



**Proposed Fiscal Year 2013-14
Operating Plan**

2013-2015 Budget Hearings

County of Santa Barbara

June 10-14, 2013

Budget Hearing Materials

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Budget Overview Presentation

- Projected FY 2013-14 Gap
- Revenues
- Expenditures
- Recommended Budget Restorations/Expansions
- Risk – Fiscal Issues
- Available Fund Balance & Long Term Projections
- Conclusions
- Recommended Actions



FY 2013-14 Gap & Proposed Solution

GAP-SLR Reconciliation Schedule		
Issue:	(\$millions)	
FY 2013-14 Gap	(\$10.8)	
SLR's	8.3	} \$ 10.8
1-Time funding	0.9	
CRA 1-Time funding	1.6	
Total	\$0.0	



Budget at a Glance

- Total Budget of \$844.5M and staffing of 3,891 FTEs

(Dollars in Millions)	FY 2011-12 Actual	FY 2012-13 Adopted	FY 2013-14 Recommended	FY 14-15 Proposed
Total Operating Revenues	\$ 836.3	\$ 815.5	\$ 839.5	\$ 847.1
Total Operating Expenditures	\$ 801.0	\$ 833.3	\$ 844.5	\$ 860.8
Net Operating Impact *	\$ 35.3	\$ (17.8)	\$ (5.0)	\$ (13.7)
Staffing FTE's	3,845.9	3,923.7	3,891.2	3,894.0

* Net Operating Impact is funded by Other Financing Sources or use of Fund Balances.



FY 13-14 Recommended Budget Countywide Revenue

Budget By Categories of Revenues	Actual	Adopted	Change from	Recommended	Proposed
All Funds	FY 11-12	FY 12-13	FY12-13 Ado to FY13-14 Rec	FY 13-14	FY 14-15
Taxes	\$ 238,903,693	\$ 237,158,892	\$ 6,358,682	\$ 243,517,574	\$250,740,649
Licenses, Permits and Franchises	15,979,214	15,243,380	873,949	16,117,329	16,517,292
Fines, Forfeitures, and Penalties	10,990,888	10,282,286	(1,116,666)	9,165,620	8,261,073
Use of Money and Property	5,179,585	4,780,033	(820)	4,779,213	4,847,909
Intergovernmental Revenue	311,895,856	306,443,663	15,001,793	321,445,456	319,658,199
Charges for Services	196,996,636	202,825,082	(5,475,856)	197,349,226	202,496,910
Miscellaneous Revenue	56,318,186	38,784,816	8,378,536	47,163,352	44,566,757
Total Operating Revenues	\$ 836,264,058	\$ 815,518,152	\$ 24,019,618	\$ 839,537,770	\$ 847,088,789



FY 13-14 Recommended Budget General Fund Revenue

General Fund	Actual FY 11-12	Adopted FY 12-13	Change from FY12-13 Ado to FY13-14 Rec	Recommended FY 13-14	Proposed FY 14-15
Taxes	\$ 190,029,428	\$ 183,141,802	\$ 4,413,198	\$ 187,555,000	\$192,585,000
Licenses, Permits and Franchises	12,410,528	11,924,225	818,580	12,742,805	12,962,354
Fines, Forfeitures, and Penalties	6,106,661	5,180,201	(445,611)	4,734,590	4,168,890
Use of Money and Property	2,230,770	2,005,000	378,800	2,383,800	2,469,800
Intergovernmental Revenue	67,648,346	67,101,624	(1,155,872)	65,945,752	67,976,942
Charges for Services	69,044,963	68,053,175	(10,925,206)	57,127,969	58,721,160
Miscellaneous Revenue	8,982,227	3,534,287	271,702	3,805,989	3,186,019
Total Operating Revenues	\$ 356,452,923	\$ 340,940,314	\$ (6,644,409)	\$ 334,295,905	\$ 342,070,165



