



Budget Summary

FISCAL YEAR 2018-19 BUDGET HEARINGS



AGENDA

- Budget Hearing Materials
- Recommended Budget Summary
- Service Level Reductions
- Restorations and Expansions
- Functional Group Summaries and Departmental Presentations *(if necessary)*
- Financial Challenges Ahead
- Board Deliberations
- Recommended Actions



Budget Hearing Materials

- 01 Board Letter & Hearings Schedule

- 02 Board Inquiry Forms

- 03 CEO Recommended Adjustments (A-1)
Final Budget Adjustments (A-2)

- 04 Restoration/Expansion Requests Deferred to Hearings (A-3)
Prior Year Adopted Expansions
Final Board Adjustments (E)

- 05 Ongoing Grants (B)
Ongoing Contracts (C)

- 06 Budget Resolution (D)
Salary Resolution (F)
FY 2017-18 Position Allocation Changes (G)

- 07 Addendums & Miscellaneous

- 08 Successor Agency to Former RDA – Board Letter & Resolution

- 09 Budget Overview & Summary

- 10-32 Departmental Presentation Materials



Recommended Budget Summary

	FY 2017-18 ADOPTED	FY 2018-19 RECOMMENDED
Operating Revenues	\$1,083.0 MILLION	\$1,101.7 MILLION
Operating Expenditures	\$1,076.8 MILLION	\$1,103.9 MILLION
Net Operating Impact*	\$6.2 MILLION	(\$2.2) MILLION
Staffing	4,083 FTEs	4,166.7 FTEs

*Net operating impact is funded by other funding sources or use of fund balance



UPDATES SINCE WORKSHOPS

Governor's May Revise

Property Tax Backfill: \$4.4 million to backfill property tax revenue losses incurred in FY 2017-18 and FY 2018-19 due to the Thomas Fire and 1/9 Debris Flow

Debris Removal Cost Share: Work with legislators to waive the County's local match of \$3.2 million for its share of debris removal costs

Transient Occupancy Taxes: Work with legislators to backfill \$2.6 million in transient occupancy tax revenue losses due to the Thomas Fire and 1/9 Debris Flow

Final Budget Adjustments

Property Tax Backfill: Commitment of the one-time backfill allocation of \$4.4 million to the Strategic Reserve

Sheriff: Correction to revenue generated by city contracts and reduction to salaries and benefits to balance the Department's budget

Miscellaneous: Other minor changes that adjust departments' budgets



UPDATES SINCE WORKSHOPS

Cannabis Regulatory Program

Permitting and licensing: \$1.6 million in staffing costs associated with permitting and licensing offset by permitting fees of \$0.5 million and licensing fees of \$1.1 million

Enforcement: \$1.7 million in staffing costs associated with enforcement offset by projected cannabis tax revenue totaling \$6.3 million, leaving \$4.6 million unallocated



CONTINUED BOARD COMMITMENTS

Northern Branch Jail

\$10.9 million allocated to the fund dedicated to jail operations

Fire Tax Shift

\$9.5 million in ongoing annual funding for the tax shift

Deferred Maintenance

\$4.4 million in ongoing deferred maintenance funding from the 18% formula

Successor Bargaining Unit Agreements

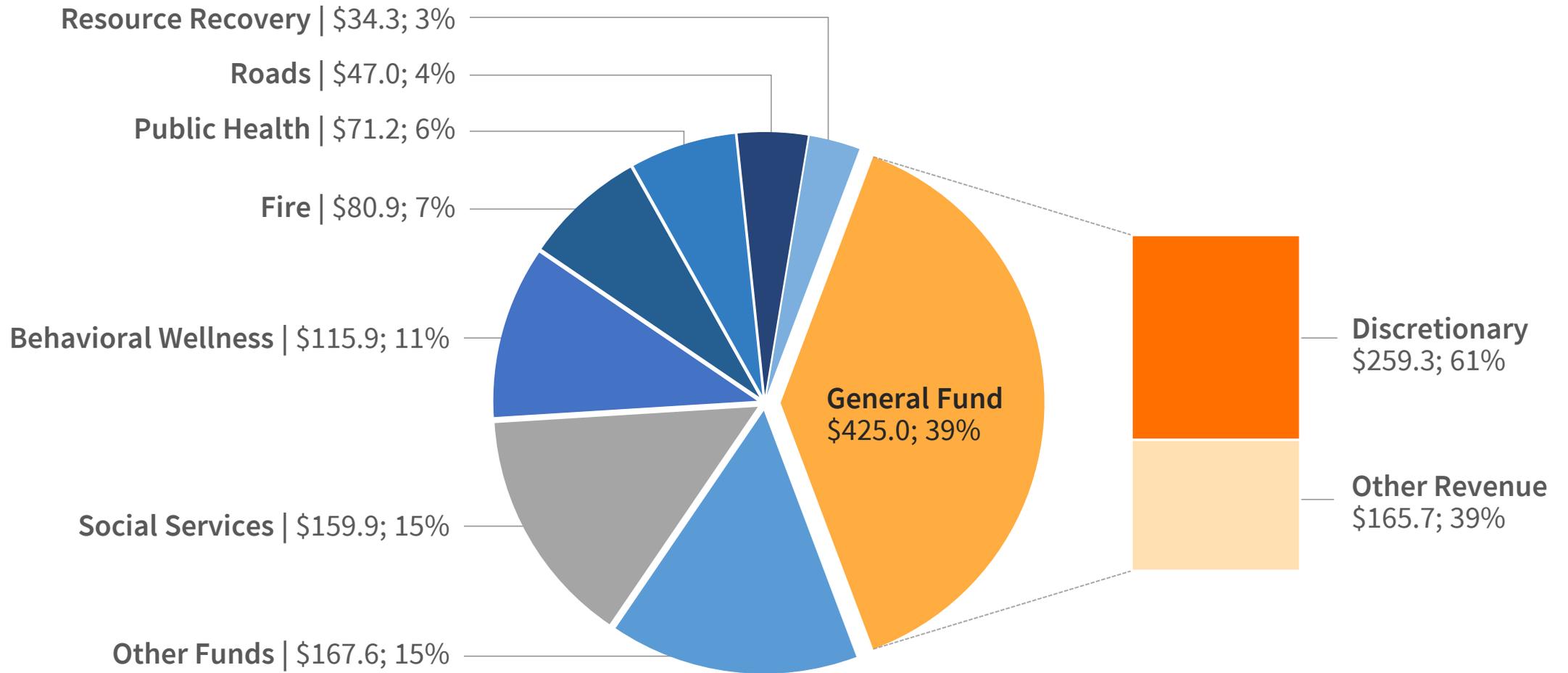
Continue to fund Board-adopted agreements with various bargaining units

Strategic Reserve

Per Board-adopted Budget Development Policies, contributions to the Strategic Reserve were suspended for FY 2018-19



