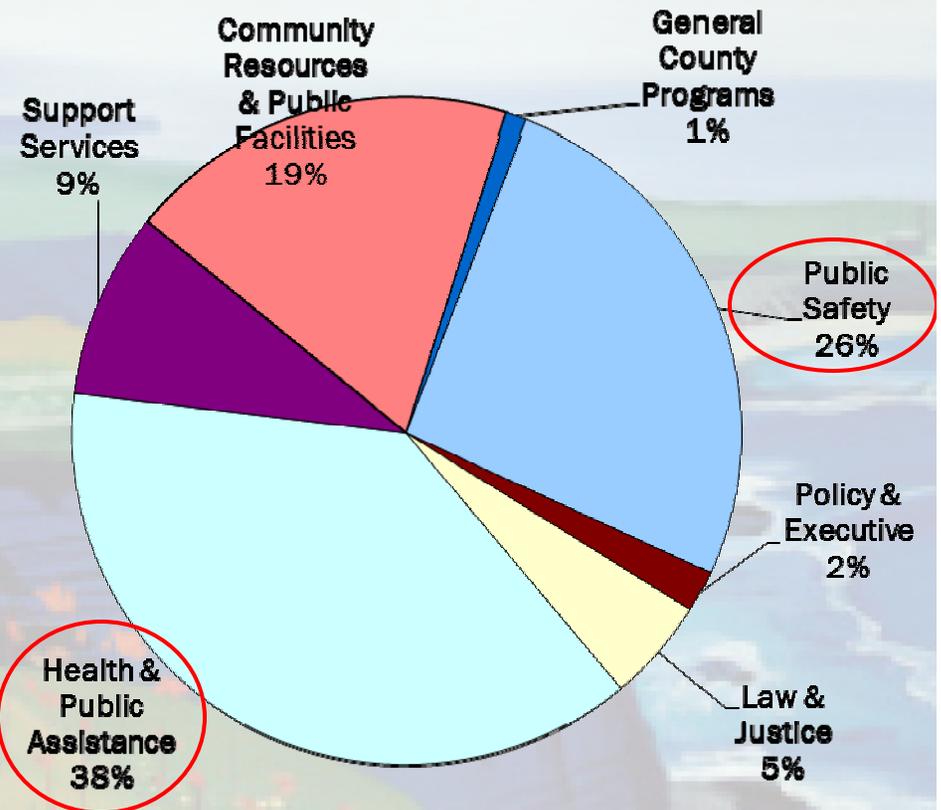


Total Expenditures by Function

FY 02-03 Adopted

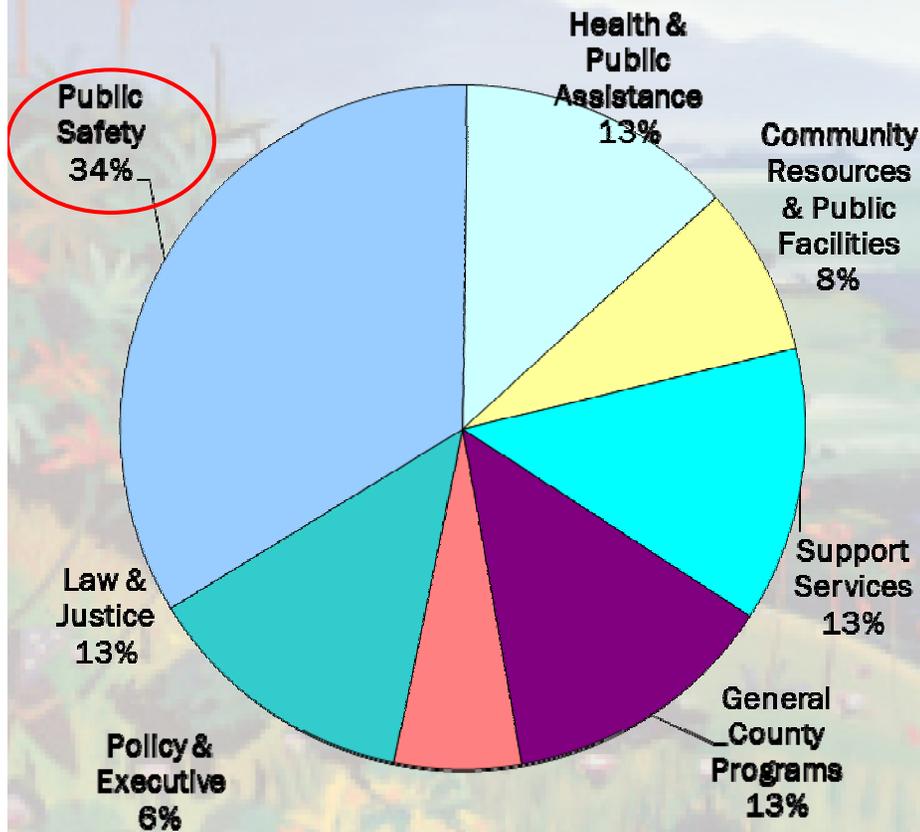