FY 13-14 Budget Summary

Discretionary General Revenues

Discretionary General Revenue Summary:							
Source (Dollars in Millions)	FY 2011-12 Actual	FY 2012-13 Current Est.	FY 2013-14 Recommend	FY 2014-15 Proposed	FY 2015-16 Projected	FY 2016-17 Projected	FY 2017-18 Projected
Significant Property Taxes	\$ 172.6	\$ 174.3	\$ 177.7	\$ 182.3	\$ 188.0	\$ 194.1	\$ 200.6
RDA Dissolution Proceeds - One time	-	5.1	-	-	-	-	-
RDA Prop. Tax - Ongoing	3.9	4.2	4.3	4.4	4.5	4.6	4.7
Fire: Trans Tax	-	(5.9)	(6.6)	(7.5)	(8.5)	(9.6)	(10.7)
Subtotal Property Taxes	\$ 176.5	\$ 177.7	\$ 175.4	\$ 179.2	\$ 184.0	\$ 189.1	\$ 194.6
Cost Allocation Services	10.2	7.9	6.5	6.5	6.7	6.8	6.9
Local Sales Tax	7.9	6.7	6.9	7.2	7.5	7.8	8.1
Transient Occupancy Tax	7.6	6.7	6.8	7.2	7.5	7.9	8.3
Payments in Lieu of Tax	1.8	1.6	-	-	-	-	-
All Other (Franchise, interest, misc State)	10.2	8.3	8.9	8.9	8.8	9.0	9.2
Total Discretionary Revenues	\$ 214.2	\$ 208.9	\$ 204.6	\$ 209.0	\$ 214.5	\$ 220.6	\$ 227.1



FY 13-14 Budget Summary

Property Tax Growth

Significant Property Taxes:							
Source (Dollars in Millions)	FY 2011-12 Actual	FY 2012-13 Current Est.	FY 2013-14 Recommend	FY 2014-15 Proposed	FY 2015-16 Projected	FY 2016-17 Projected	FY 2017-18 Projected
Property Tax - Secured	\$ 113.6	\$ 114.8	\$ 117.4	\$ 120.5	\$ 124.0	\$ 127.7	\$ 131.8
Property Tax In-Lieu of VLF	42.7	43.1	44.0	45.2	46.4	47.8	49.3
Property Tax: Fines, Penalties	5.3	4.7	4.0	3.5	3.6	3.7	3.9
Property Tax - Unsecured	4.8	4.4	4.6	4.7	4.8	4.9	5.1
Property Tax - Unitary	2.1	2.4	2.5	2.5	2.5	2.5	2.5
Property Tax - Supplemental	1.6	2.0	2.2	2.6	3.2	3.5	3.8
Property Tax Transfer	2.5	2.9	3.1	3.3	3.6	3.9	4.2
Significant Property Taxes	\$ 172.6	\$ 174.3	\$ 177.7	\$ 182.3	\$ 188.1	\$ 194.0	\$ 200.6
Growth Year over Year		\$ 1.7	\$ 3.4	\$ 4.6	\$ 5.8	\$ 5.9	\$ 6.6
Rate of Growth		1.0%	2.0%	2.6%	3.2%	3.1%	3.4%



Santa Barbara County Recommended Operational Plan

FY 13-14 Recommended Budget Expenditures – Countywide & GF

Budget By Categories of Expenditures	Actual	Adopted	Change from	Recommended	Proposed
All Funds	FY 11-12	FY 12-13	FY12-13 Ado to FY13-14 Rec	FY 13-14	FY 14-15
Salaries and Employee Benefits	\$ 458,110,066	\$ 478,884,624	\$ 13,503,151	\$ 492,387,775	\$ 517,392,216
Services and Supplies	227,385,841	230,022,530	7,346,853	237,369,383	228,454,867
Other Charges	115,543,042	124,378,195	(9,627,552)	114,750,643	114,926,154
Total Operating Expenditures	\$ 801,038,950	\$ 833,285,349	\$ 11,222,452	\$ 844,507,801	\$ 860,773,237
General Fund					
Salaries and Employee Benefits	\$ 267,816,408	\$ 282,791,225	\$ (35,200,329)	\$ 247,590,896	\$ 261,429,718
Services and Supplies	41,055,188	44,264,106	(3,251,898)	41,012,208	41,695,372
Other Charges	20,402,259	23,065,914	(2,801,466)	20,264,448	20,487,246
Total Operating Expenditures	\$ 329,273,855	\$ 350,121,245	\$ (41,253,693)	\$ 308,867,552	\$ 323,612,336



