

FY 2019-20 **BUDGET WORKSHOPS**

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# Budget Workshop Summary



honoring our commitments | transforming our future



# Workshop Summary

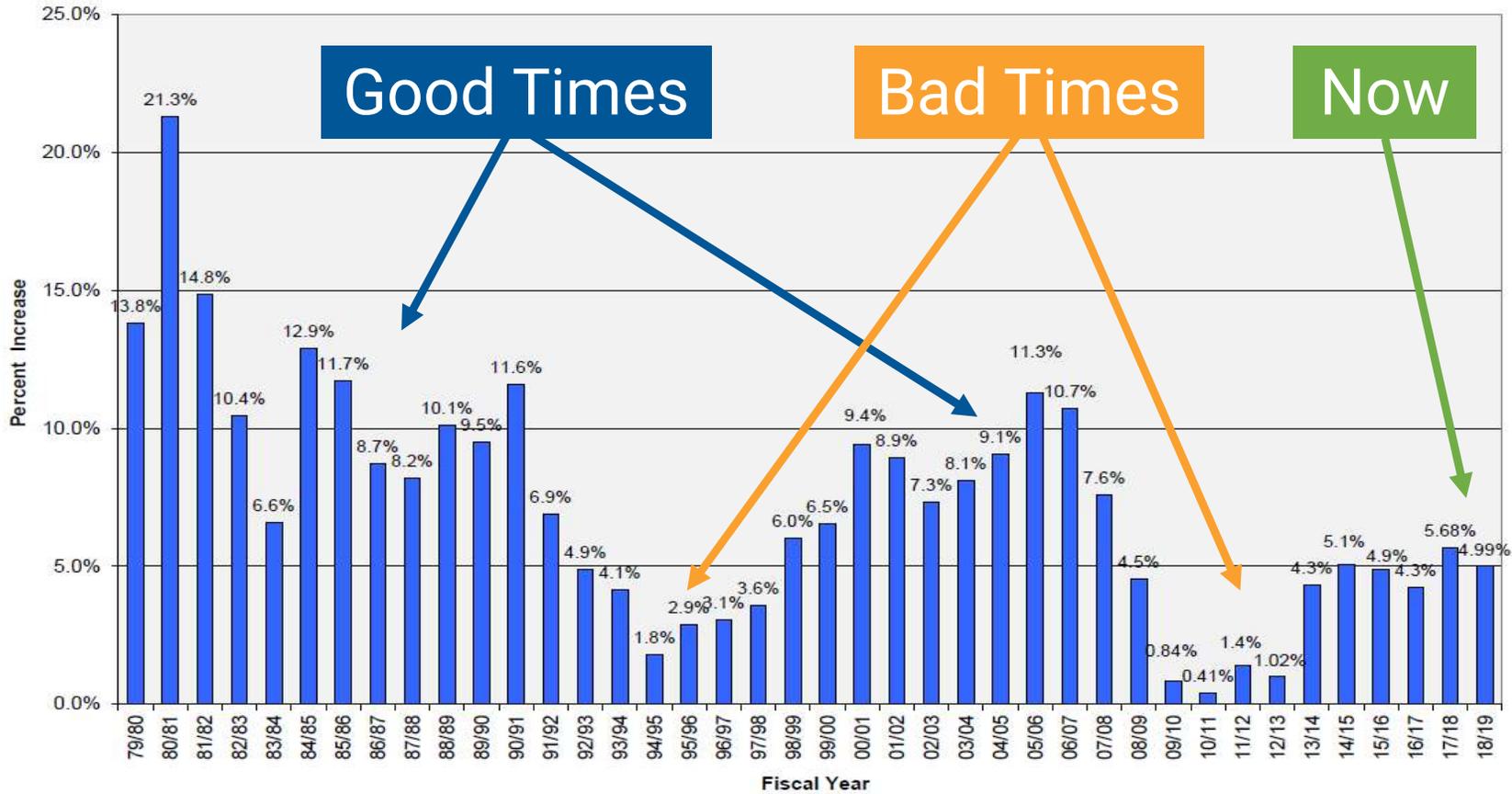
- **Stable Outlook in FY 2019-20**
  - Moderate revenue growth; stable discretionary revenues
  - Property tax annual growth steady not at pre-recession levels
  - Slight reductions in pension costs due to pension cost sharing
- **No service level reductions**
- **Cannabis tax revenue – projected at \$5.6 Million (\$2.1 million unallocated)**
- **Milestone year**
- **Continued investing in top priorities and commitments**
  - Northern Branch Jail Operations
  - Fire Tax Shift
  - Deferred Maintenance



