

# **2015-2017 BUDGET HEARINGS**

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**Foundations for the Future  
Budget in Brief**

**June 8 -12, 2015**

# Budget in Brief - Presentation

- Budget Hearing Materials
- Countywide Budgeted Revenues & Expenditures
- Capital Expenditure Summary
- 5 Year Forecast
- Risk – Fiscal Issues
- Available Fund Balances
- Funding for Board Deliberations
- Closing Comments

**Santa Barbara County Recommended Budget**

# Budget Hearing Materials

## Binder Tabs/Description

1. Board Letter
2. Board Inquiry Forms
3. Attachment A-1: CEO Rec. Budget Adjustments  
Attachment A-2: Other Final Budget Adjustments
4. Attachment A-3: Dept. Budget Request Defer to Hearings  
Attachment E: Board Adjustments
5. Attachments B & C: Ongoing Grants/Contracts
6. Attachment D: Budget Resolution
7. Successor Agency to the former RDA
8. CEO Budget Overview & Budget in Brief
9. Outside Agency Requests for Funding
- 10-31. Departmental Presentation Materials

**Santa Barbara County Recommended Budget**

# Budget at a Glance

## Countywide Revenues & Expenditures

	FY 2013-14 Actual	FY 2014-15 Adopted	FY 2015-16 Recommended	FY 2016-17 Proposed
Total Operating Revenues	933.8	916.4	965.6	1009.6
Total Operating Expenditures	840.6	920.9	965.1	994.6
Net Operating Impact *	\$ 93.1	\$ (4.6)	\$ 0.5	\$ 15.0
Staffing FTE's	3,974.3	4,243.3	4,274.8	4,298.8

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

**Santa Barbara County Recommended Budget**

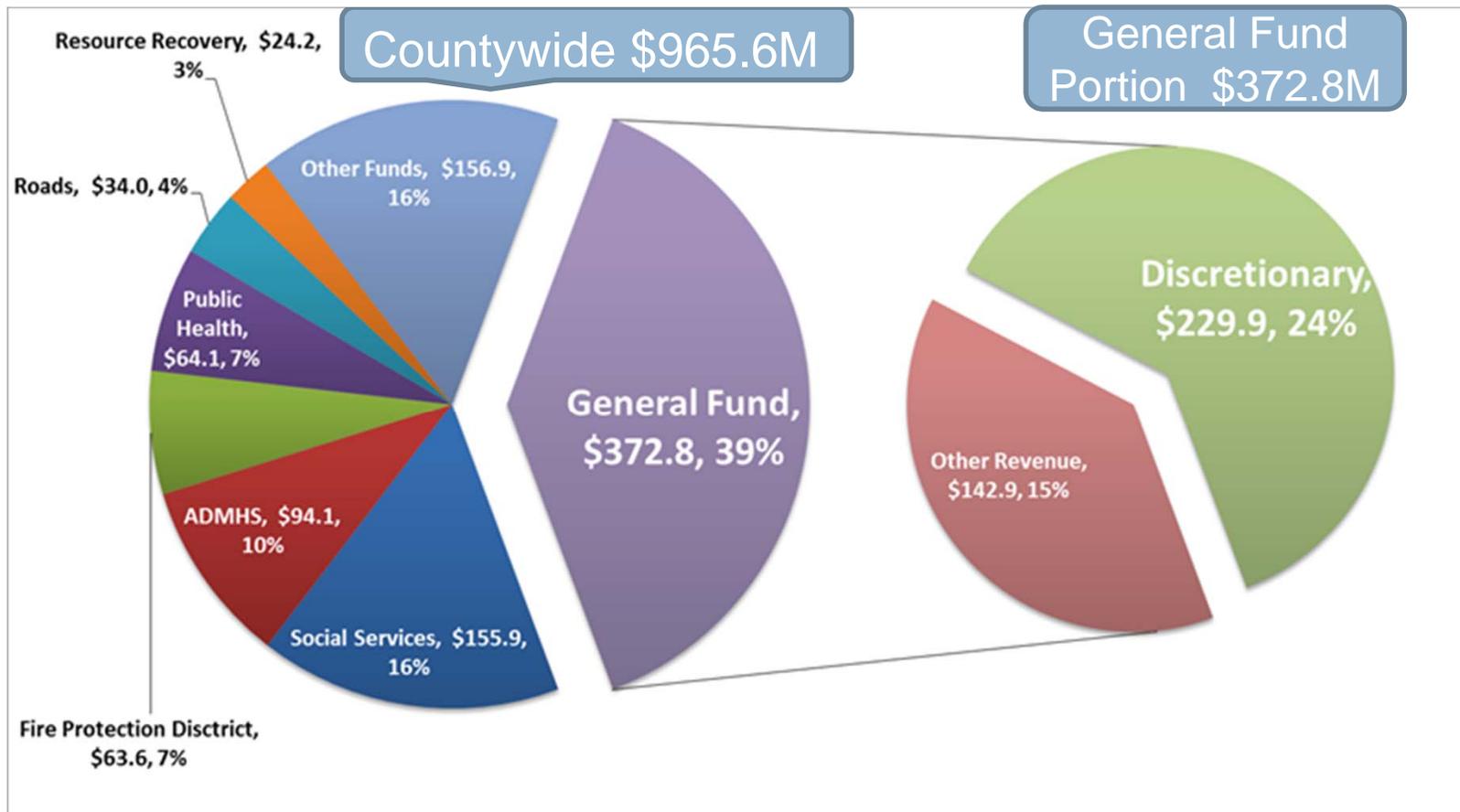
# FY 2015-16 Recommended Budget Countywide Revenue by Category

Budget By Categories of Revenues	Actual	Adopted	Change from	Recommended	Proposed
	FY 13-14	FY 14-15	FY14-15 Ado to FY15-16 Rec		
Taxes	\$ 254,175,785	\$ 261,616,307	\$ 16,856,699	\$ 278,473,006	\$ 289,938,564
Licenses, Permits and Franchises	17,215,891	17,955,738	98,030	18,053,768	18,421,944
Fines, Forfeitures, and Penalties	10,882,602	8,846,948	(886,104)	7,960,844	7,637,684
Use of Money and Property	6,250,657	4,119,278	(103,459)	4,015,819	4,183,361
Intergovernmental Revenue	384,935,253	346,707,453	24,795,082	371,502,535	398,769,927
Charges for Services	206,565,141	230,428,080	11,398,872	241,826,952	246,485,172
Miscellaneous Revenue	53,729,882	46,692,871	(2,907,224)	43,785,647	44,171,785
<b>Total Operating Revenues</b>	<b>933,755,211</b>	<b>916,366,675</b>	<b>49,251,896</b>	<b>965,618,571</b>	<b>1,009,608,437</b>