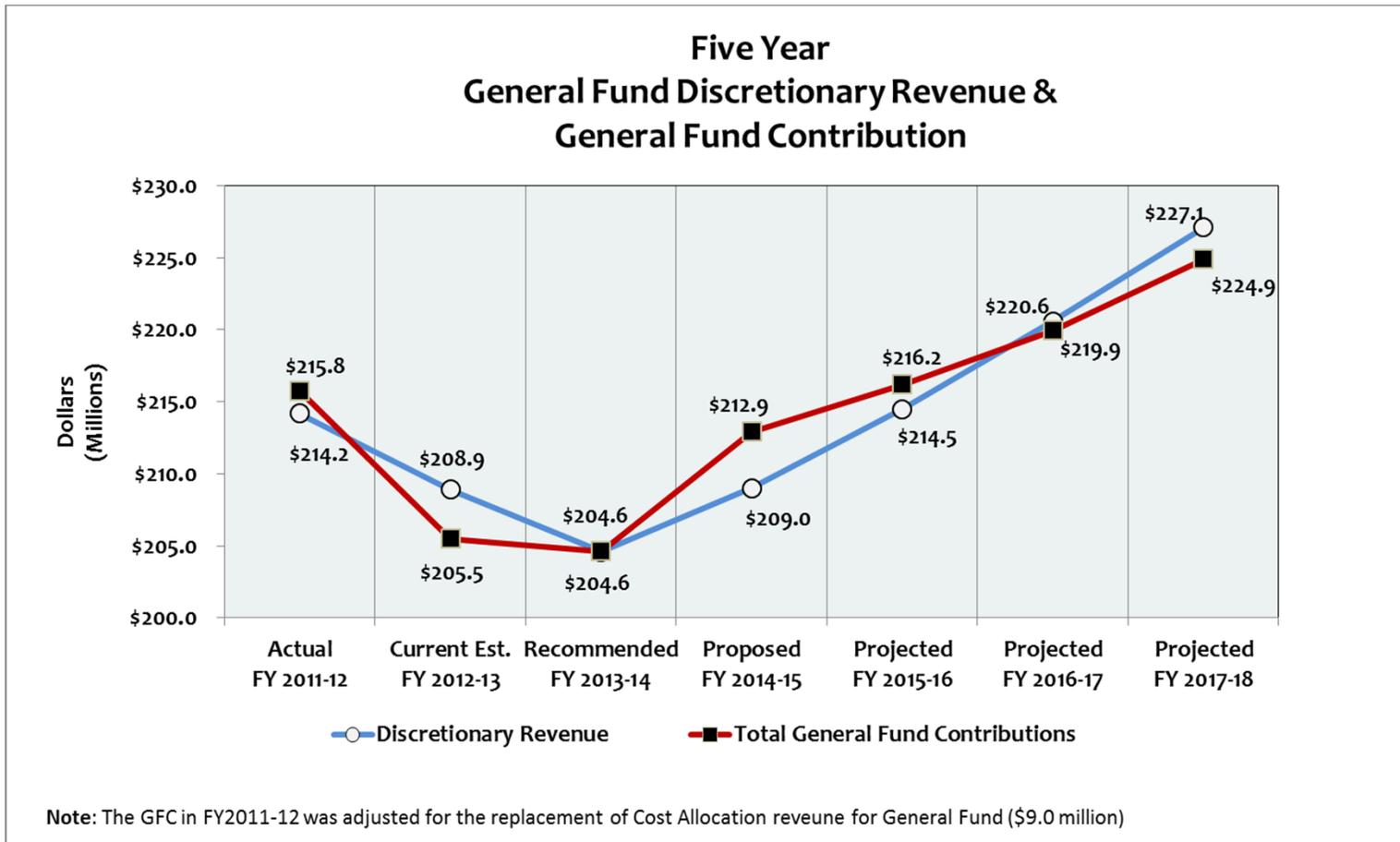
FY 13-14 Budget Summary

Incremental Expenditure Projections

Discretionary Revenue & Expenditure Projections							
(Dollars in Millions)	FY 2011-12 Actual	FY 2012-13 Current Est.	FY 2013-14 Recommend	FY 2014-15 Proposed	FY 2015-16 Projected	FY 2016-17 Projected	FY 2017-18 Projected
Discretionary Revenue	\$ 214.2	\$ 208.9	\$ 204.6	\$ 209.0	\$ 214.5	\$ 220.6	\$ 227.1
General Fund Allocations:							
GF Departments	169.2	170.4	173.3	169.3	177.5	178.4	179.9
Other Funds	31.0	28.8	22.5	26.5	27.3	28.2	29.0
Committed Fund Balance	6.6	5.2	8.6	7.6	8.9	10.4	11.9
Subtotal	\$ 206.7	\$ 204.5	\$ 204.4	\$ 203.5	\$ 213.7	\$ 217.0	\$ 220.8
Incremental Changes:							
Salaries & Benefits:							
Salaries & Misc. Benefits			(3.0)	1.2	2.0	2.0	2.1
Healthcare Costs			0.4	0.8	0.5	0.5	0.5
Retirement			1.3	5.9	(1.7)	(1.3)	(0.2)
OPEB			0.2	0.3	0.2	0.2	0.3
Sub-total S&B	\$ -	\$ -	\$ (1.1)	\$ 8.2	\$ 1.0	\$ 1.4	\$ 2.6
Other Items:							
Northern Branch Jail		1.0	1.3	1.3	1.5	1.5	1.5
Deferred Maintenance			-	-	-	-	-
Subtotal	\$ -	\$ 1.0	\$ 1.3	\$ 1.3	\$ 1.5	\$ 1.5	\$ 1.5
Total Discretionary Expenditures	\$ 206.7	\$ 205.5	\$ 204.6	\$ 212.9	\$ 216.2	\$ 219.9	\$ 224.9
Net Discretionary Financial Impact	\$ 7.5	\$ 3.4	\$ (0.0)	\$ (3.9)	\$ (1.7)	\$ 0.7	\$ 2.2



Long Term Forecast



CEO Recommended Budget Adjustments

Attachment A

- \$ 223,000 Expansions with Onetime GFC
- \$ 961,033 Expansions with Ongoing GFC
- \$1,184,033 Total Expansions