OPERATING REVENUES BY FUND *(in millions)*

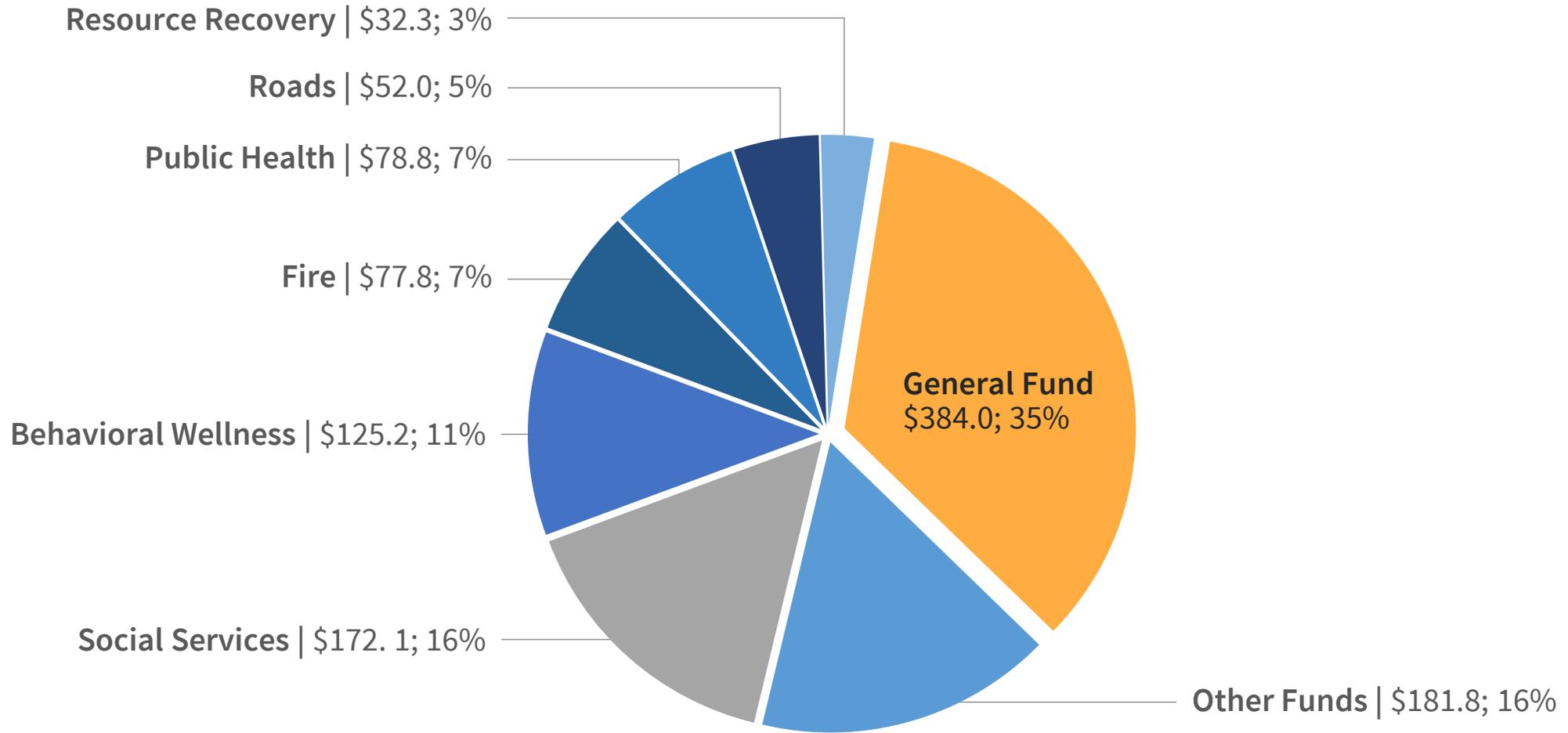


DISCRETIONARY GENERAL REVENUES *(in millions)*

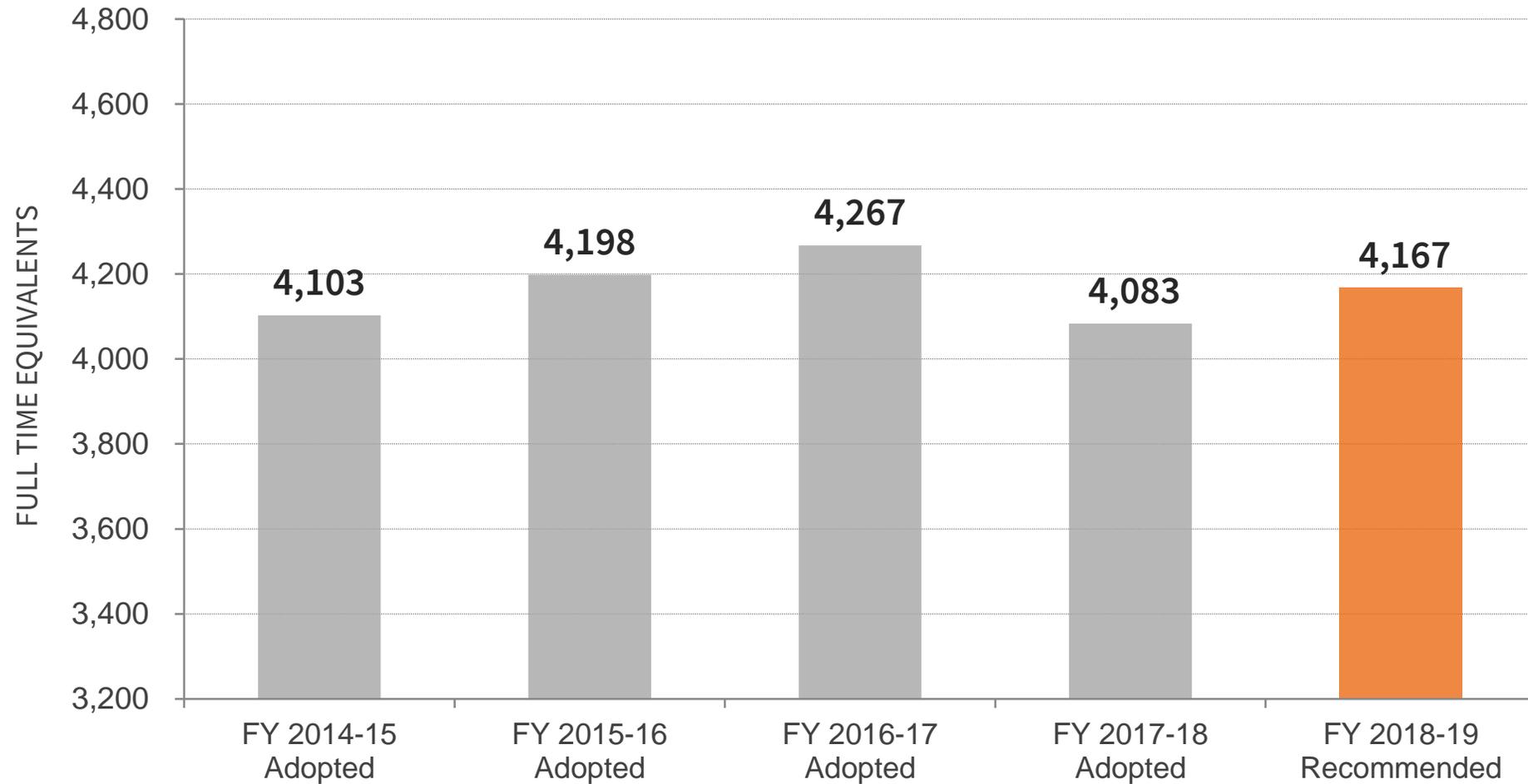
	FY 2016-17 ACTUAL	FY 2017-18 ADOPTED	FY 2018-19 RECOMMENDED
Significant Property Taxes	\$ 198.3	\$ 205.3	\$ 210.4
RDA Dissolution Proceeds	0.0	0.0	0.0
RDA Prop. Tax - Ongoing	6.7	6.0	6.3
Subtotal Property Taxes	\$ 205.1	\$ 211.3	\$ 216.7
Cost Allocation Services	11.2	10.7	12.8
Local Sales Tax	10.4	10.7	10.7
Transient Occupancy Tax	10.1	11.8	11.2
Payments in Lieu of Tax	1.9	0.0	0.0
All Other	7.6	5.1	7.8
Total Discretionary Revenues	\$ 246.2	\$ 249.6	\$ 259.3
Growth Year over Year			\$ 9.7
Rate of Growth			3.9%