\$49.3M Growth or 5.4%

**Santa Barbara County Recommended Budget**

# Operating Revenues - \$965.6M Shown by Major Fund



**Santa Barbara County Recommended Budget**

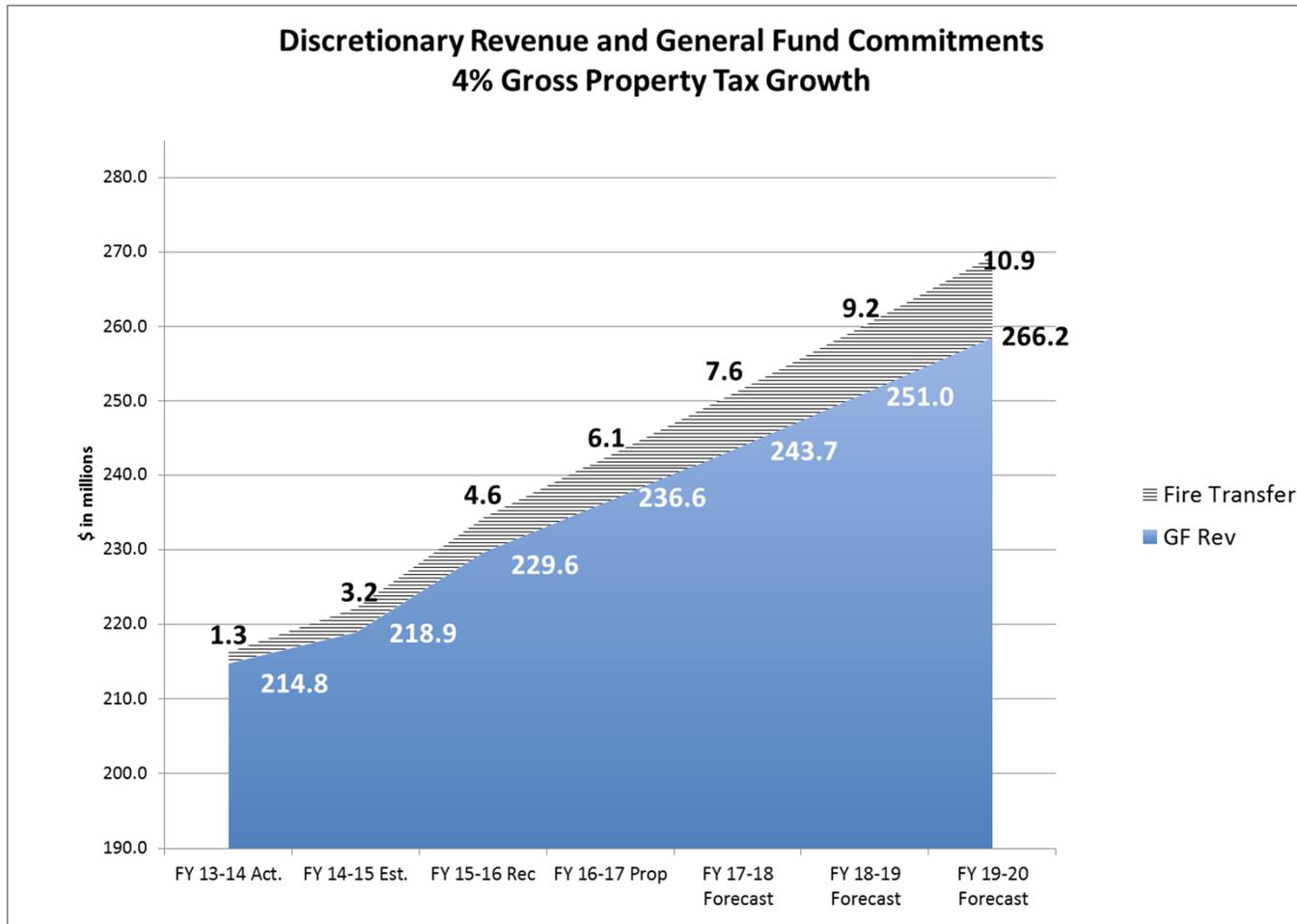
# FY 2015-16 Recommended Budget

## Discretionary General Revenues

<b>Discretionary General Revenue Summary:</b>				
<b>Source (Dollars in Millions)</b>	<b>FY 2013-14 Actual</b>	<b>Adopted FY 2014-15</b>	<b>FY 2015-16 Recommend</b>	<b>FY 2016-17 Proposed</b>
Significant Property Taxes	\$ 177.3	\$ 180.4	\$ 187.5	\$ 195.4
RDA Dissolution Proceeds - One time	-	-	-	-
RDA Prop. Tax - Ongoing	5.0	4.9	5.4	5.6
<b>Subtotal Property Taxes</b>	<b>\$ 182.3</b>	<b>\$ 185.3</b>	<b>\$ 192.9</b>	<b>\$ 201.0</b>
Cost Allocation Services	7.3	9.4	11.9	11.1
Local Sales Tax	6.9	7.3	8.8	10.5
Transient Occupancy Tax	7.5	7.4	8.0	8.3
Payments in Lieu of Tax	1.8	0.0	-	-
All Other (Franchise, interest, misc State)	9.1	8.4	8.3	5.9
<b>Total Discretionary Revenues</b>	<b>\$ 215.0</b>	<b>\$ 217.8</b>	<b>\$ 229.9</b>	<b>\$ 236.8</b>
<b>Growth Year over Year</b>			<b>\$ 12.1</b>	<b>\$ 6.9</b>
<b>Rate of Growth</b>			<b>5.6%</b>	<b>3.0%</b>