FY 12-13 Recommended

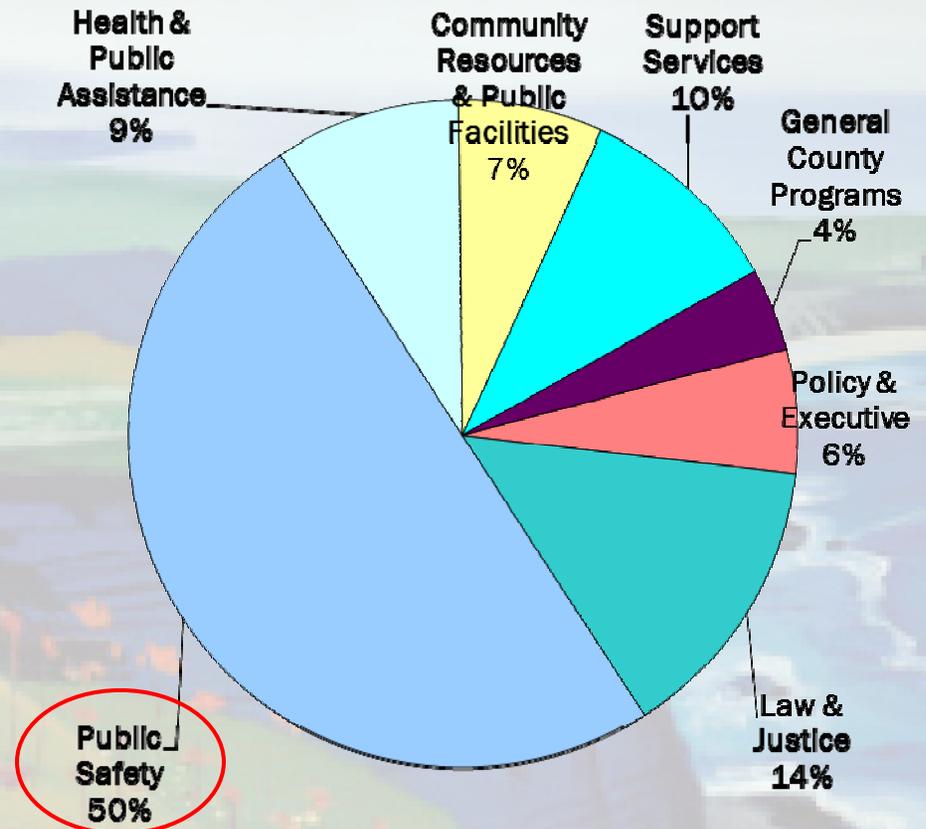


General Fund Contribution 10 Year Comparison