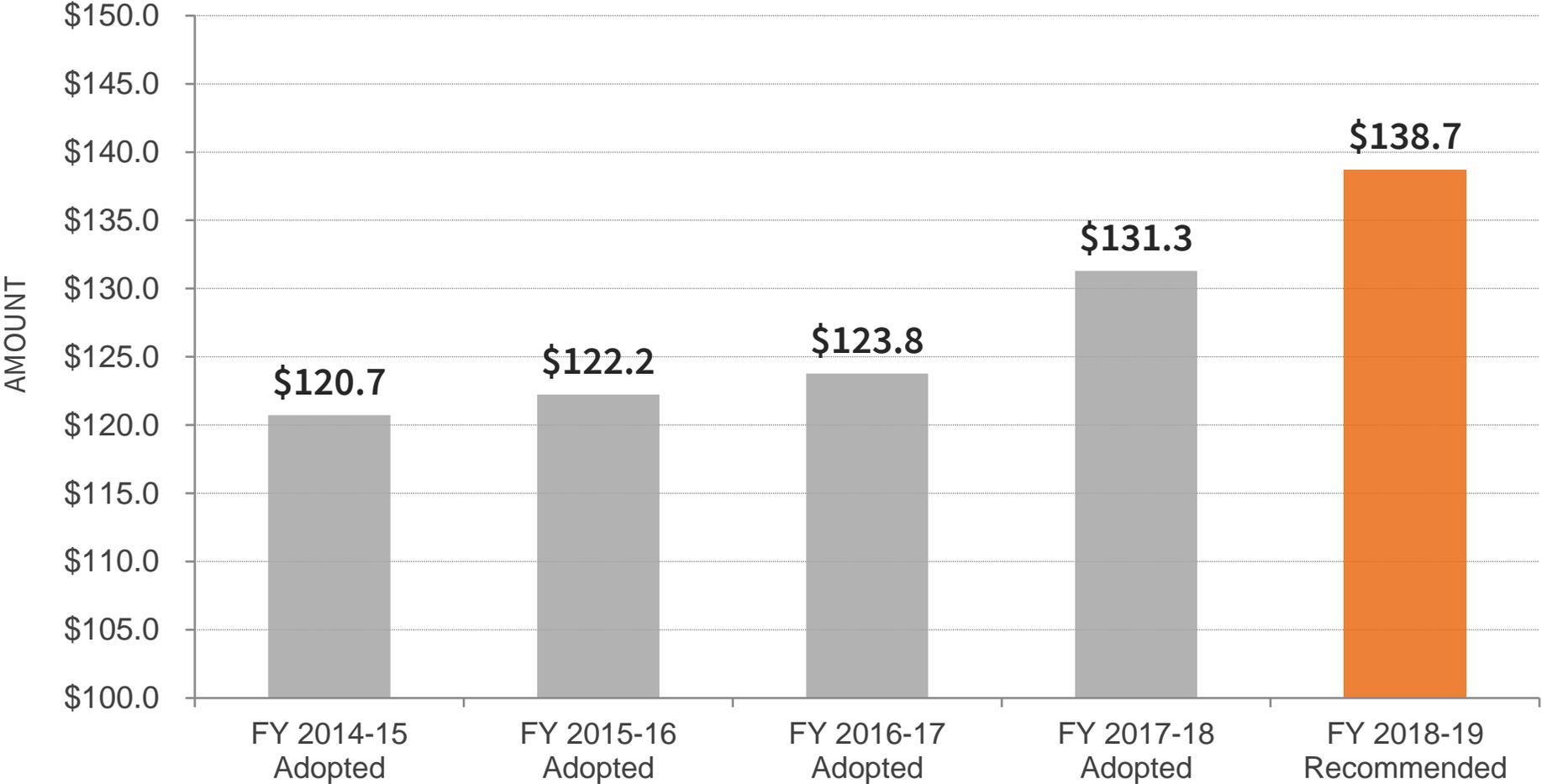
OPERATING EXPENDITURES BY FUND *(in millions)*



STAFFING TREND



RETIREMENT CONTRIBUTION *(in millions)*



MAINTENANCE FUNDING

	PUBLIC WORKS	GENERAL SERVICES	COMMUNITY SERVICES	TOTAL
General Fund Allocations				
Baseline Funding	\$ 500,000	\$ 1,300,000	\$ 500,000	\$ 2,300,000
18% Maintenance Funding	2,180,000	1,532,000	655,000	4,367,000
One-time Funding	0	500,000	950,000	1,450,000
Subtotal General Fund	\$ 2,680,000	\$ 3,332,000	\$ 2,105,000	\$ 8,117,000
Major Special Revenue Fund Allocations				
Measure A	\$ 6,930,200	0	0	6,930,200
HUTA	8,781,300	0	0	8,781,300
SB 1 Funding	6,380,000	0	0	6,380,000
Subtotal Major Special Revenue	\$ 22,091,500	\$ 0	\$ 0	\$ 22,091,500
Total Major Funding Sources	\$ 24,771,500	\$ 3,332,000	\$ 2,105,000	\$ 30,208,500



GENERAL FUND KEY DISCRETIONARY FUND BALANCES

FUND BALANCE COMPONENT	PER BUDGET POLICIES	6/30/2018 ESTIMATED BALANCE	2018-19 RECOMMENDED INCREASES	2018-19 RECOMMENDED DECREASES	6/30/2019 PROJECTED BALANCE
Public Safety Prop 172		\$ 1,170,400	\$ 0	\$ (1,121,000)	\$ 49,400
Behavioral Wellness	Yes	686,100	2,000,000	0	2,686,100
Props 215/64 Cannabis		0	1,700,000	(1,700,000)	0
18% Deferred Maintenance	Yes	7,000	4,360,000	(4,367,000)	0
Capital		700,000	1,400,000	(1,400,000)	700,000
Roads	Yes	0	500,000	(500,000)	0
Strategic Reserve	Yes	23,616,400	0	0	23,616,400
Litigation		2,644,200	2,500,000	(380,600)	4,763,600
Disaster Recovery		0	6,250,000	(6,250,000)	0
Program Stabilization		1,875,000	2,375,000	(3,000,000)	1,250,000
Facilities Maintenance - Baseline	Yes	505,800	3,250,000	(3,250,000)	505,800
Assessment Appeals		579,200	0	(458,000)	121,200
New Jail Operations	Yes	13,405,000	10,900,000	(12,588,700)	11,716,300
Emerging Issues (one-time funding)		2,177,000	1,485,400	(3,652,400)	10,000
Contingencies		2,004,700	2,000,000	0	4,004,700
Unassigned Fund Balance		3,075,400	0	(3,075,400)	0
Unallocated Fund Balance		0	376,200	0	376,200
Total		\$ 52,446,200	\$ 39,096,600	\$ (41,743,100)	\$ 49,799,700



Service Level Reductions

Long-standing structural deficits, sharp increases in workload, or changes in revenue availability necessitated some service level reductions.