**Santa Barbara County Recommended Budget**

# FY 2015-16 Recommended Budget Discretionary General Revenues



## Santa Barbara County Recommended Budget

# FY 2015-16 Recommended Budget Operating Expenditures

Operating Expenditures					
Use (dollars in millions)	Change from			FY 2015-16 Recommend	FY 2016-17 Proposed
	FY 2013-14 Actual	FY 2014-15 Adopted	FY 2014-15 to FY 2015-16		
<b>Salaries and Employee Benefits</b>					
Regular Salaries	\$ 280.9	\$ 317.7	\$ 12.3	\$ 330.0	\$ 335.5
Budgeted Salary Savings	0.0	(6.8)	\$ (7.8)	(14.5)	(12.9)
Retirement Contribution	108.1	120.7	1.1	121.8	120.0
Retiree Medical OPEB	9.0	12.0	0.6	12.6	13.5
Health Insurance Contrib	25.3	30.6	5.3	35.8	40.9
Workers Compensation	14.8	14.8	1.7	16.5	16.9
Other Salaries & Benefits	51.5	47.4	0.8	48.2	49.1
Total Salaries and Benefits	\$ 489.7	\$ 536.5	\$ 14.0	\$ 550.5	\$ 563.0
% Change			2.6%		
<b>Services and Supplies</b>					
Contractual & Special Services	82.9	94.0	25.3	119.3	138.0
All Other Services & Supplies	150.2	167.6	5.9	173.5	171.3
Total Services and Supplies	\$ 233.0	\$ 261.5	\$ 31.2	\$ 292.7	\$ 309.3
% Change			11.9%		
<b>Other Charges</b>					
Cash Assistance Payments	47.2	50.2	(0.4)	49.7	52.8
All Other Charges	70.7	72.8	(0.6)	72.2	69.5
Total Other Charges	\$ 117.9	\$ 122.9	\$ (1.0)	\$ 121.9	\$ 122.3
% Change			-0.9%		
<b>Total Operating Expenditures</b>	<b>\$ 840.6</b>	<b>\$ 920.9</b>	<b>\$ 44.2</b>	<b>\$ 965.1</b>	<b>\$ 994.6</b>
% Change			4.8%		

Controlled growth in Salaries & Benefits

Barbara County Recommended Budget

# Capital Summary

Five Year CIP Funded/Unfunded Totals by Fiscal Year

Fiscal Year	Funded	Unfunded	Total
2014-15	54,747	550	55,297
2015-16	61,034	5,643	66,677
2016-17	101,860	30,394	132,254
2017-18	90,008	38,614	128,622
2018-19	47,776	40,430	88,206
<b>Five Year Total</b>	<b>\$355,425</b>	<b>\$115,631</b>	<b>471,056</b>

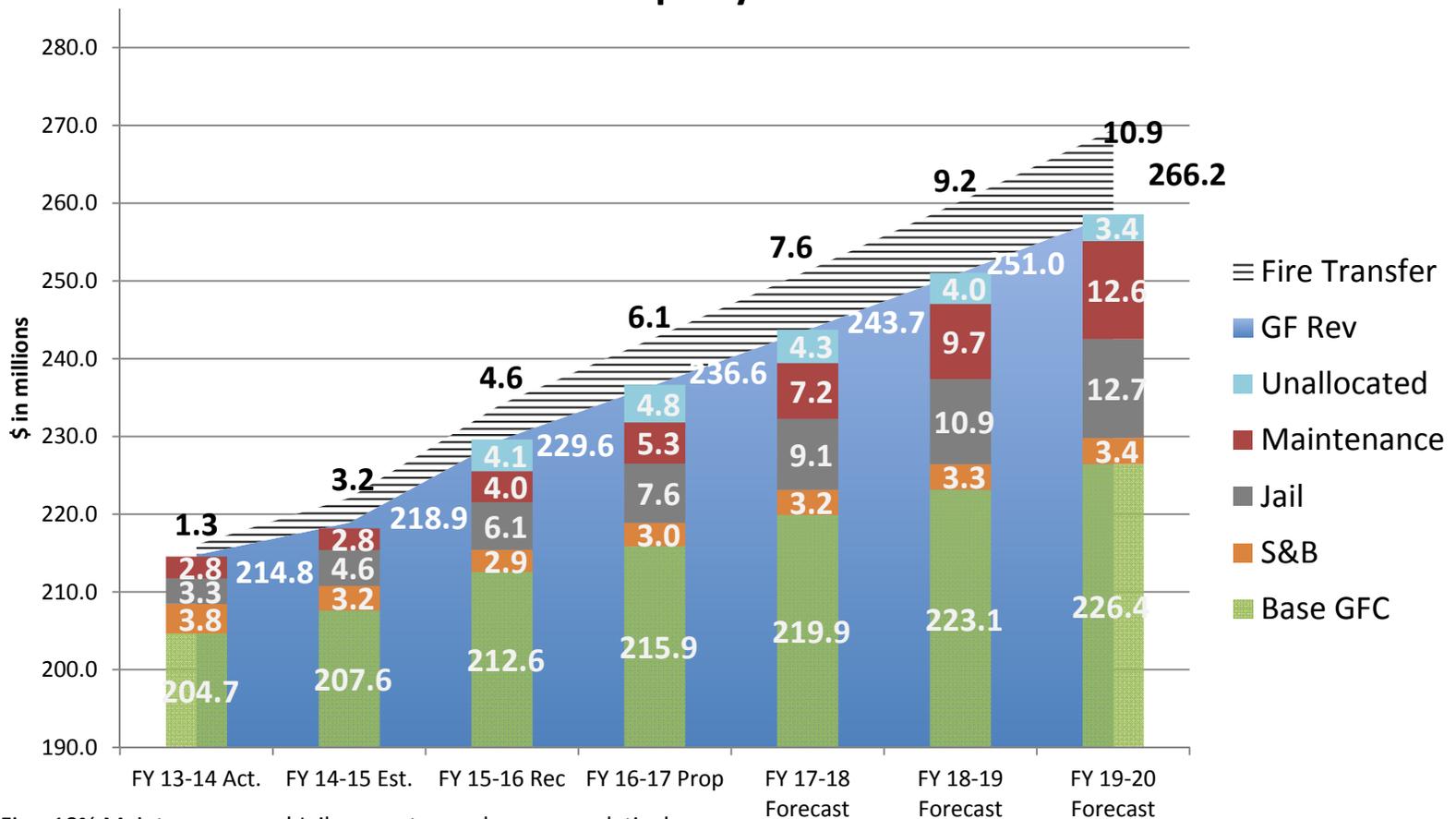
Significant FY 2015-16 planned projects:

- Northern Branch County Jail AB-900
- Northern Branch Jail – STAR Complex SB-1022
- Cachuma Lake Recreation Enhancements & Infrastructure Upgrades
- Lower Mission Creek Flood Control Project
- Goleta Beach

**Santa Barbara County Recommended Budget**

# FY 2015-16 Recommended Budget Discretionary Rev. & GF Commitments

**Discretionary Revenue and General Fund Commitments  
4% Gross Property Tax Growth**



Note: Fire, 18% Maintenance, and Jail amounts are shown cumulatively

## Santa Barbara County Recommended Budget

# Fiscal Issues

- Moderately Improving Revenue
  - 1x Item - State Reimbursement of Pre-2004 Mandated Services
  - Fire Tax Shift
- Controlled expenditure growth
  - Salary & Benefit Growth of 2.6% - Countywide
  - Healthcare, OPEB and Workers' Comp – meter/monitor
- ADMHS (discussed with Q3 report)
  - Inpatient Costs
  - Funding Cost/Audit Settlement Liabilities
- Sheriff Overtime (regular review w/CEO in FY2015-16)
- Northern Branch Jail Operations Funding
- Countywide Maintenance Needs
- PW – State funding for road maintenance (\$2.9M impact 2015-16, CEO recommended expansion \$1.4M)

**Santa Barbara County Recommended Budget**

## Revenue Update:

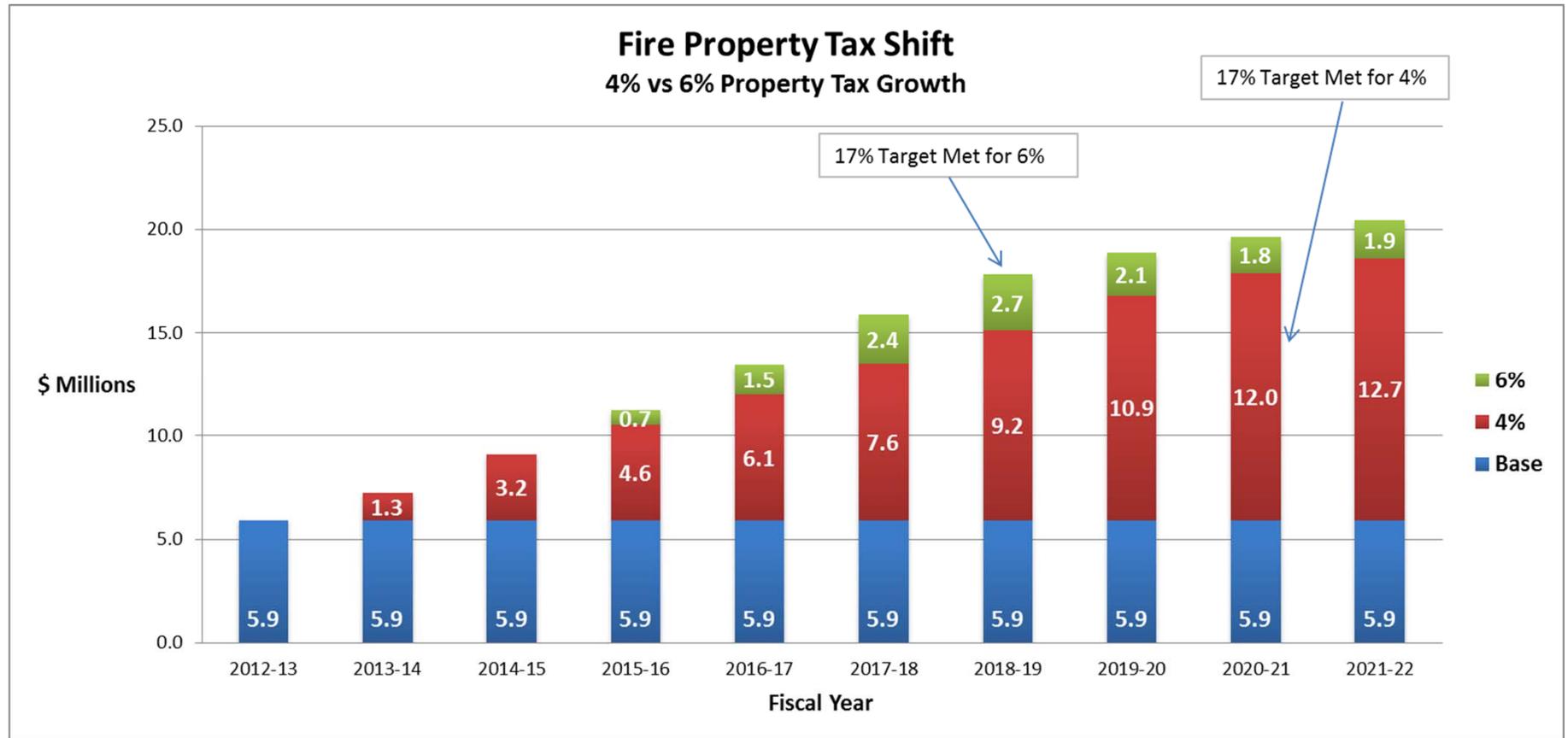
### Pre-2004 Mandate (SB-90):

- Counties previously mandated to provide unfunded services
- Increased State revenue triggered reimbursement of Pre-2004 Mandates
- SB County portion \$6.4M + Interest \$1.5M = \$7.9M
- Principal Balance due late June 2015
- Interest expected in August 2015