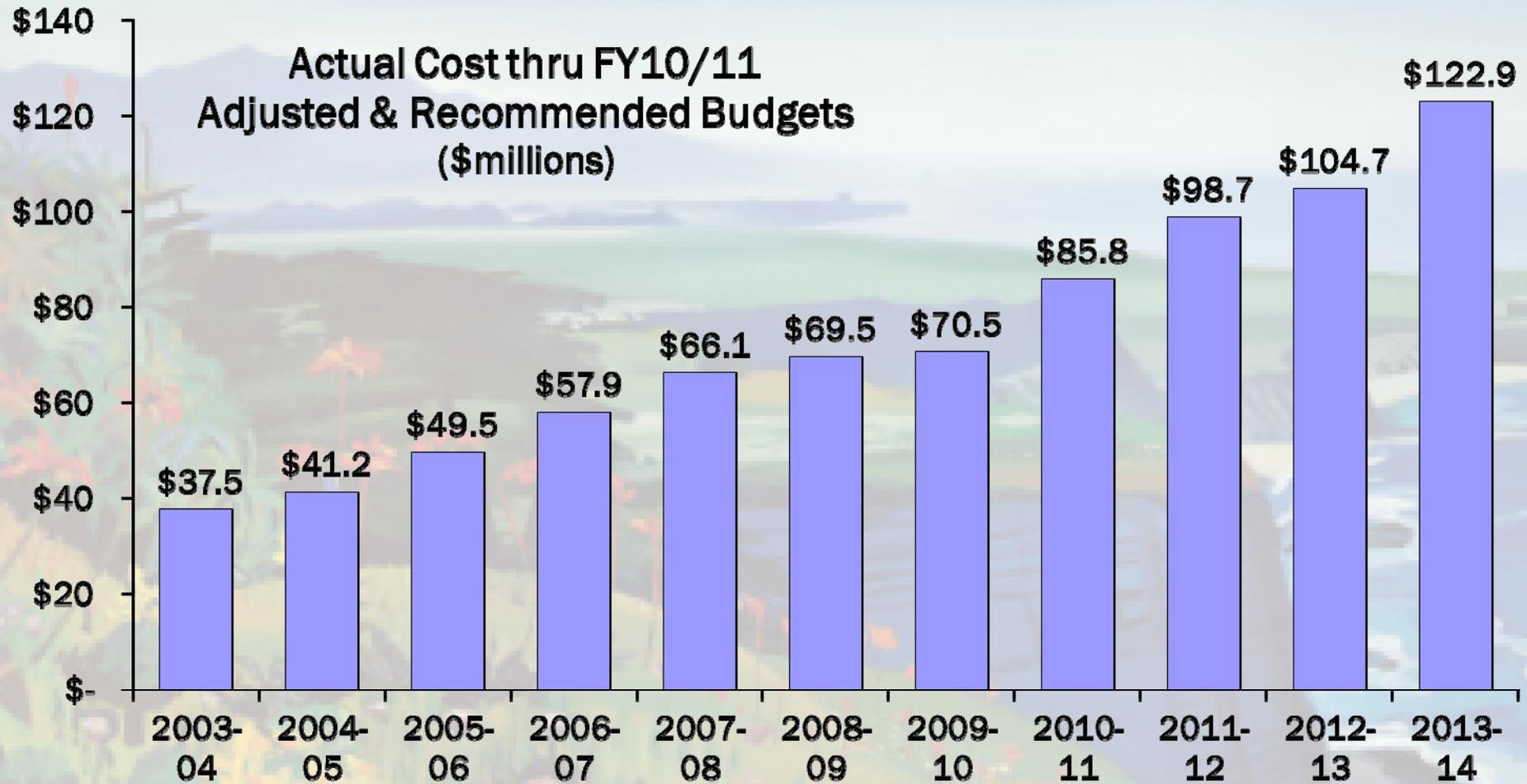
FY 02-03 Adopted



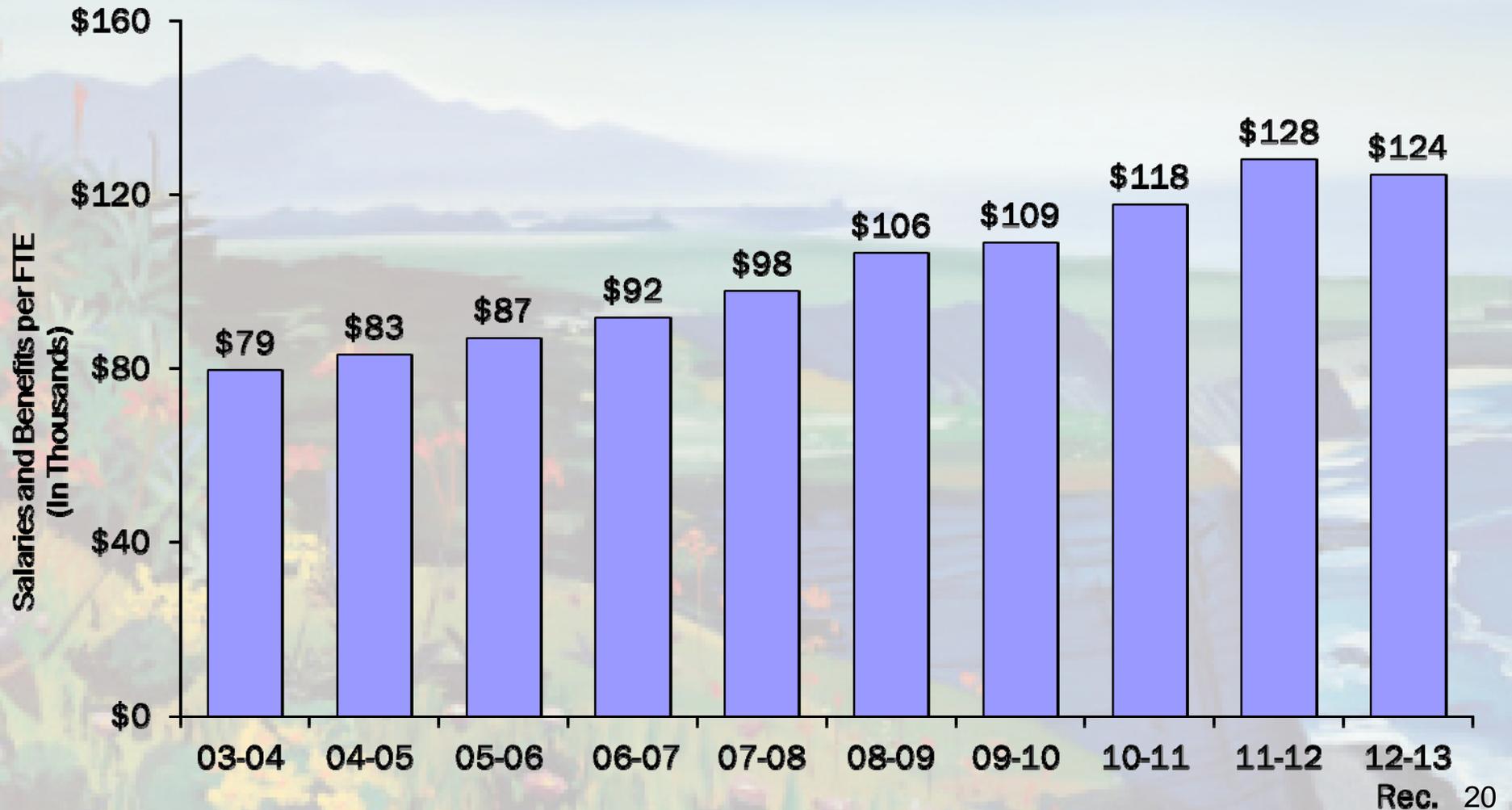