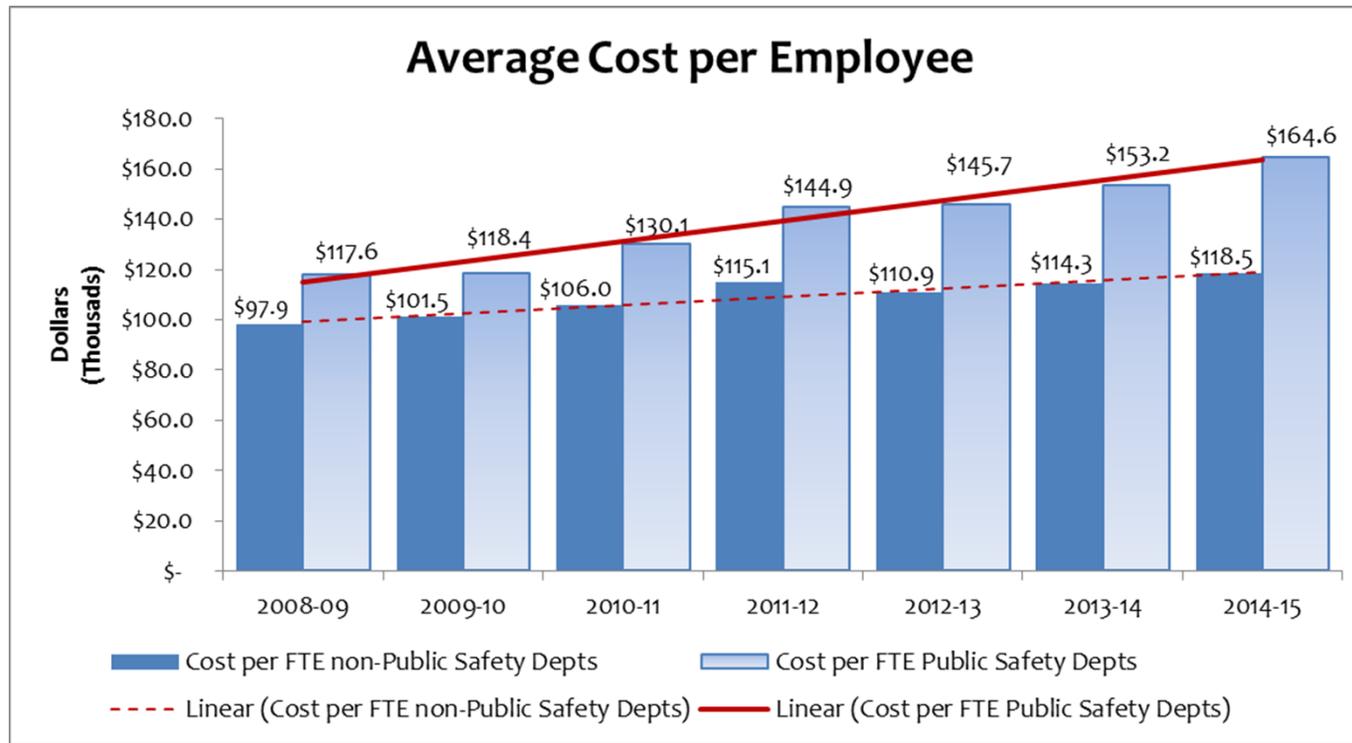


Risk - Fiscal Issues

- Employee Compensation – salary increases
- Fire District Tax Transfer
- Retirement, OPEB & Healthcare Costs
- Northern Branch Jail
- Deferred Maintenance Backlog
- ADMHS Cost Settlements
- Affordable Care Act (ACA)