### PILT:

- Unbudgeted PILT revenue of \$1.6M anticipated by year end

# Fire Property Tax Shift



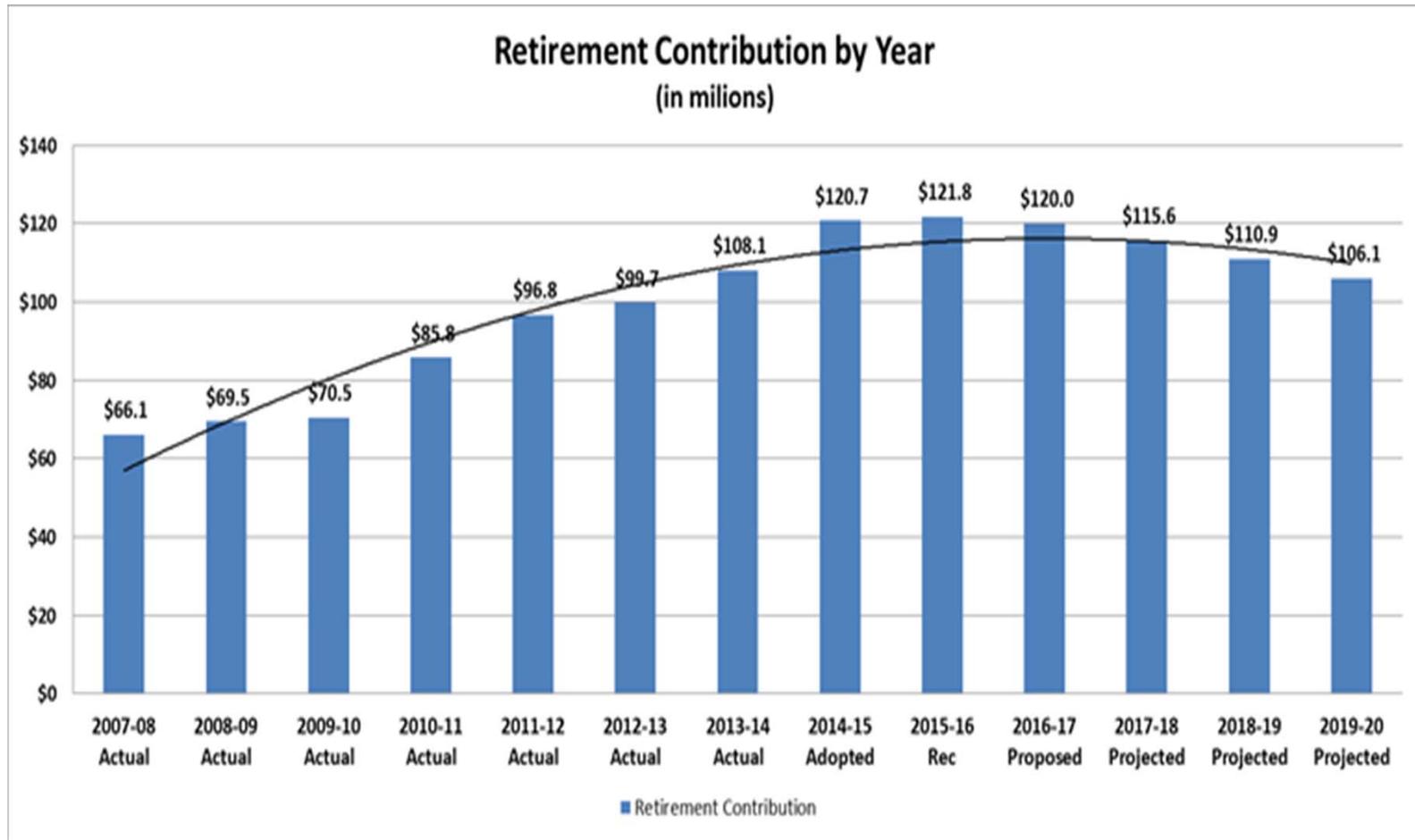
**Santa Barbara County Recommended Budget**

# Controlled Salary & Benefit Growth

- 57% of countywide costs are Salaries & Benefits
- S&B projected \$14.0M or 2.6% to \$550.5M (revenue growth is 5.4%)
- Salary growth = \$4.5M (net of project vacancy savings) 1.5% growth
- Retirement increase \$1.1M or 0.9%
- Healthcare increase \$5.3M or 17.9%
- Workers Compensation \$1.7M or 11.5%
- OPEB – continuing to increase contribution rate, re-evaluate funding plan in FY 2015-16

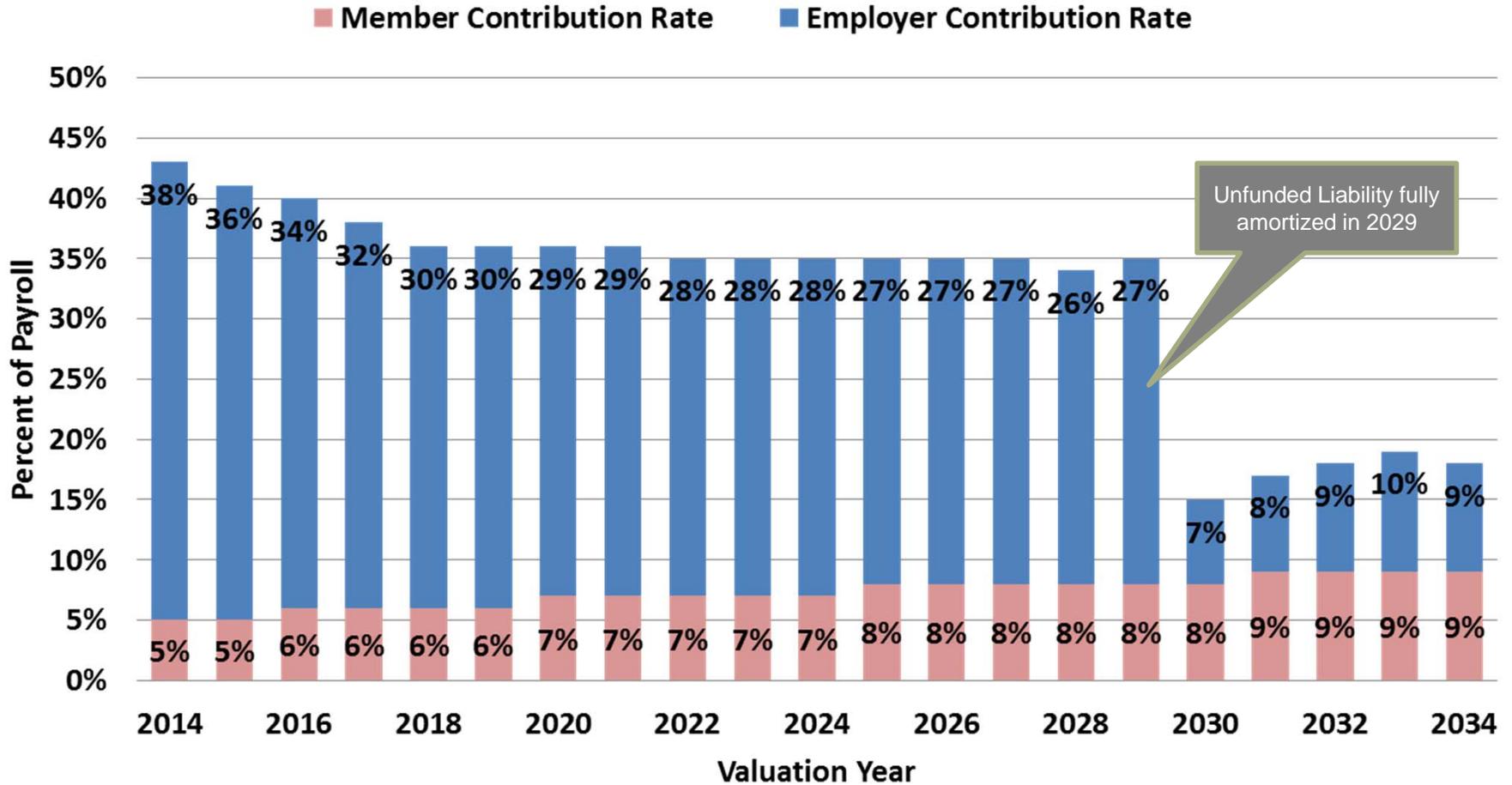
**Santa Barbara County Recommended Budget**