FY 12-13 Recommended



Pension Contributions



Average Cost of County Employee – 10-year Trend

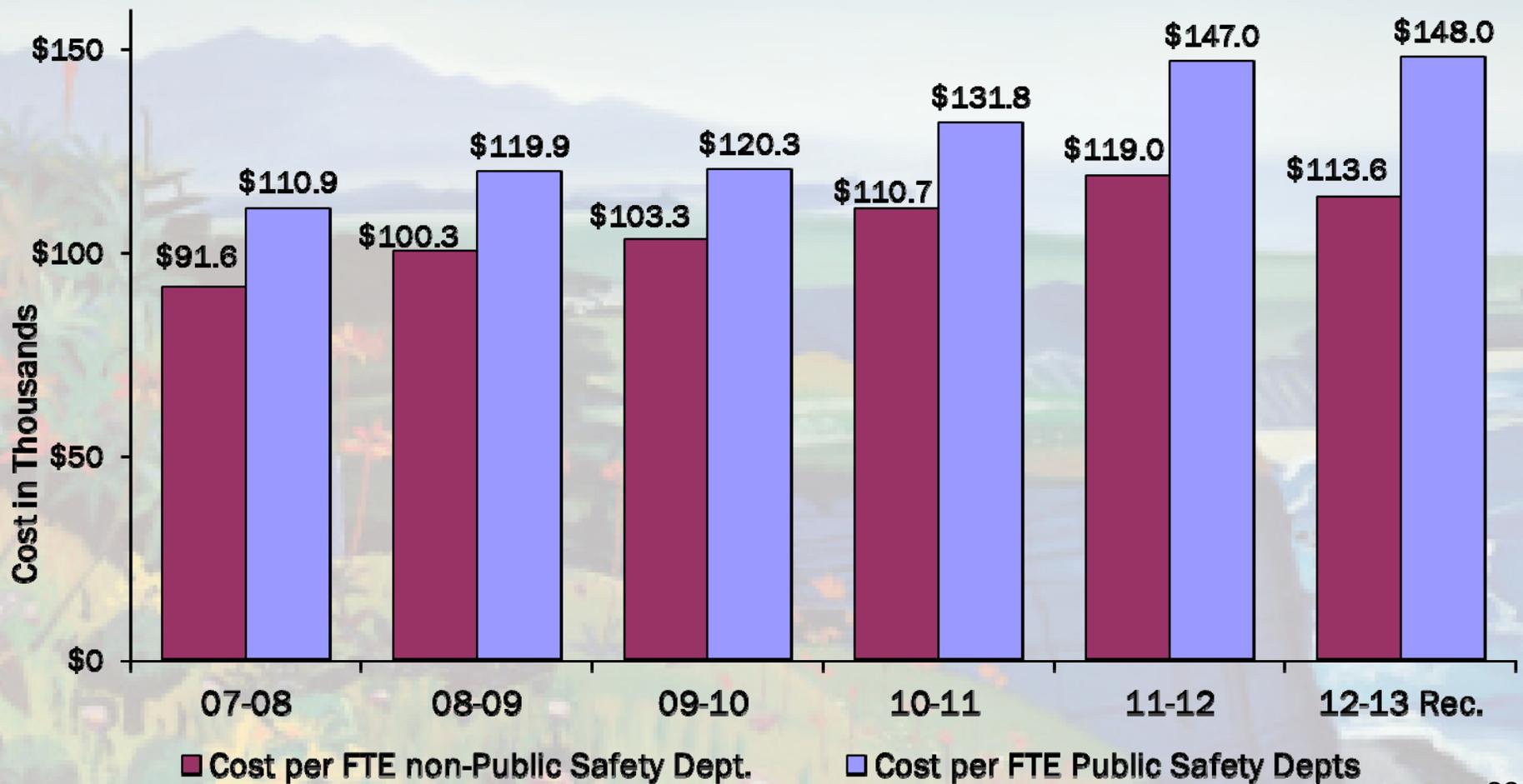


Average Cost per FTE with Retirement

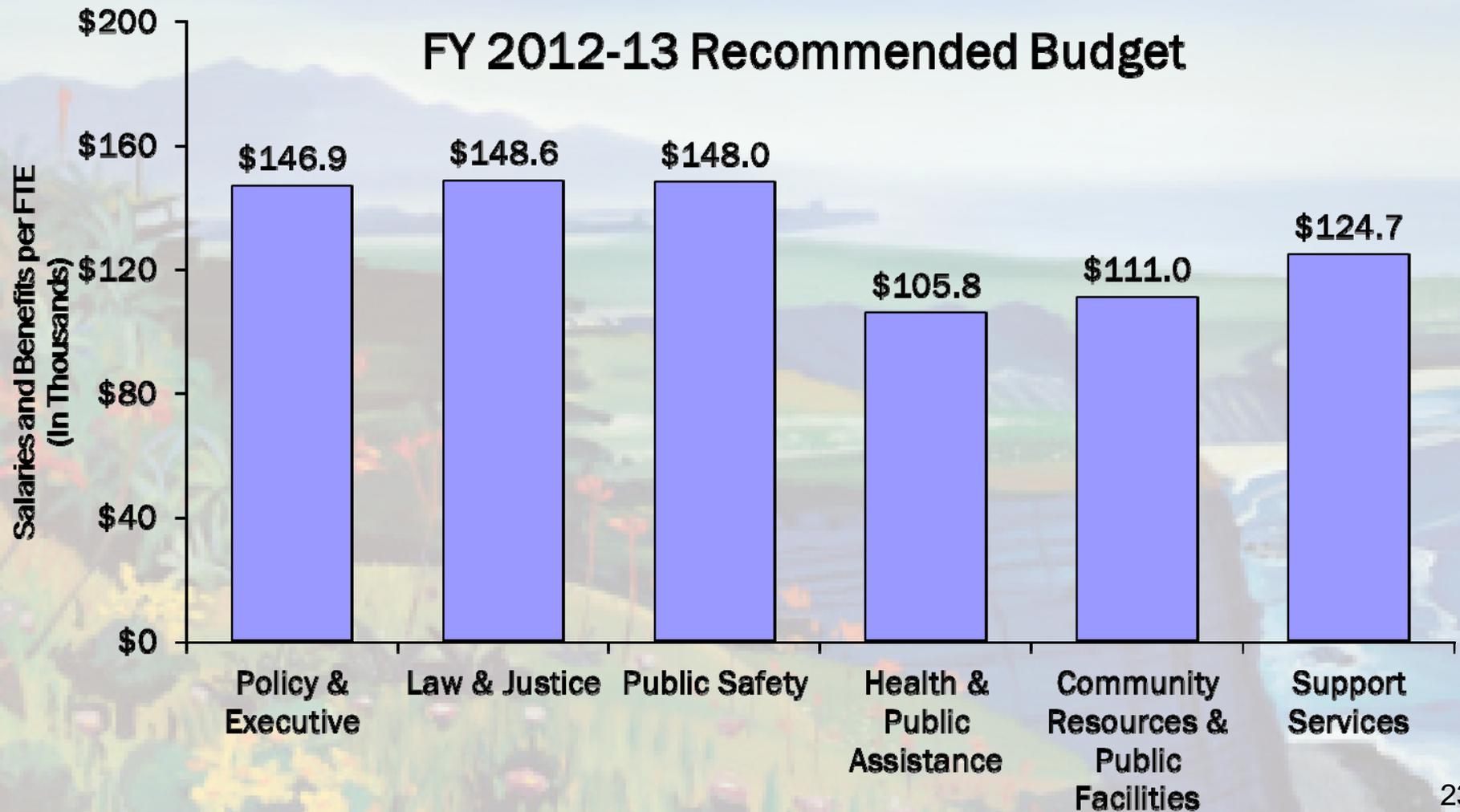


