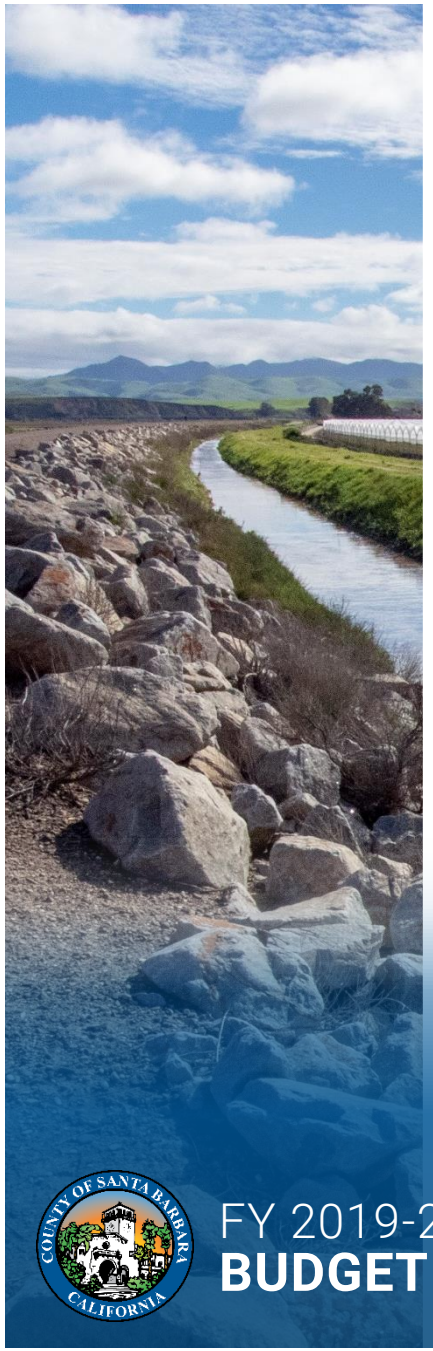
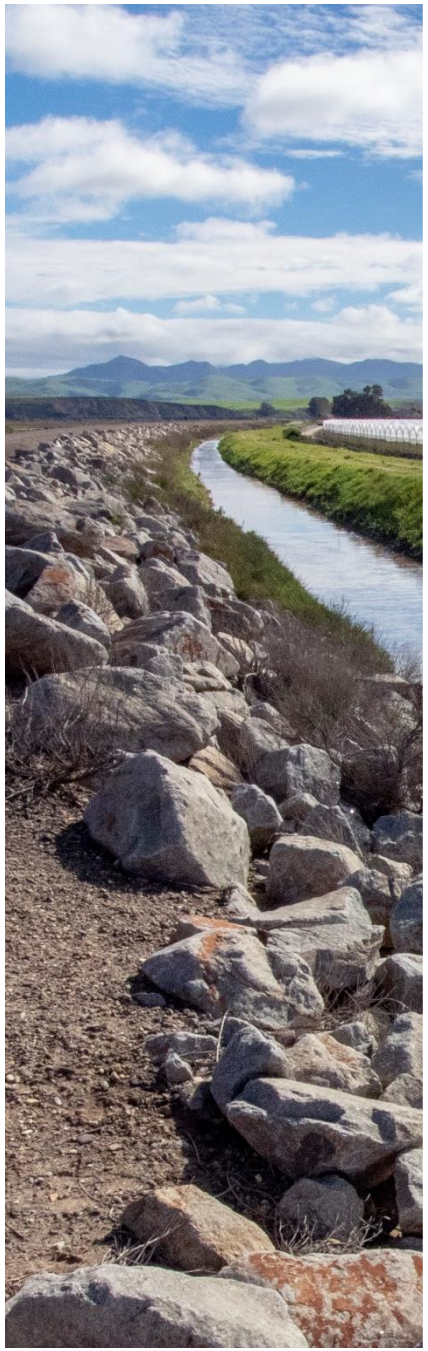