# Retirement



**Santa Barbara County Recommended Budget**

# Retirement



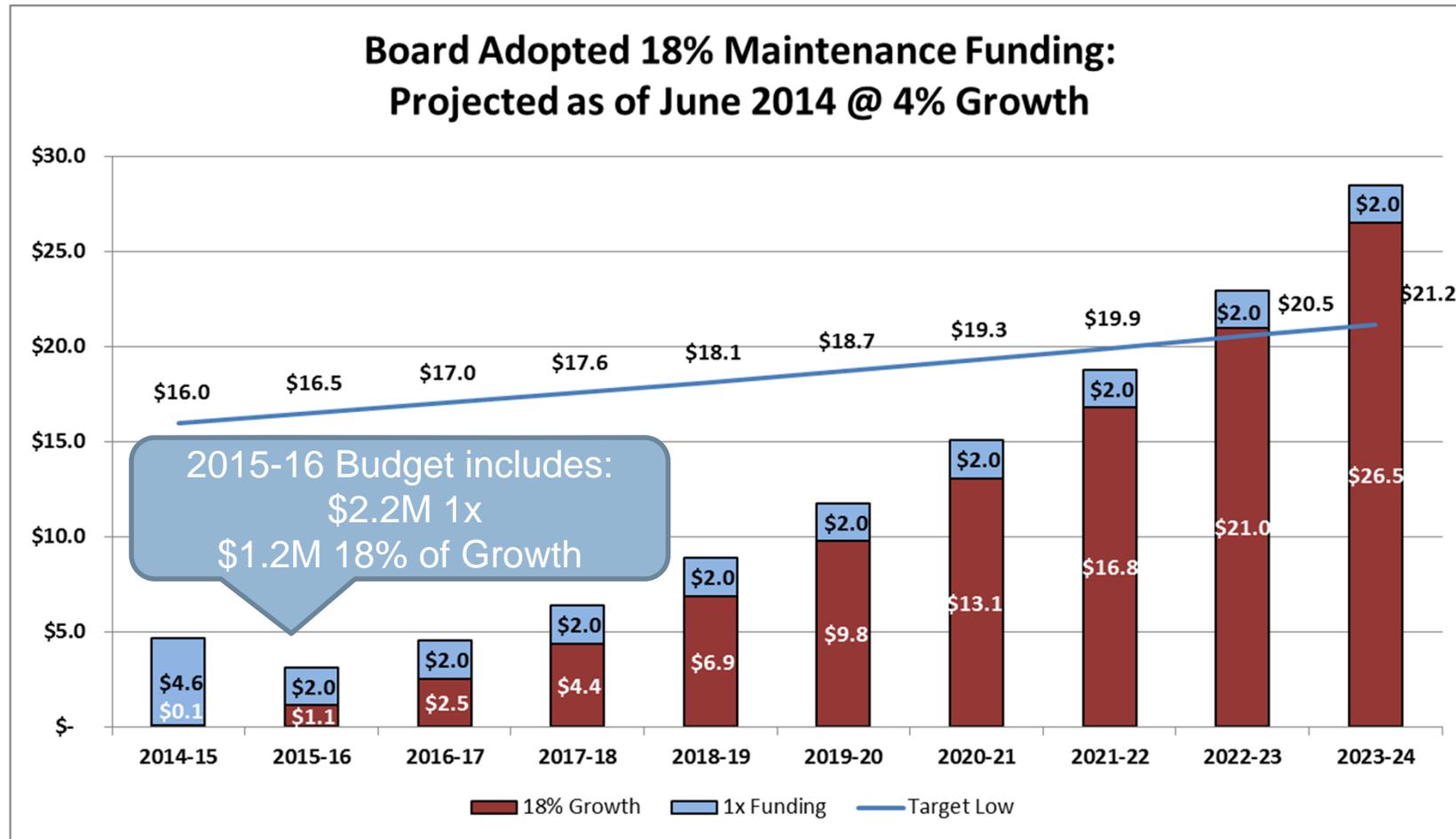
## Santa Barbara County Recommended Budget