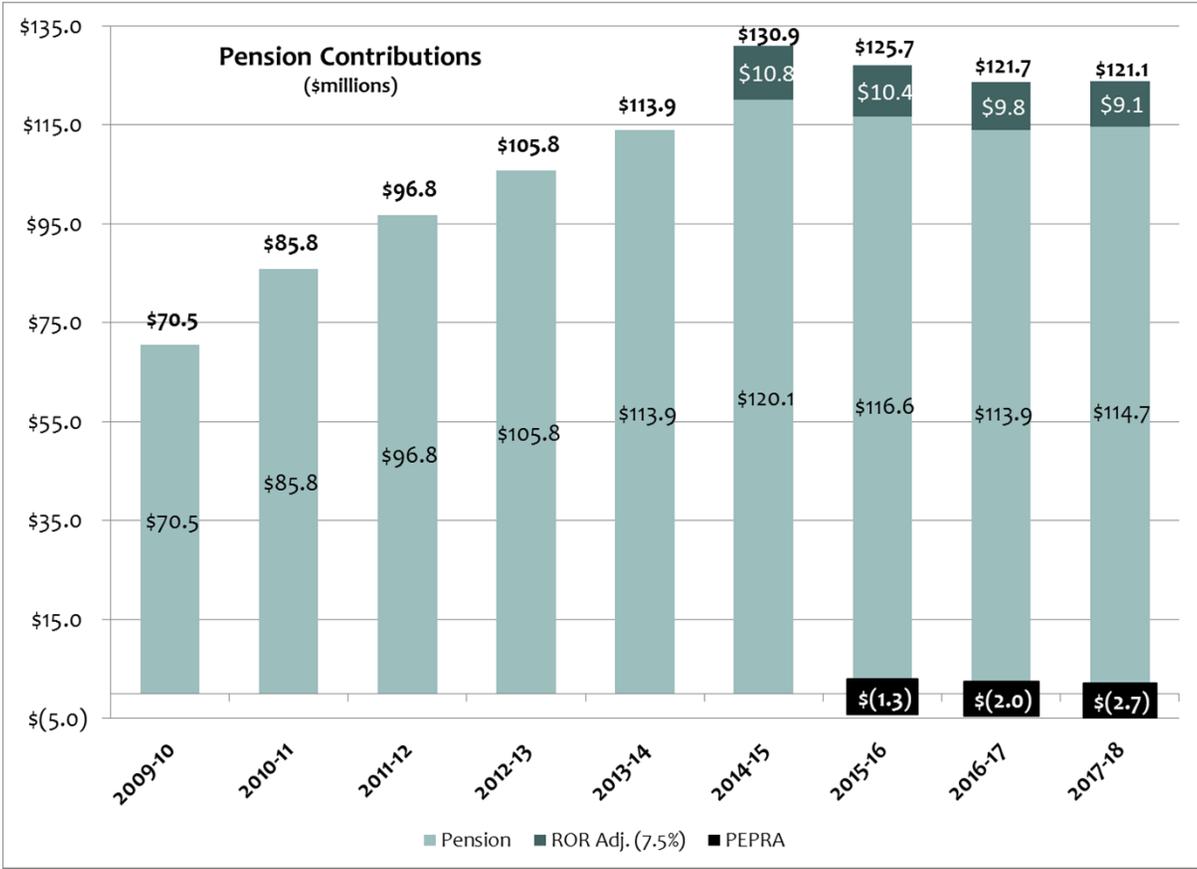


Average Cost of County Employee 10 year Trend



FY 13-14 Budget Summary

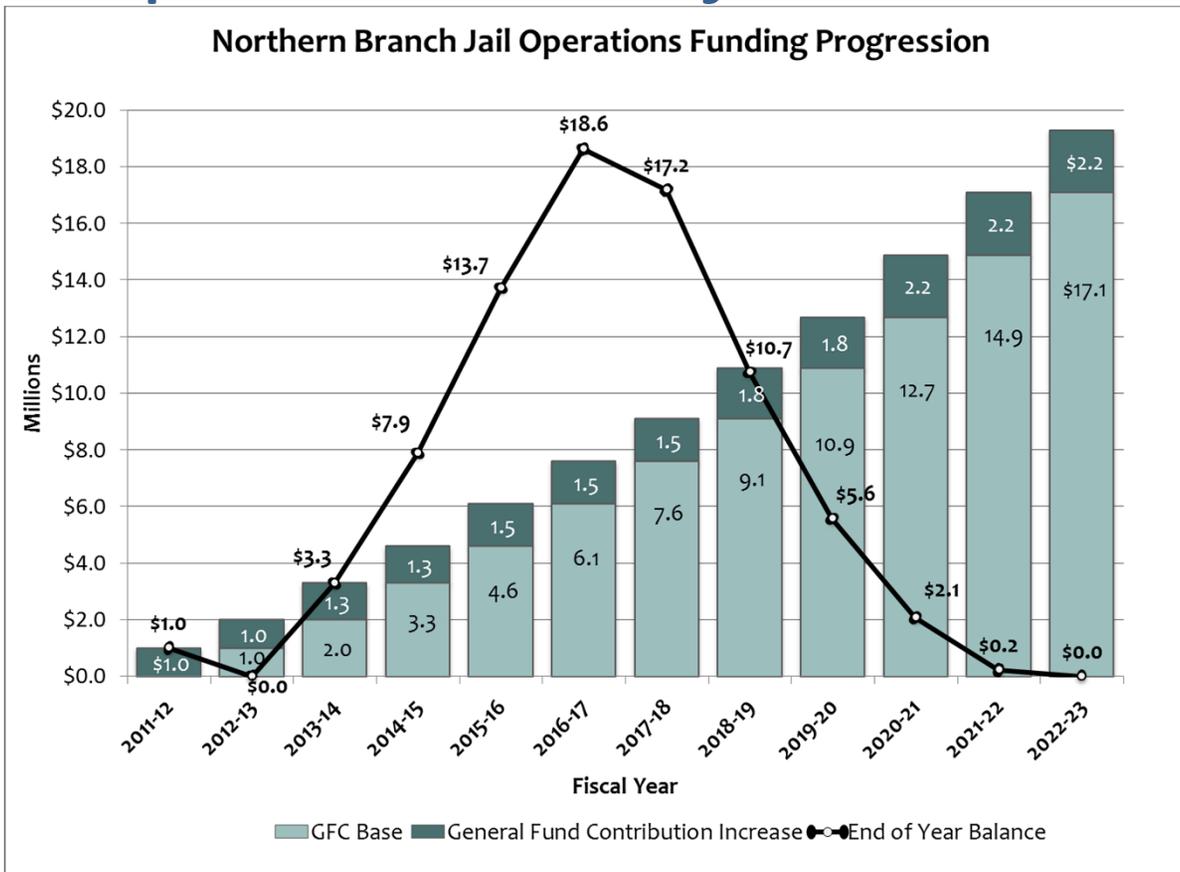
Expenditure Projections-Retirement



Santa Barbara County Recommended Operational Plan

FY 13-14 Budget Summary

Expenditure Projections-Jail Operating Fund



Fiscal Year	GFC Base	GFC Increase	County Match	Operating Costs	End of Year
2011-12	\$ -	\$ 1.0	\$ -	\$ -	\$ 1.0
2012-13	1.0	1.0	(3.0)	-	-
2013-14	2.0	1.3	-	-	3.3
2014-15	3.3	1.3	-	-	7.9
2015-16	4.6	1.5	-	(0.3)	13.7
2016-17	6.1	1.5	-	(2.7)	18.6
2017-18	7.6	1.5	-	(10.5)	17.2
2018-19	9.1	1.8	-	(17.3)	10.7
2019-20	10.9	1.8	-	(17.9)	5.6
2020-21	12.7	2.2	-	(18.4)	2.1
2021-22	14.9	2.2	-	(19.0)	0.2
2022-23	17.1	2.2	-	(19.5)	-