Service level reductions presented at Budget Workshop totaled \$5.2 million and 10.9 FTE. Not all reductions were requested by departments to be restored because they are related to department restructuring and funding prioritization.

Remaining reductions included in the recommended budget total **\$4.4 million** and **6.2 FTE**.



REMAINING SERVICE LEVEL REDUCTIONS

General Fund Departments

DEPARTMENT	DESCRIPTION	FTE	AMOUNT
County Counsel	Unfund 0.5 FTE Extra Help Deputy County Counsel, Sr.*	0.5	\$ 88,500
Public Defender	Unfund 1.0 FTE Legal Office Professional and 1.5 FTE Extra Help Legal Office Professionals*	1.0	187,400
	Unfund 1.0 FTE Chief Deputy Public Defender*	1.0	291,200
Sheriff	Unfund 1.0 FTE Sheriff Sergeant in the Air Support Unit*	1.0	249,600
	Reduce overtime in law enforcement patrol*	0.0	425,000
	Reduce overtime in custody operations*	0.0	425,000
Community Services	Unfund 0.7 FTE Parks Planner (eliminate 1.0 FTE Parks Planner for a portion of a year)*	0.7	111,000
	Reduce annual trout fish plants from 4 to 1*	0.0	75,000
Total		4.2	\$ 1,852,700

*Restoration not requested by Department



REMAINING SERVICE LEVEL REDUCTIONS

Non-General Fund Departments

DEPARTMENT	DESCRIPTION	FTE	AMOUNT
Behavioral Wellness <i>Reductions partially mitigated by \$2 million contingency</i>	Reduce long-term Institute for Mental Disease and Augmented Board and Care services by 22 beds per day (from 63 beds per day to 41 beds per day) (<i>see Footnote 1</i>)	0.0	\$ 1,570,850
	Reduce out-of-county short-term psychiatric inpatient hospital services (from average 7 beds per day to 4.5 beds per day) (<i>see Footnote 2</i>)	0.0	780,000
Child Support Services	Unfund 1.0 FTE Legal Office Professional, Sr. and 1.0 FTE Financial Office Professional, Sr.*	2.0	221,700
Total		2.0	\$ 2,572,550

(1) Improving acute/admin day client mix within the PHF will allow the department to reallocate GF resources to increase funding for additional IMD beds. The recommended budget also sets aside \$2 million in the General County Programs budget to address additional IMD beds, if needed.

(2) More cost effective contracts with out-of-county providers will enable the department to maintain the 7 beds per day level.

*Restoration not requested by Department



Restorations & Expansions

Recommendations were made based on:

- State and federal requirements
- Board priorities and input
- Established needs
- Areas in which the County could face significant financial, legal, health, or safety risk or liability

The impacts of establishing the necessary programs and processes related to **cannabis operations** are addressed through staffing expansions and offsetting tax revenue.

Restorations and expansions deferred to hearings total **\$18.7 million** and **14.1 FTEs** and are detailed on Attachment A-3.



PRE-BUDGET WORKSHOP ADJUSTMENTS

DEPARTMENT	DESCRIPTION	FTE	ONGOING GFC	ONE-TIME GFC	NON-GFC
Clerk-Recorder-Assessor	Motor Voter Act implementation	0.0	\$ 0	\$ 340,000	\$ 0
Public Defender	Deputy Public Defenders	3.0	325,300	0	0
Sheriff	Dispatch Call Takers	5.0	442,500	0	0
	Sheriff Service Technicians	10.0	945,500	0	0
General County Programs	Disaster Recovery	0.0	0	6,250,000	0
	Behavioral Wellness Contingency	0.0	0	1,000,000	0
Total		18.0	\$ 1,713,300	\$ 7,590,000	\$ 0



CEO RECOMMENDED ADJUSTMENTS

General Fund Departments

DEPARTMENT	DESCRIPTION	FTE	ONGOING GFC	ONE-TIME GFC	NON-GFC
County Executive Office	ADA Transition Plan	0.0	\$ 175,000	\$ 0	\$ 0
	OEM Structural Deficit	0.0	409,400	0	0
Sheriff	IV Foot Patrol	1.7	294,400	0	0
	IV Community Resource Deputy	1.0	184,500	0	0
	CIT Training	1.0		130,000	0
	Scheduling Software	0.0	60,000	40,000	0
	Overtime Mitigation	0.0	0	1,750,000	0
	District Attorney	Collaborative Courts	1.0	241,500	0
	Investigator	1.0	146,900	0	0
Public Defender	Investigator	1.0	117,700	0	0
	Experts & Evaluations	0.0	45,800	0	0
Probation	Deputy Probation Officer	1.0	120,400	0	0
Public Works	18% Maintenance Funding Growth	0.0	550,000	0	0
	Vintage Ranch Bridge	0.0	0	130,000	0



CEO RECOMMENDED ADJUSTMENTS

General Fund Departments *(continued)*

DEPARTMENT	DESCRIPTION	FTE	ONGOING GFC	ONE-TIME GFC	NON-GFC
Community Services	18% Maintenance Funding Growth	0.0	\$ 165,000	\$ 0	\$ 0
	Homeless Point-in-Time Count	0.0	0	15,000	0
	Fair Housing Assessment	0.0	0	50,000	0
	Tree Maintenance Program	0.0	0	200,000	0
	Waller Well Replacement	0.0	0	750,000	0
General Services	18% Maintenance Funding Growth	0.0	392,000	0	0
	Public Safety Radio Infrastructure	0.0	0	263,000	0
	ADA Facility Assessment	0.0	0	150,000	0
	Security Upgrades	0.0	0	400,000	0
	Water Reduction Measures	0.0	0	100,000	0
County Counsel	Legal Office Professional	1.0	71,300	0	0
	Deputy County Counsel IV	1.0	0	422,000	0
General County Programs	Renew '22 Initiatives	0.0	815,000	0	0
Total		9.7	\$ 3,789,400	\$ 4,400,000	\$ 0



CEO RECOMMENDED ADJUSTMENTS

Non-General Fund Departments

DEPARTMENT	DESCRIPTION	FTE	ONGOING GFC	ONE-TIME GFC	NON-GFC
Fire	Regular Squad Leaders	2.0	\$ 0	\$ 0	\$ 116,200
Public Health	Epidemiologist*	1.0	0	0	0
	Medical Assistants*	2.0	0	0	0
Total		5.0	\$ 0	\$ 0	\$ 116,200

*Cost offset by reduction in Extra Help



CANNABIS-RELATED STAFFING

	DEPARTMENT	FTE	AMOUNT
Permitting	County Counsel	0.50	\$ 102,300
	Planning & Development	2.50	376,000
Licensing	County Executive Office	0.45	76,900
	Sheriff	3.00	486,400
	Public Health	1.00	127,000
	Agricultural Commissioner	3.00	378,200
	Treasurer-Tax Collector	0.50	60,800
Enforcement	County Executive Office	0.55	96,700
	County Counsel	0.50	102,300
	District Attorney	1.50	202,900
	Sheriff	3.50	696,200
	Public Health	1.00	100,000
	Agricultural Commissioner	1.00	116,200
	Planning & Development	2.50	376,000
Total		21.50	\$ 3,297,900