Average Cost of County Employee

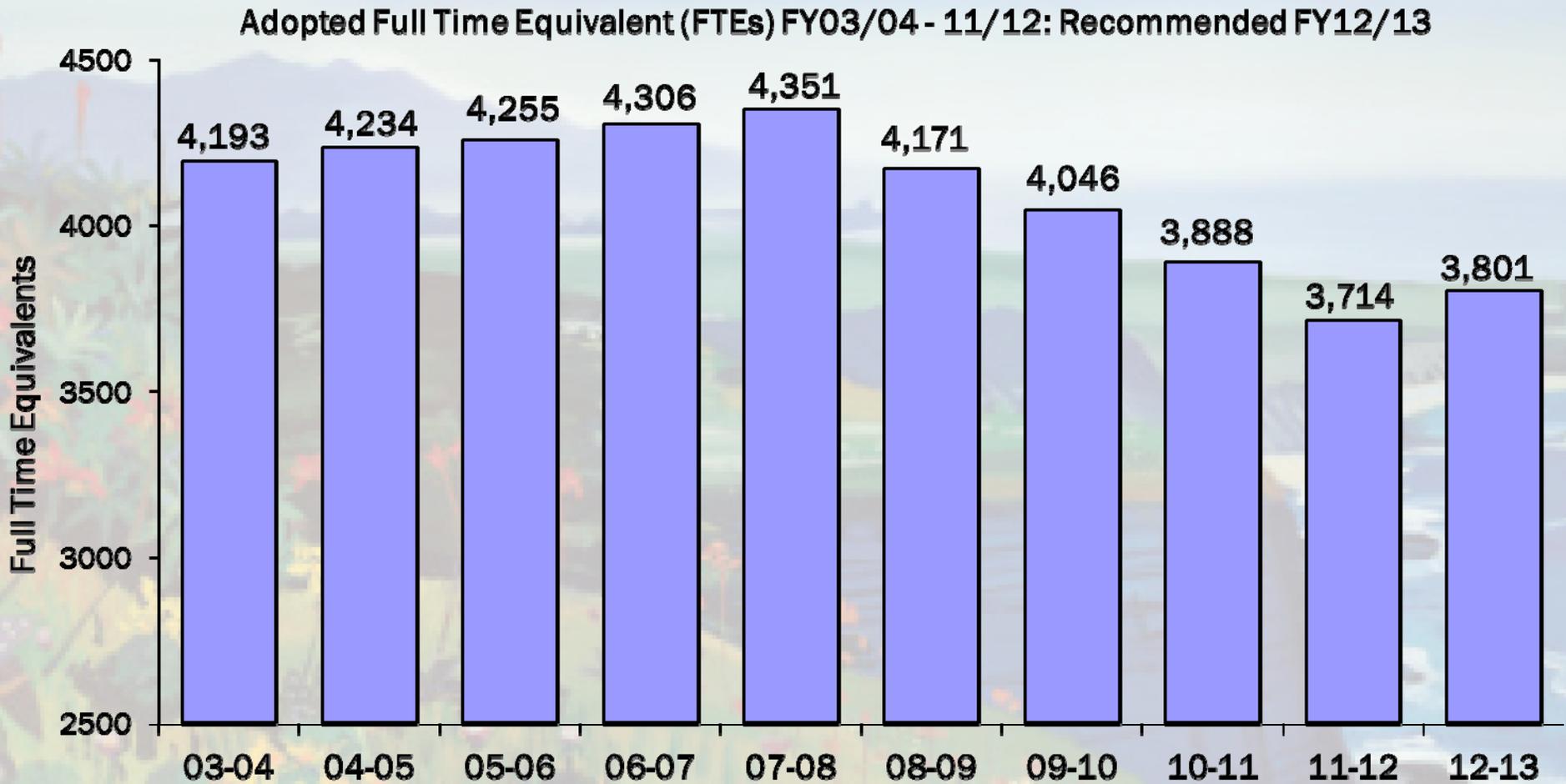
Safety Departments vs. Non-Safety Departments