Santa Barbara County Recommended Operational Plan

FY 13-14 Budget Summary

Expenditure Projections-Deferred Maintenance

**Departmental Estimated Unfunded Deferred Maintenance Backlog
As of April 5, 2013 as submitted in CIP Database**

Department Summary:						
(Dollars in Millions)	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	5 Yr Total
Public Works	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 50.0	\$ 250.1
General Services	6.6	6.7	10.2	6.1	5.6	35.2
Parks	1.4	1.4	1.4	1.4	1.4	6.9
Total	\$ 58.0	\$ 58.2	\$ 61.6	\$ 57.5	\$ 57.0	\$ 292.2



Santa Barbara County Recommended Operational Plan

Affordable Care Act (ACA)

- 30k – 40k newly eligible Medi-Cal recipients
- Assessing capacity to serve increased demand
- New revenue anticipated in PHD, ADMHS & DSS
- Threat of State revenue “take-away” (PHD only)
- Planning/Implementation Team in place



Projected FY 2012-13 Results

- +\$2.2 million = Q3 Projected vs. Budget Book
- +\$2.5 million = Planned DSS GF transfer no longer necessary (post Q3 presentation)
- -\$2.7 million = CEC/MISC reserve, Probation
- In addition to the above, many Departments are not drawing as much from Fund Balance as previously planned.



FY 13-14 Budget Summary

Available Fund Balances (Budget Book)

Fund Balance Component	6/30/2013 Estimated Balance	2013-2014 Proposed Increases	2013-2014 Proposed Decreases	6/30/2014 Projected Balance
Capital	\$ 597,609	\$ 500,000	\$ -	\$ 1,097,609
Roads	-	500,000		500,000
Litigation	1,711,120		(570,000)	1,141,120
Salary & Benefits Reductions	5,126,311	-	-	5,126,311
Deferred Maintenance	1,914,361	1,800,000	(1,800,000)	1,914,361
Audit Exceptions	2,180,592		-	2,180,592
New Jail Operations	-	3,300,000		3,300,000
Program Restoration	314,740	2,156,033	(930,000)	1,540,773
Contingencies	1,048,768	500,000	(29,931)	1,518,837
Strategic Reserve	26,237,483	1,127,202	-	27,364,685
TOTAL	\$ 39,130,984	\$ 9,883,235	\$ (3,329,931)	\$ 45,684,288