ADJUSTMENTS DEFERRED TO HEARINGS

General Fund Departments

DEPARTMENT	DESCRIPTION	FTE	ONGOING GFC	ONE-TIME GFC	NON-GFC
District Attorney	Subpoena Server	1.0	\$ 67,600	\$ 0	\$ 0
Probation	Deputy Probation Officer	1.0	120,400	0	0
Sheriff	Computer-Aided Dispatch Support	0.0	420,000	140,000	0
	Isla Vista Foot Patrol	2.1	366,200	0	0
	Radio Tower Maintenance	0.0	50,000	0	0
	Disaster Response Team	8.0	0	1,573,600	0
	Worker's Compensation Carve-out	0.0	122,100	0	0
	Isla Vista Foot Patrol Detective	1.0	184,500	0	0
Public Works	Maintain Current Pavement Condition Index	0.0	0	8,060,000	0
	2017 Winter Storm Road Damage	0.0	0	1,370,000	0
	Disaster Costs	0.0	0	3,750,000	0
	Energy & Sustainability Initiatives	1.0	75,000	0	75,000
Total		14.1	\$ 1,405,800	\$ 14,893,600	\$ 75,000



ADJUSTMENTS DEFERRED TO HEARINGS

Non-General Fund Departments

DEPARTMENT	DESCRIPTION	FTE	ONGOING GFC	ONE-TIME GFC	NON-GFC
Behavioral Wellness	Institute for Mental Disease (IMD) and Augmented Board and Care Services	0.0	\$ 0	\$ 1,570,900	\$ 0
	Out-of-County Inpatient Psychiatric Hospital Services	0.0	0	780,000	0
Total		0.0	\$ 0	\$ 2,350,900	\$ 0

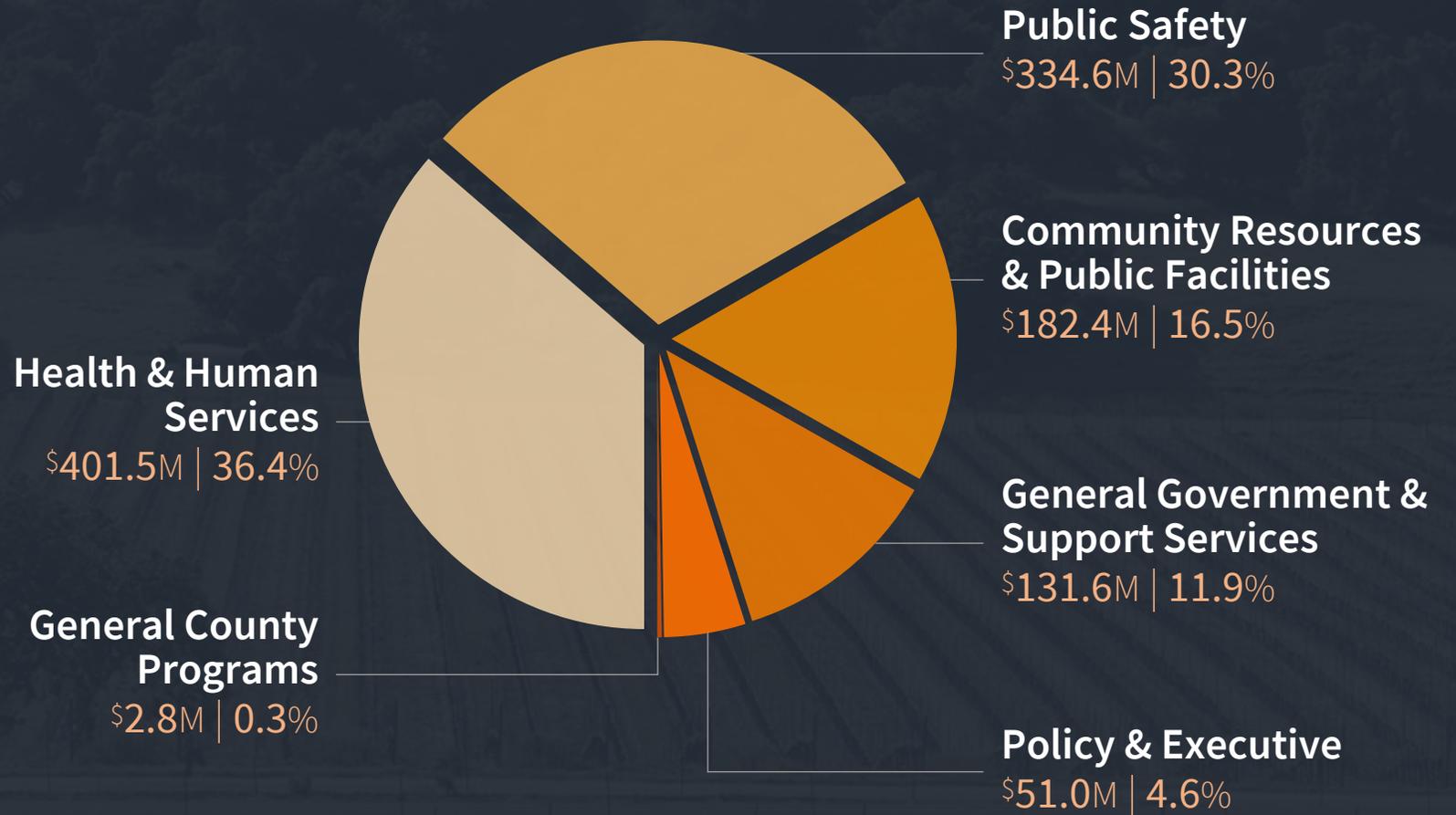


POTENTIAL ADJUSTMENTS TO RECOMMENDED BUDGET

		ONGOING	ONE-TIME
SOURCES	Unallocated Discretionary General Fund	\$ 376,200	\$ 0
	Cannabis Tax Revenue	0	4,600,000
	Emerging Issues Fund Balance	0	10,000
Total Sources		\$ 376,200	\$ 4,610,000
USES	Deferred Maintenance	0	4,500,000
	Strategic Reserve	0	5,600,000
	Libraries	0	230,000
	Parks Master Plan	0	500,000
	Hydrology Study	0	500,000
	Cloud-based Internet	0	500,000
	Homeless Tracking	0	10,000
	Union Valley Parkway Extension	0	155,800
	Utility Grade Solar Ordinance	0	501,500
	Short-term Rentals Coastal Zone Amendment	0	102,000
Total Uses		\$ 0	\$ 12,599,300