# Northern Branch Jail Operations Funding

Fiscal Year	GFC Base	GFC Increase	Total Annual GFC	Construction Match	Annual Operating Costs	Year End Op. Fund Balance
2011-12	\$ -	\$ 1.0	\$ 1.0	\$ -	\$ -	\$ 1.0
2012-13	1.0	1.0	\$ 2.0	(3.0)	-	-
2013-14	2.0	1.3	\$ 3.3	-	-	3.3
2014-15	3.3	1.3	\$ 4.6	-	-	7.9
2015-16	4.6	1.5	\$ 6.1	-	(0.3)	13.7
2016-17	6.1	1.5	\$ 7.6	-	(2.7)	18.6
2017-18	7.6	1.5	\$ 9.1	-	(10.5)	17.2
2018-19	9.1	1.8	\$ 10.9	-	(17.3)	10.7
2019-20	10.9	1.8	\$ 12.7	-	(17.9)	5.6
2020-21	12.7	2.2	\$ 14.9	-	(18.4)	2.1
2021-22	14.9	2.2	\$ 17.1	-	(19.0)	0.2
2022-23	\$ 17.1	\$ 2.2	\$ 19.3	\$ -	\$ (19.5)	\$ 0.0

**Santa Barbara County Recommended Budget**

# Maintenance Funding



**Santa Barbara County Recommended Budget**

# Available Fund Balances

(per Budget Book)

General Fund Key Discretionary Fund Balance Components Detail					
Fund Balance Component	Per Budget Policies	6/30/2015 Estimated Balance	2015-16 Proposed Increases	2015-16 Proposed Decreases	6/30/2016 Projected Balance
Roads	Yes	\$ -	\$ 500,000	\$ (500,000)	\$ -
Litigation	Yes	\$ 936,401	\$ 250,000	\$ (350,000)	\$ 836,401
Salary & Benefits, Emerging Issues		\$ 1,247,647	\$ -	\$ -	\$ 1,247,647
Deferred Maintenance	Yes	\$ 217,384	\$ 2,300,000	\$ (1,800,000)	\$ 717,384
18% Deferred Maintenance	Yes	\$ -	\$ 1,185,000	\$ -	\$ 1,185,000
Audit Exceptions		\$ -	\$ -	\$ -	\$ -
Mental Health (new)	Yes	\$ 1,000,000	\$ 1,000,000	\$ (1,000,000)	\$ 1,000,000
New Jail Operations	Yes	\$ 7,900,000	\$ 6,100,000	\$ -	\$ 14,000,000
Program Restoration - One-Time		\$ 1,653,262	\$ 798,680	\$ (673,217)	\$ 1,778,725
Contingencies	Yes	\$ 1,031,836	\$ 750,000	\$ (775,000)	\$ 1,006,836
Strategic Reserve	Yes	\$ 29,555,616	\$ 260,000	\$ -	\$ 29,815,616
Residual Fund Balance (new)		\$ -	\$ 4,312,250	\$ -	\$ 4,312,250
<b>TOTAL</b>		\$ 43,542,146	\$ 17,455,930	\$ (5,098,217)	\$ 55,899,859

**Santa Barbara County Recommended Budget**

# Available Fund Balances - REVISED

(with Recent Updates)

General Fund Key Discretionary Fund Balance Components Detail									
Fund Balance Component	6/30/2015	Updated for	*	2015-16	*	2015-16 CEO	*	2015-16	6/30/2016
Roads	\$ -	\$ -		\$ 500,000		\$ -		\$ (500,000)	\$ -
Litigation	936,401			250,000				(350,000)	836,401
Sal. & Ben. - Emerging Issues	1,247,647			-		700,000	4	-	1,947,647
Deferred Maintenance	217,384			2,300,000		485,000	5	(1,800,000)	1,202,384
18% Maintenance	-			1,185,000		(1,185,000)	6	-	-
Audit Exceptions	-	3,700,000	1	-		(2,700,000)	7	-	1,000,000
Mental Health (new)	1,000,000	1,000,000	1	1,500,000	3	(1,500,000)	8	(1,000,000)	1,000,000
New Jail Operations	7,900,000			6,100,000				-	14,000,000
Prog. Restoration - One-Time	1,653,262	1,620,000	2	798,680		(1,550,000)	9	(673,217)	1,848,725
Contingencies	1,031,836	3,200,000	1	750,000				(775,000)	4,206,836
Strategic Reserve	29,555,616			260,000				-	29,815,616
Residual Fund Balance (new)	-			4,312,250		(3,311,115)	10	-	1,001,135
<b>TOTAL</b>	<b>\$ 43,542,146</b>	<b>\$ 9,520,000</b>		<b>\$ 17,955,930</b>		<b>\$ (9,061,115)</b>		<b>\$ (5,098,217)</b>	<b>\$ 56,858,744</b>
* - see notes on next page						<i>Prior Year Proj. balance at Hearings</i>		<b>\$ 41,075,110</b>	
<span style="background-color: #c6e0b4; border: 1px solid black; display: inline-block; width: 15px; height: 10px; vertical-align: middle;"></span> Updates since the April Workshops									

Yellow shaded accounts used to fund 1x and ongoing funds available for Board deliberations on Attachment E

## Santa Barbara County Recommended Budget

# Available Fund Balances - Notes

(with Recent Updates)

1. SB 90 State Mandate settlement funds (total \$7.9M)
2. PILT funds (approx. 90% of \$1.8M)
3. Includes \$500,000 add'l reallocation of TSAC funds
4. Increase for benefit/union/equity adjustments
5. Maintenance; increase in balance reflects recent increase in unplanned maintenance projects
6. Maintenance - 18 % Allocation per Board Policy
7. ADMHS - \$2.7M unfunded audit liability; recently identified, not in CEO Rec. Expansion in Budget Book
8. ADMHS use of funds for inpatient beds
9. One-time use for CEO Recommended Expansions
10. Funding for CEO Recommended Expansions

