

FY 2017-18 BUDGET HEARINGS

One County. One Future.

June 12 -16, 2017

Budget Summary - Presentation

- Budget Hearing Materials
- Countywide Budget Summary
- Service Level Reductions
- CEO Recommended Restorations and Expansions
- General Fund Key Discretionary Fund Balances
- Update on Increased Property Taxes
- Departmental Presentations (as necessary)
- Board Deliberations
- Recommended Actions

Balanced Approach

- At workshops \$7.4 million of ongoing sources were identified primarily through reductions in General Fund Contribution.
- Because deficits are expected in the coming years, CEO recommended balanced, hybrid approach.
 - Limited use of ongoing funds for restorations and expansions in FY 17-18 (\$4.3 million)
 - Provide one-time funding for phase down of programs or time to develop options (\$3.1 million, plus other 1x revenue)

CEO Recommended Restorations/ Expansions

- CEO Recommended Expansions mitigate some of the service level impacts, but will not be able to solve all
- Recommendations made based on the following:
 - New or existing mandates or requirements
 - Board established priorities and policies
 - Significant financial, legal, health or safety risk or liability
 - Well documented need based on past studies or data
 - Self-funded or cost-covering initiatives

Continued Financial Challenges Ahead

- Current forecast for FY 2018-19 shows a potential budget gap in excess of \$20M
- Northern Branch Jail construction & operating costs
- Mental health inpatient costs
- Replacement of outdated technology and equipment
- Maintenance and unfunded capital needs
- Salary and benefit increases
- Federal and State budget uncertainty

General Fund Key Discretionary Fund Balances

Fund Balance Component	Per Budget Policies	6/30/2017 Estimated Balance	2017-18 Proposed Increases	2017-18 Proposed Decreases	6/30/2018 Projected Balance
Behavioral Wellness	Yes	\$ -	\$ 2,200,000	\$ (1,200,000)	\$ 1,000,000
18% Deferred Maintenance	Yes	\$ 7,000	\$ 3,000,000	\$ (3,000,000)	\$ 7,000
Capital		\$ 700,000	\$ 1,400,000	\$ (1,400,000)	\$ 700,000
Roads	Yes	\$ -	\$ 2,200,000	\$ (2,200,000)	\$ -
Strategic Reserve	Yes	\$ 30,866,400	\$ -	\$ (1,000,000)	\$ 29,866,400
Litigation		\$ 852,498	\$ 2,200,000	\$ (350,000)	\$ 2,702,498
Program Stabilization		\$ 1,250,000	\$ 1,250,000	\$ (1,250,000)	\$ 1,250,000
Salary and Retirement Offset		\$ -	\$ -	\$ -	\$ -
Deferred Maintenance	Yes	\$ 5,996	\$ 4,000,000	\$ (3,500,000)	\$ 505,996
Audit Exceptions		\$ -	\$ -	\$ -	\$ -
New Jail Operations	Yes	\$ 7,743,198	\$ 9,100,000	\$ (3,969,589)	\$ 12,873,609
Emerging Issues (one-time funding)		\$ 1,680,033	\$ 5,202,788	\$ (5,632,421)	\$ 1,250,400
Contingencies		\$ 48,791	\$ 1,980,209	\$ -	\$ 2,029,000
Unassigned Fund Balance		\$ 3,114,559	\$ -	\$ (2,901,388)	\$ 213,171
Total		\$ 46,268,476	\$ 32,532,997	\$ (26,403,398)	\$ 52,398,075

Update on Increased Property Taxes

- Property tax growth scenarios: 5.75% and 5.5% AV growth

Estimated Impact of Growth	1.25%	1.00%
Gross Increase	2,221,000	1,777,000
Less: Fire Tax Shift 25%	(394,000)	(315,000)
County GF Portion	1,827,000	1,462,000
18% Maintenance per policy	(320,000)	(260,000)
Balance for Board Appropriation	1,507,000	1,202,000