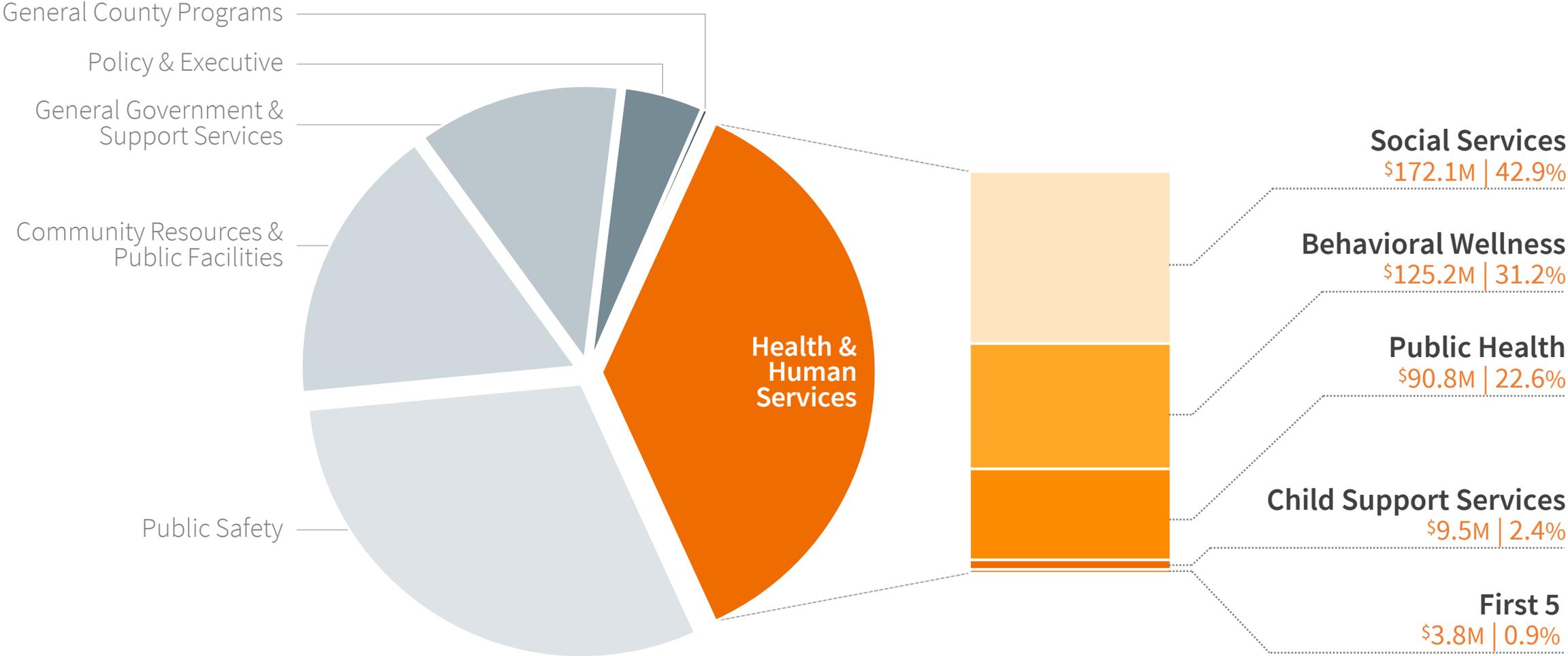


Functional Group Summaries



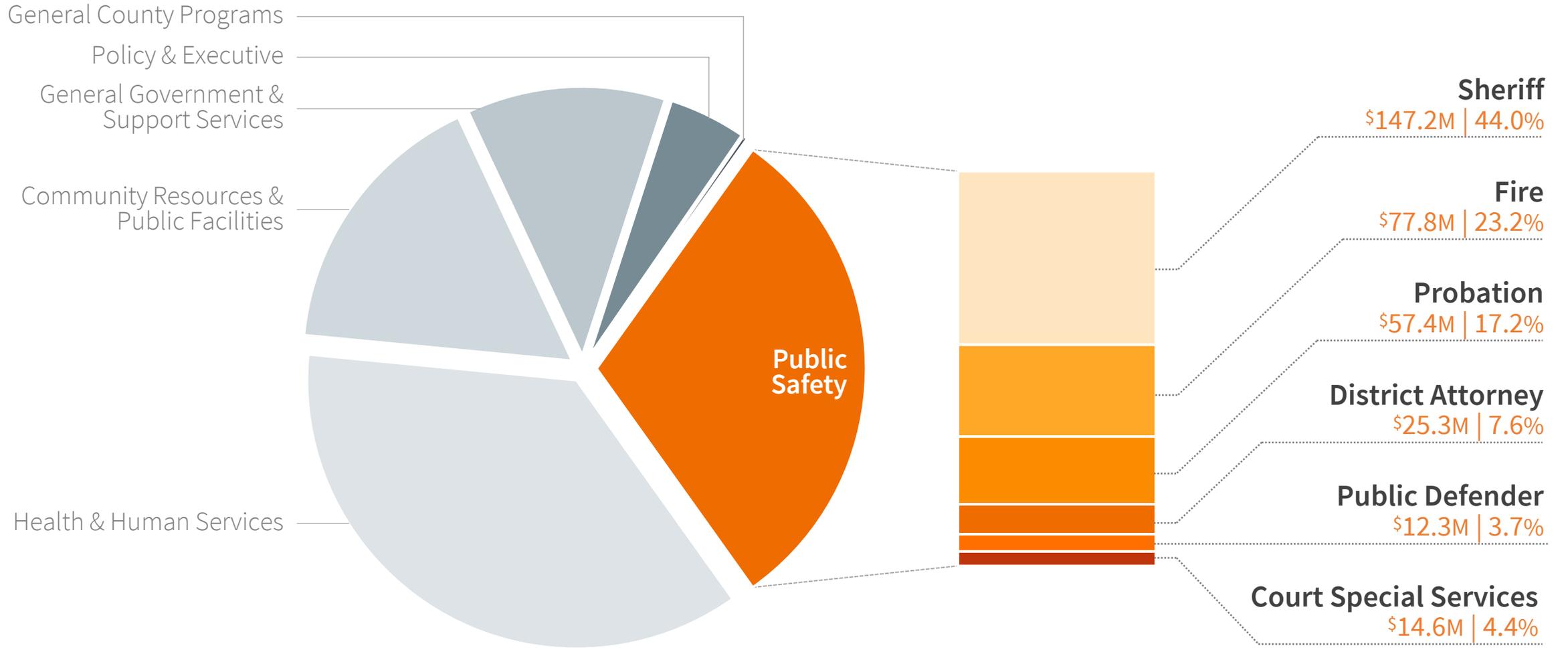
HEALTH & HUMAN SERVICES

Operating Expenditures **\$401.5** MILLION
 Staffing **1,734** FTEs



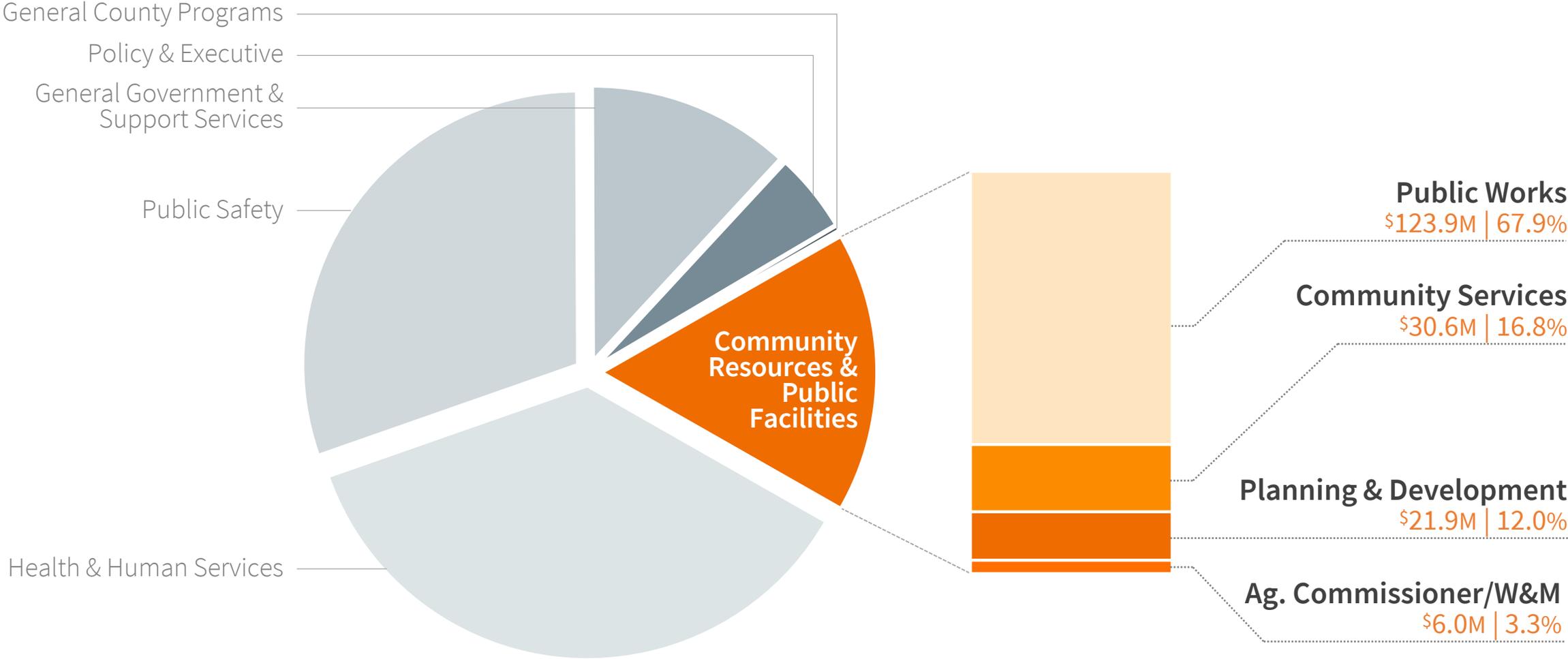
PUBLIC SAFETY

Operating Expenditures **\$334.6** MILLION