# Attachment E

FY 2015-16 Attachment E - Board Adjustments to FY 2015-16 Recommended Budget

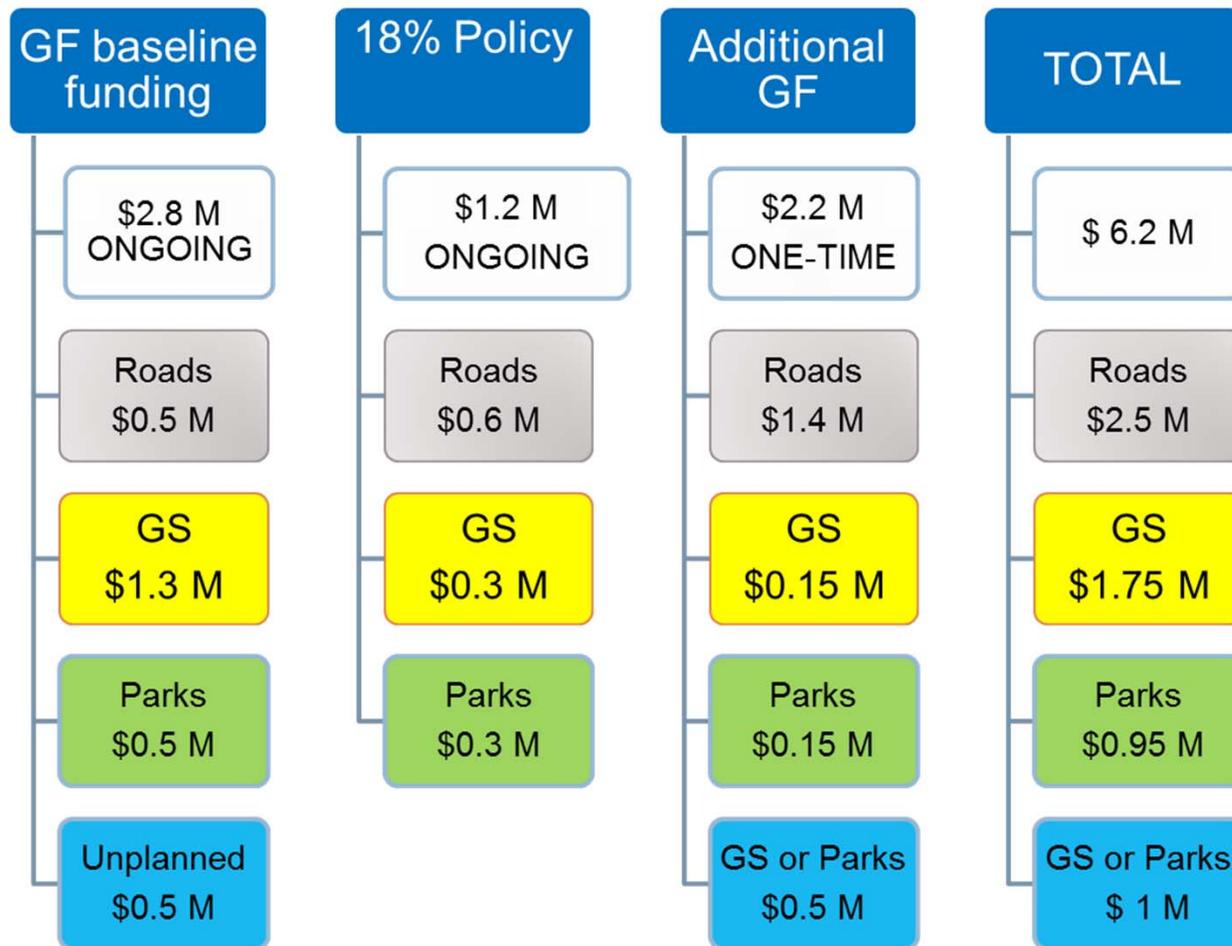
Dept	Description	Ongoing Amount	One-Time Amount	Carbajal	Wolf	Farr	Adam	Lavagnino
	<b>Funding Sources:</b>							
	Unallocated at Hearings	1,001,000	1,848,000					
	<b>Total Sources:</b>	1,001,000	1,848,000	-	-	-	-	-
	<b>Remaining Funding Sources</b>	<b>\$ 1,001,000</b>	<b>1,848,000</b>					
	<b>Board Recommended FY</b>							
	<b>Total Uses</b>	\$ -	-	-	-	-	-	-

# Closing Comments

- Moderate revenue growth
  - 1x State Mandate reimbursement
  - PILT Funding
- Controlled expenditures (Salaries & Benefits)
- Continue rebuilding the organization and finances after the recession (attained Strategic Reserve target)
- Meter/monitor departments with large budget variances
  - ADMHS – cost settlements and inpatient costs
  - Sheriff – overtime costs
- Continue funding Board priorities
  - Fire
  - Maintenance
  - NBJ Operations Fund

**Santa Barbara County Recommended Budget**

# GF for Maintenance Funding in FY2015-16



**Santa Barbara County Recommended Budget**

# Available Fund Balances

(with Recent Updates)

General Fund Key Discretionary Fund Balance Components Detail									
Fund Balance Component	6/30/2015	Updated for	*	2015-16	*	2015-16 CEO	*	2015-16	6/30/2016
Roads	\$ -	\$ -		\$ 500,000		\$ -		\$ (500,000)	\$ -
Litigation	936,401			250,000				(350,000)	836,401
Sal. & Ben. - Emerging Issues	1,247,647			-		700,000	4	-	1,947,647
Deferred Maintenance	217,384			2,300,000		185,000	5	(1,800,000)	902,384
18% Maintenance	-			1,185,000		(1,185,000)	6	-	-
Audit Exceptions	-	3,700,000	1	-		(2,700,000)	7	-	1,000,000
Mental Health (new)	1,000,000	1,000,000	1	1,500,000	3	(1,500,000)	8	(1,000,000)	1,000,000
New Jail Operations	7,900,000			6,100,000				-	14,000,000
Prog. Restoration - One-Time	1,653,262	1,620,000	2	798,680		(1,550,000)	9	(673,217)	1,848,725
Contingencies	1,031,836	3,200,000	1	750,000				(775,000)	4,206,836
Strategic Reserve	29,555,616			260,000				-	29,815,616
Residual Fund Balance (new)	-			4,312,250		(3,311,115)	10	-	1,001,135
<b>TOTAL</b>	<b>\$ 43,542,146</b>	<b>\$ 9,520,000</b>		<b>\$ 17,955,930</b>		<b>\$ (9,361,115)</b>		<b>\$ (5,098,217)</b>	<b>\$ 56,558,744</b>

\* - see notes on next page

Prior Year Proj. balance at Hearings \$ 41,075,110

 Updates since the April Workshops

## Santa Barbara County Recommended Budget