Average Cost of County Employee by Functional Area



Ten Year Staffing Trend



Key General Fund Discretionary Fund Balances

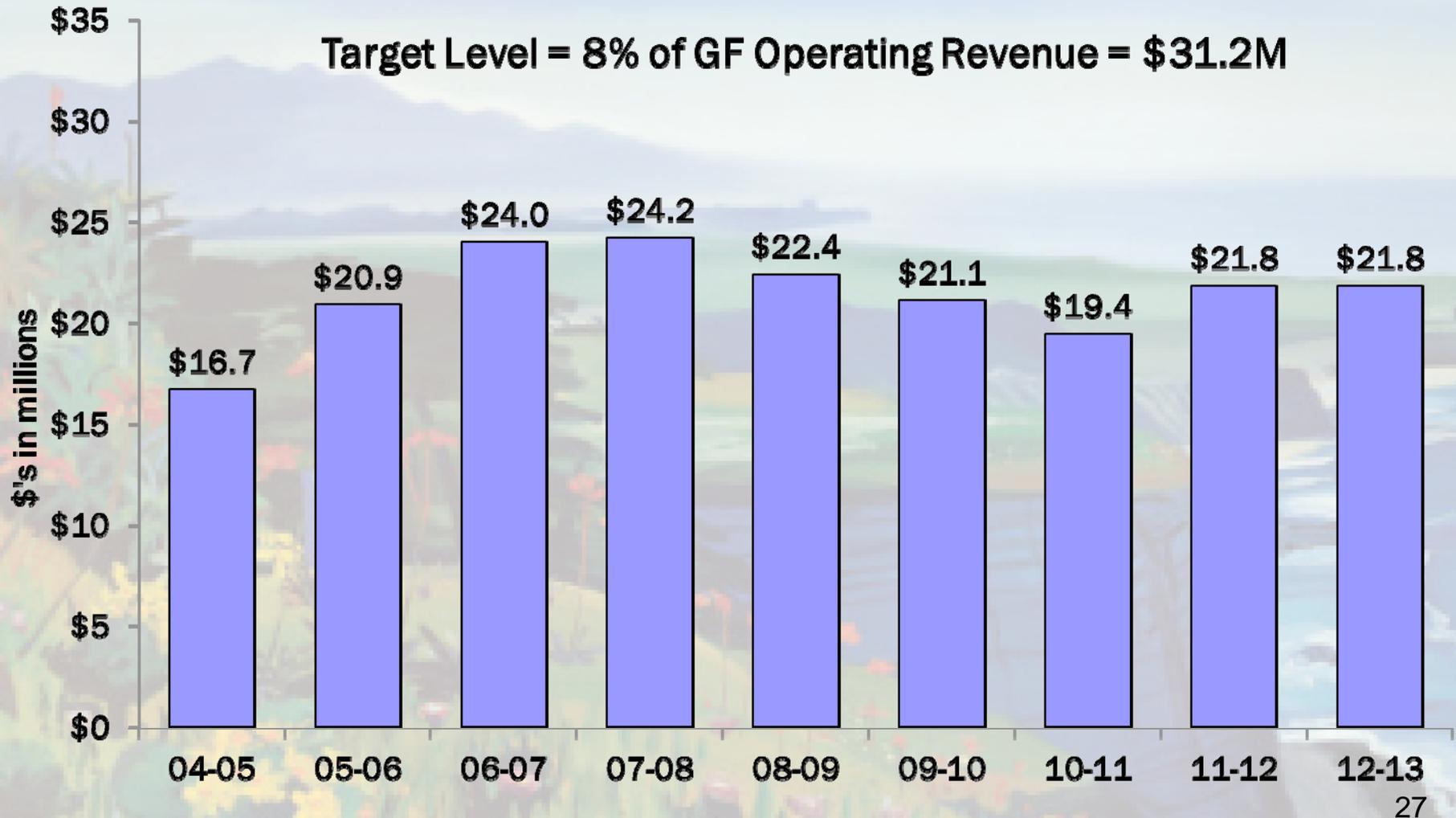
Fund Balance Component	6/30/2012 Estimated Balance	2012-2013 Recommended Increases	2012-2013 Recommended Decreases	6/30/2013 Projected Balance
Capital	\$ 405,405	\$ 500,000	\$ -	\$ 905,405
Roads	98,465	500,000	-	598,465
Litigation	1,712,039	-	(500,000)	1,212,039
Salary & Benefits Reductions	6,155,374	-	-	6,155,374
Deferred Maintenance	1,883,588	2,855,220	(2,000,000)	2,738,808
Audit Exceptions	3,913,929	-	(4,116,821)	(202,892)
New Jail Operations	1,000,000	2,000,000	-	3,000,000
Program Restoration	183,494	-	-	183,494
Contingencies	1,291,421	500,000	-	1,791,421
Strategic Reserve	21,827,244	-	-	21,827,244
TOTAL	\$ 38,470,959	\$ 6,355,220	\$ (6,616,821)	\$ 38,209,358