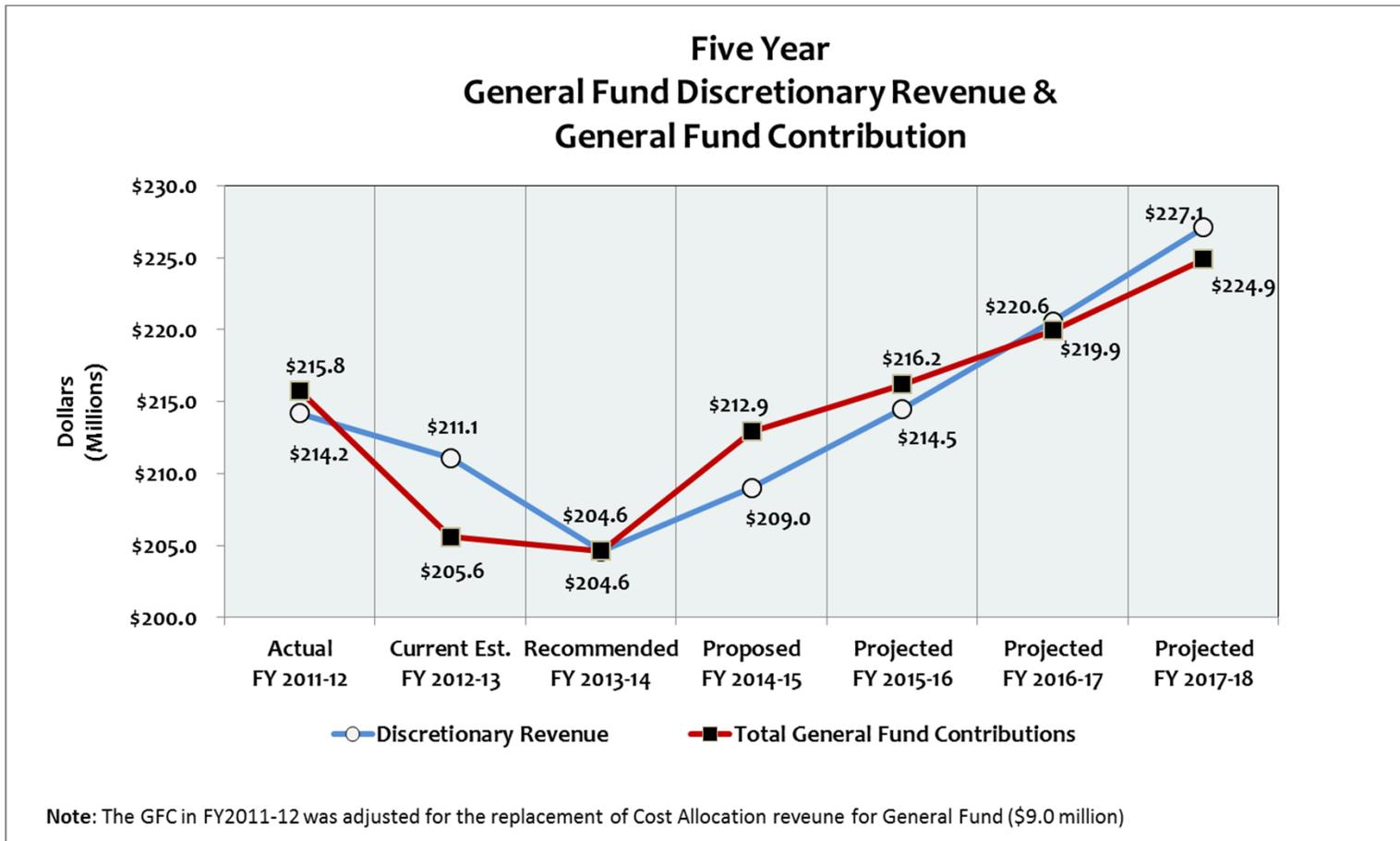
FY 13-14 Budget Summary

Available Fund Balances - Revised

Fund Balance Component	6/30/2013 Estimated Balance	Updated for FY 2012-13 Proj. Results	2013-2014 Proposed Increases	2013-2014 Proposed Decreases	6/30/2014 Projected Balance
Capital	\$ 597,609		\$ 500,000	\$ -	\$ 1,097,609
Roads	-		500,000	-	500,000
Litigation	1,711,120		-	(570,000)	1,141,120
Salary & Benefits Reductions	5,126,311		-	-	5,126,311
Deferred Maintenance	1,914,361		1,800,000	(2,800,000)	914,361
Audit Exceptions	2,180,592	5,739,742	-	-	7,920,334
New Jail Operations	-		3,300,000	-	3,300,000
Program Restoration	314,740		2,156,033	(2,114,000)	356,773
Contingencies	1,048,768		500,000	(29,931)	1,518,837
Strategic Reserve	26,237,483	2,200,000	1,127,202	-	29,564,685
TOTAL	\$39,130,984	\$ 7,939,742	\$ 9,883,235	\$ (5,513,931)	\$51,440,030



Long Term Forecast – Revised



Conclusions

- Preparing for a challenging FY 2014-15
- Projected growth in revenues
- Rate of increasing retirement costs should level off in coming years
- Fiscal Issues will require strategic funding plans



Recommended Actions

1. Approve final budget adjustments to the Fiscal Year **2013-14** Recommended Budget, including Attachment E: Board Adjustments to FY 2013-14 Recommended Budget;
2. Delegate authority to the County Executive Officer to execute ongoing grants and 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; and
4. Adopt the Resolution of the Board of Supervisors entitled In the Matter of Adopting the Budget for Fiscal Year 2013-14



Recommended Actions

Successor Agency to the former County of Santa Barbara Redevelopment Agency

1. Adopt the Resolution of the Board of Supervisors of the County of Santa Barbara as the Successor Agency to the former County of Santa Barbara Redevelopment Agency, entitled In The Matter Of Adopting The Budget For Fiscal Year 2013-14 For The County Of Santa Barbara As Successor Agency To The Former County of Santa Barbara Redevelopment Agency.





2013-2015 Budget Hearings

County of Santa Barbara