Staffing **1,502** FTEs



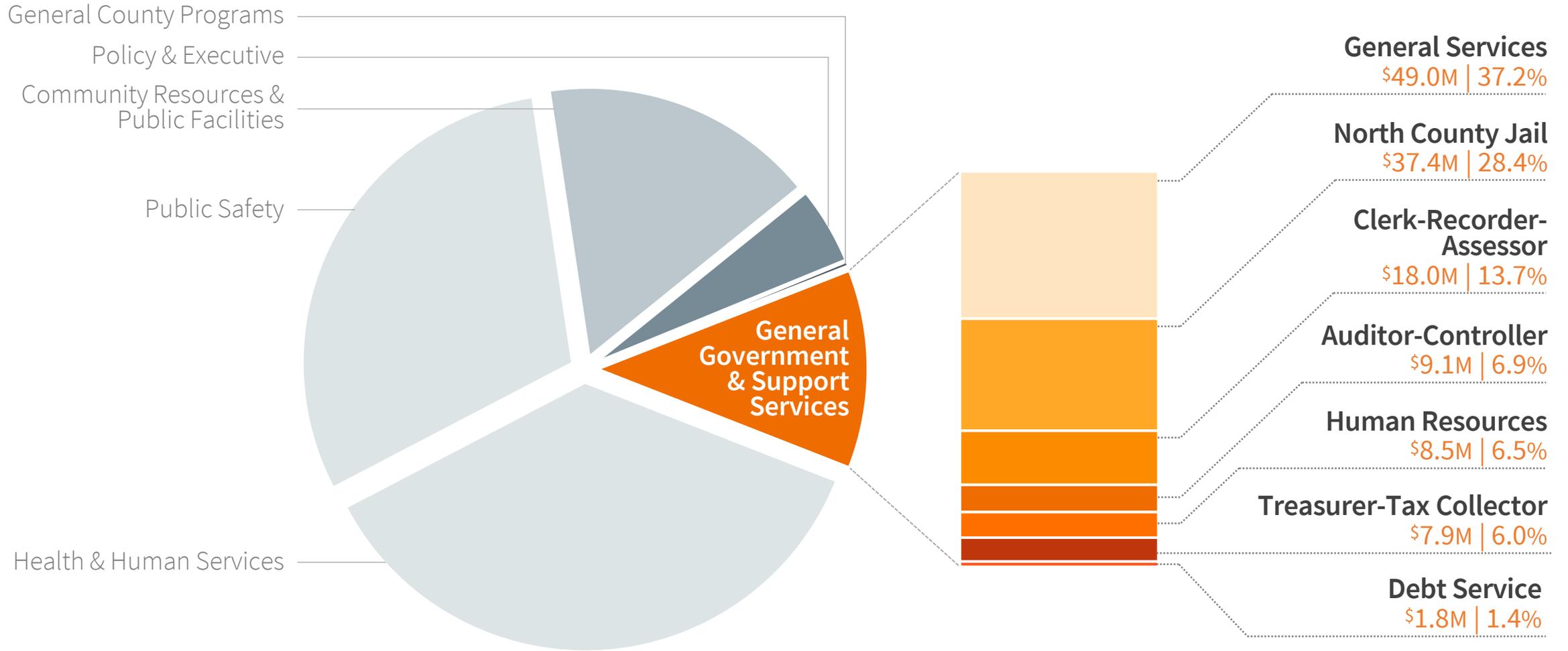
COMMUNITY RESOURCES & PUBLIC FACILITIES

Operating Expenditures **\$182.4** MILLION
 Staffing **499** FTEs



GENERAL GOVERNMENT & SUPPORT SERVICES

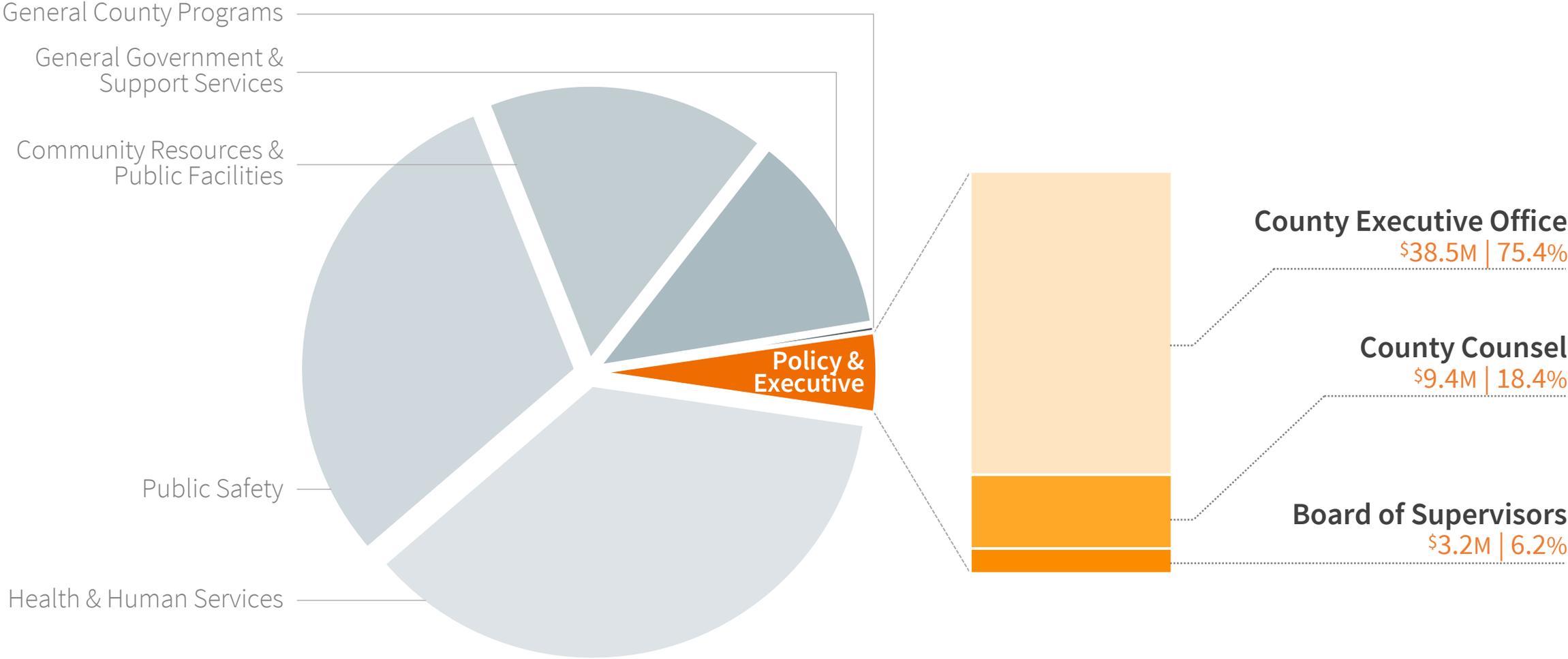
Operating Expenditures **\$131.6** MILLION
 Staffing **334** FTEs