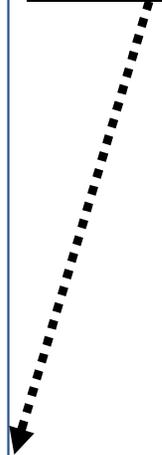


**JOSEPH E. HOLLAND**  
COUNTY CLERK, RECORDER AND ASSESSOR  
REGISTRAR OF VOTERS

### PERCENT INCREASE IN SECURED ROLL VALUE 1979/80 - 2018/19



**What Next?**



# Key Challenges and Emerging Issues

- Changing federal and State mandates, State budget
- Need for updated technology infrastructure for security and innovation
- Recruitment, retention, and succession planning
- Deferred maintenance
- Addressing homelessness
- Community expectations and limited resources
- Slowdown in economic growth and possible recession
- Debris flow still possible



# Making Progress

- **Milestones**
  - Northern Branch Jail
  - Fire District tax shift
  - Tajiguas Resource Recovery
  - Pension cost sharing
  - Major capital improvement projects
- **Technology enhancements**
- **Cannabis tax revenue**
- **Complex problems** → cross-sector, multi-departmental approaches



## System improvements, collaboration, customer service

- Crises system of care improvements; Diversion of mentally ill individuals from the criminal justice system
- Reduction of delays in criminal justice system; greater pre-trial supervision
- Emergency Medical System/ambulance service
- ACEs (Adverse Childhood Experience) Connection
- Launching new or updated technology, apps, automation to enhance customer service
- Collaborations to reduce homelessness
- Business applications needs assessment
- Succession planning, performance appraisal and engagement strategies



# Transforming Our Future

- Setting the foundation to thrive
  - Continue fulfilling commitments
  - Implementing responsible fiscal practices
  - Increasing organizational resiliency and agility through Renew '22



# Guidance on Budget Balancing

1. Continue the Board's prior commitments
2. Maintain reserves at prudent levels
3. Address priority organizational needs
4. Create efficiencies through technology and process changes
5. Strategically plan for the future
6. Address new and emerging needs



# Addressed in Preliminary Budget



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- **Fiscal Issues Report**
  - Solar projects
  - Countywide Cloud-based website
  - Technology Replacement and Investment fund
  - Deferred Maintenance
  - Main Jail Renovations (to be funded through COP)
- **Pre-Workshop Expansions**
  - Warming Centers
  - Recruitment services
  - Public Defender IT support
  - Conservatorship (Treasurer-Tax Collector & Public Defender)

# Addressed in Preliminary Budget



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- **18% Maintenance Funding Plan**
  - Ongoing funds will grow by \$2.0M to \$6.4M
  - One-time funds totaling \$7.2M will address key projects (Calle Real water loop; Courthouse roof; Communication towers)
- **Strategic Reserve Replenishment**
  - \$34.1M by year-end FY 2018-19 (assuming FEMA reimbursements)
  - Preliminary Budget will increase to target of \$36.4M
- **Funding for full year AOT through June 2020**
  - 3 year pilot; program evaluation and report in Spring 2020
  - Information will inform funding decision for FY 2020-21 budget

# Input from Board for CEO's Recommended Budget



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## Board consensus on expansion funding:

- 1) Probation Pre-Trial transfer from Courts in January 2020
- 2) Public Defender misdemeanor attorneys and holistic defense
- 3) Behavioral Science Unit expansion in Sheriff

# Input from Board for CEO's Recommended Budget



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## **Staff to review and bring back information for June hearings:**

- Library funding
- Potential increased fee for appeals
- Options for auditing cannabis tax revenue
- Prop 47 grant outcome (diversion efforts)
- Impacts of Governor's May Revise
- Other Budget Inquiry Form (BIF) responses

## **Other work plan efforts:**

- Main Jail staffing and transition plan
- Criminal justice system improvements

# Funding Options

## Potential Available Funding

FY 2019-20 GF Ongoing Revenues	\$	422,100
Prior Year Residual Fund Balance (one-time)	\$	380,500
Cannabis Tax Revenue (one-time)	\$	2,182,200

## Considerations

- Governor's May Revise
- Property Tax Revenues Subject to Final Assessment Roll



## Next Steps

- Following workshops, CEO staff will complete review of department requests and available funding
- CEO will finalize recommendations in early May
- CEO and Auditor-Controller's Office will complete Recommended Budget; scheduled for release in May
- Final Budget Hearings – June 11 and 13



# Recommended Actions

- a) Hold budget workshops to receive presentations on the FY 2019-20 Budget
- b) Provide direction, if any, regarding items to be addressed or included in the CEO's Recommended Budget
- c) Provide direction, if any, regarding Special Issues or other items; and
- d) Determine pursuant to CEQA Guidelines 15378(b)(4) that actions are not a project subject to CEQA review



# 5-Year Forecast | Projected Gaps