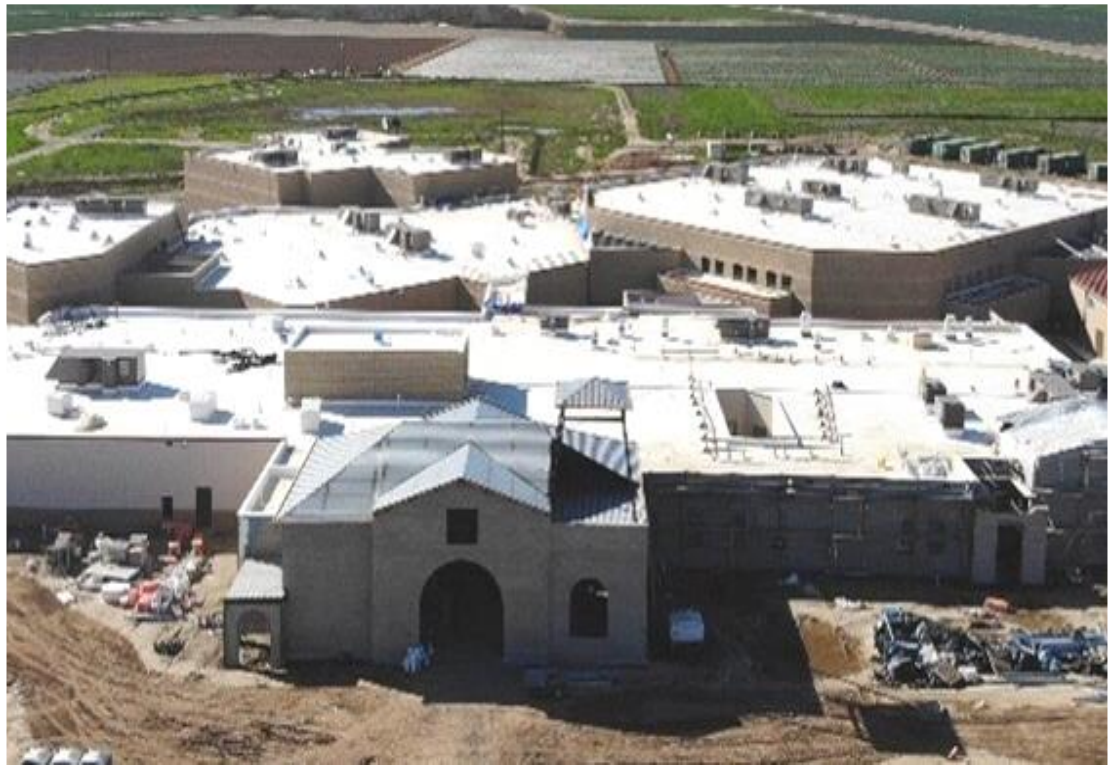
honoring our **commitments** / transforming our **future**

FY 2019-20
BUDGET HEARINGS

Budget Hearings Agenda

- Budget Overview – County Executive Officer
- Budget Summary – Budget Director
- Department Updates *(as needed)*
- Board Deliberation and Decision Making
- Recommended Actions