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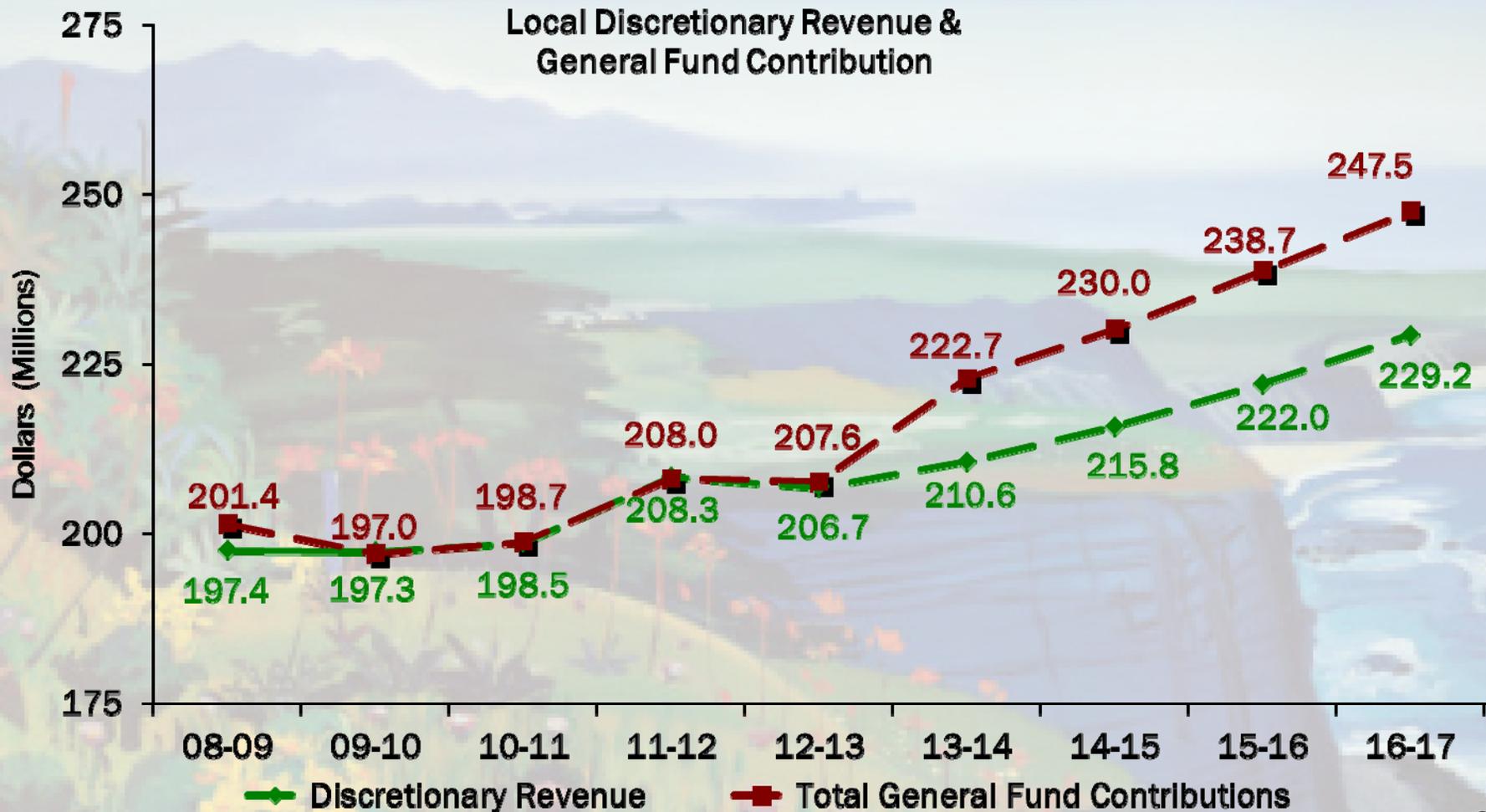
Key General Fund Discretionary Fund Balances - Updated

Fund Balance Component	6/30/2012 Estimated Balance	2012-2013 Proposed Increases	2012-2013 Proposed Decreases	6/30/2013 Projected Balance
Capital	\$ 405,405	\$ 500,000	\$ -	\$ 905,405
Roads	-	500,000		500,000
Litigation	1,712,039		(500,000)	1,212,039
Salary & Benefits Reductions	6,155,374	-	-	6,155,374
Deferred Maintenance	1,883,588	2,855,220	(2,000,000)	2,738,808
Audit Exceptions	3,216,704		(3,216,704)	-
New Jail Operations	1,000,000	2,000,000		3,000,000
Program Restoration	183,494	-	-	183,494
Contingencies	1,291,421	500,000	(301,497)	1,489,924
Strategic Reserve	21,827,244	-	-	21,827,244
TOTAL	\$ 37,675,269	\$ 6,355,220	\$ (6,018,201)	\$ 38,012,288

Strategic Reserve Balance



Five Year Forecast





Recommendations

To Adopt FY 2012-13 Budget

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Recommendations

1. Approve final budget adjustments to the FY 2012-13 Recommended Budget, including Attachment E budget balancing adjustments
2. Delegate authority to the County Executive Officer to execute ongoing grants and contracts (including library and advertising contracts) included in the Recommended Budget
3. Authorize the County Executive Officer to approve ongoing contracts where amounts are up to 10% more or less than indicated amounts, or up to \$5,000 more or less than indicated amounts on contracts under \$50,000, without returning to the Board for approval

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Recommendations

4. Adopt the Resolution of the Board of Supervisors entitled In the Matter of Adopting the Budget for FY 2012-13
5. By separate resolution, adopt the Successor Agency to the former Redevelopment Agency budget for FY 2012-13