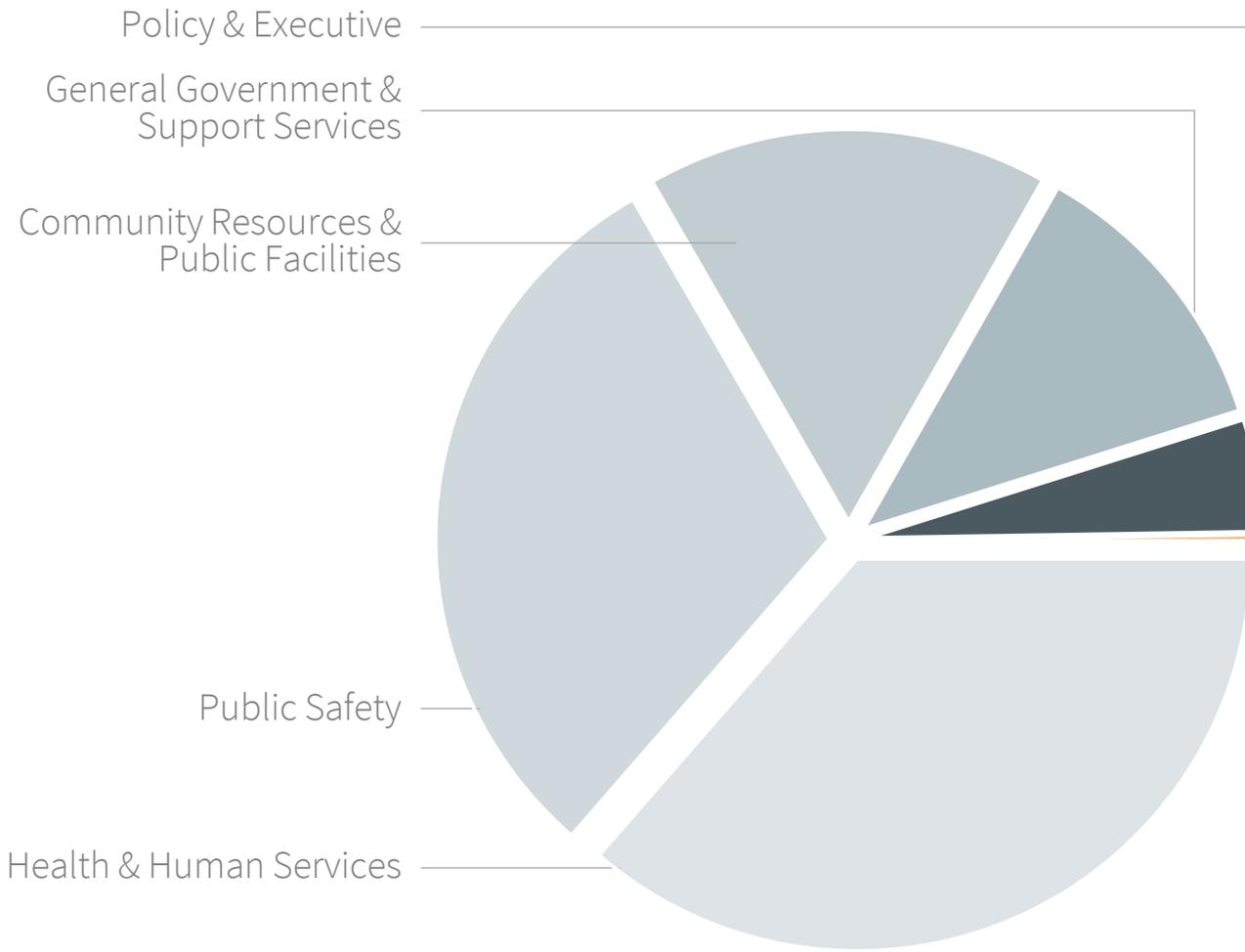
POLICY & EXECUTIVE

Operating Expenditures **\$51.0** MILLION

Staffing **97** FTEs



GENERAL COUNTY PROGRAMS



General County Programs
\$2.8M; 1 FTE



Financial Challenges Ahead

Significant challenges remain on the horizon:

- Public safety communications system replacement
- Growing deferred maintenance needs
- Changing legislation and regulations
- Employee-related cost increases
- Demands to keep pace with technology advances and public expectations
- Initially inconsistent and uncertain cannabis tax revenue

We will continue to focus on decisions that allow balancing of short-term needs with long-term impacts, strategic realigning of services and the costs to provide those services, and opportunities for new ways of doing business.



POTENTIAL ADJUSTMENTS TO RECOMMENDED BUDGET

		ONGOING	ONE-TIME
SOURCES	Unallocated Discretionary General Fund	\$ 376,200	\$ 0
	Cannabis Tax Revenue	0	4,600,000
	Emerging Issues Fund Balance	0	10,000
Total Sources		\$ 376,200	\$ 4,610,000
USES	Deferred Maintenance	0	4,500,000
	Strategic Reserve	0	5,600,000
	Libraries	0	230,000
	Parks Master Plan	0	500,000
	Hydrology Study	0	500,000
	Cloud-based Internet	0	500,000
	Homeless Tracking	0	10,000
	Union Valley Parkway Extension	0	155,800
	Utility Grade Solar Ordinance	0	501,500
	Short-term Rentals Coastal Zone Amendment	0	102,000
Total Uses		\$ 0	\$ 12,599,300



Summary of Recommended Actions

- a) Receive, consider, and file the FY 2018-19 Recommended Budget
- b) Approve final budget adjustments to the FY 2018-19 Recommended Budget
- c) Adopt the Resolution of the Board of Supervisors entitled In the Matter of Adopting the Budget for FY 2018-19
- d) Approve budget adjustments in the form of Attachment E, as amended during the hearings, to the FY 2018-19 Recommended Budget
- e) Delegate authority to the Chair of the Board to execute renewal of single-year grants and contracts previously approved by the Board and included in the FY 2018-19 Recommended Budget
- f) Adopt the salary resolution as of July 2, 2018
- g) Adopt position changes previously approved by the County Executive Officer during FY 2017-18 under Board Resolution 99-486
- h) Determine pursuant to CEQA Guidelines Sec. 15378(b)(4) that the above fiscal activities are not a project subject to CEQA.