REVISED Maintenance Funding

REVISED Maintenance Funding for FY 2017-18 (General Fund Allocations)				
	Public Works	General Services	Comm. Services Department	Maintenance Total
Baseline	\$ 500,000	\$ 1,300,000	\$ 500,000	\$ 2,300,000
18% Maintenance Funding	1,630,000 5	1,140,000 5	490,000 5	\$ 3,260,000
One-Time Maintenance Funds	1,570,000 1	1,100,000 2	470,000 3	\$ 3,140,000 *
Subtotal	\$ 3,700,000	\$ 3,540,000	\$ 1,460,000	\$ 8,700,000
Funding for Capital Debt Service	-	700,000 4	-	700,000 *
	\$ 3,700,000	\$ 4,240,000	\$ 1,460,000	\$ 9,400,000

Notes

- 1** Public Works one-time maintenance funds include CEO Recommended Expansions for road maintenance.
- 2** General Services one-time maintenance funds include CEO Recommendations for previously deferred projects and potential emergencies.
- 3** CSD one-time maintenance funds include CEO Recommendations for deferred maintenance and dead or dying tree clearing.
- 4** General Services debt service to support acceleration of capital projects. Proceeds could be used for non-General Services projects.
- 5** Shifts \$260,000 from One-Time Maintenance Funds to 18% Maintenance Funding (PW \$130,000, GS \$90,000, CSD \$40,000) revised from original FY 17-18 Recommended Budget

* - Additional FY 2017-18 funding, in excess of policy is \$4,100,000

Note: Other funding sources provide maintenance funding, but are not shown here. This chart shows only General Fund allocations.

Possible Adjustments to Recommended Budget with 5.5% Property Tax Growth

	Ongoing	One-Time	Total
Increased Available GF Property Taxes - 5.5% Growth	1,462,000	-	1,462,000
Reclassify 18% Policy Maintenance from One-Time to Ongoing	(260,000)	260,000	-
Reclassify Cal Fresh from One-Time to Ongoing	(492,000)	492,000	-
Contingencies	181,266	319,000	500,266
Reductions in IHSS Contribution	-	2,000,000	2,000,000
Full Year Funding for AOT program	-	(275,000)	(275,000)
TOTAL SOURCES	\$ 891,266	\$ 2,796,000	\$ 3,687,266
IHSS FY 18/19 Impact (5% Local Match)	625,000	-	625,000
Child Welfare Expansion (2 FTE) - OPTIONAL	175,667	-	175,667
Foster Care Expansion (2 FTE) - OPTIONAL	96,078	-	96,078
Set Aside for Compliance and Permitting at Goleta Beach	-	567,000	567,000
Increase to Contingencies for Unexpected Needs	-	1,000,000	1,000,000
Set Aside for Court Security at 5 year avg. - OPTIONAL	-	300,000	300,000
Set Aside for IV Foot Patrol - OPTIONAL	-	475,000	475,000
TOTAL USES	\$ 896,745	\$ 2,342,000	\$ 3,238,745
REMAINING RESOURCES	\$ (5,479)	\$ 454,000	\$ 448,521

Recommended Actions

- a) Receive, consider, and file the Fiscal Year 2017-18 Recommended Budget (as shown in the Recommended Operational Plan, Attachment A);
- b) Approve final budget adjustments (Attachments A-2) to the Fiscal Year 2017-18 Recommended Budget (as shown in the Recommended Operational Plan);
- c) Approve budget adjustments in the form of Attachment E, as amended during the hearings, to the Fiscal Year 2017-18 Recommended Budget (as shown in the Recommended Operational Plan);

Recommended Actions

- d) Delegate authority to the County Executive Officer to execute renewal of single-year grants and contracts (Attachments B and C) included in the Fiscal Year 2017-18 Recommended Budget (as shown in the Recommended Operational Plan) that had previously been approved by the Board, where contract amounts are up to 10% greater or less than previously contracted amounts;
- e) Adopt the Resolution of the Board of Supervisors entitled In the Matter of Adopting the Budget for Fiscal Year 2017-18; and

Recommended Actions

- f) Determine pursuant to CEQA Guidelines §15378(b)(4) that the above fiscal activities are not a project subject to the California Environmental Quality Act.

Recommended Actions

Successor Agency to the former County of Santa Barbara Redevelopment Agency

- a) 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 2017-18 For The County of Santa Barbara As Successor Agency To The Former County of Santa Barbara Redevelopment Agency.
- b) Determine pursuant to CEQA Guidelines §15378(b)(4) and §15378(b)(5) that the above fiscal activities are not a project subject to the California Environmental Quality Act