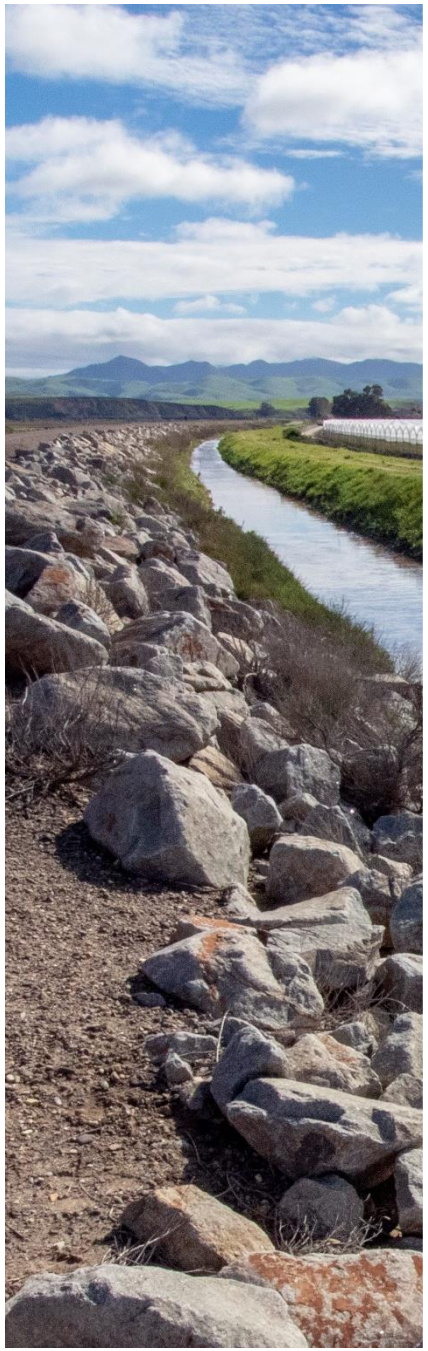


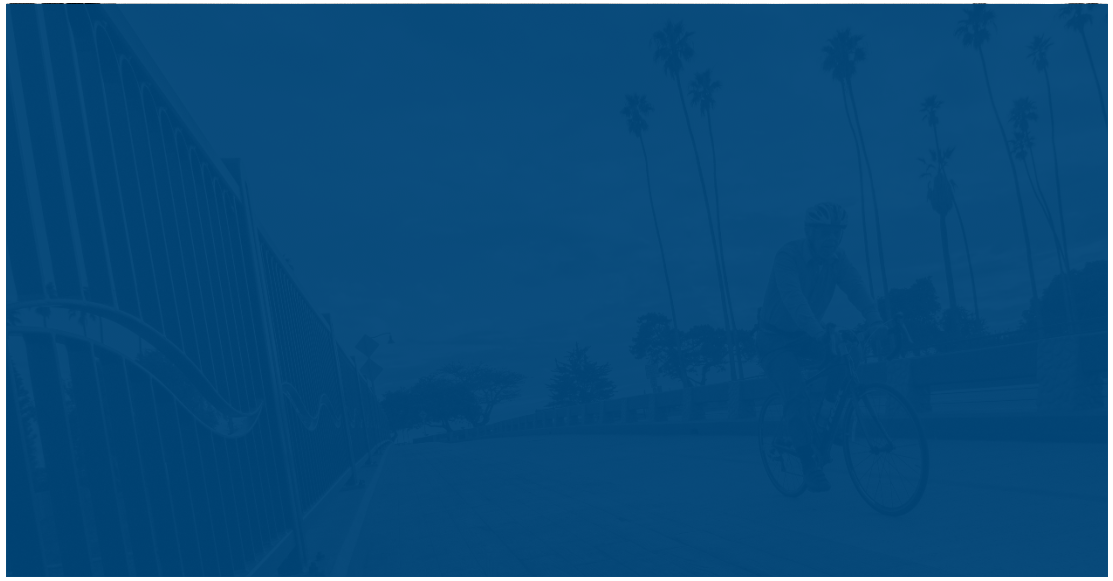
My ♥ belongs
to Daddy

Northern Branch Jail will represent a state-of-the-art corrections and rehabilitation center

Goleta Beach Park bridge replacement allows our residents and visitors to enjoy the natural beauty of our county with a dedicated bike path and pedestrian walkway

Cuyama solar array is an investment in meeting the State's renewable energy targets





Santa Maria levee and multipurpose trail demonstrates our commitment to protect land and agriculture and provide recreational opportunities to residents and visitors

Children represent our commitment to keep an eye to the future

Budget Development Timeline

2018

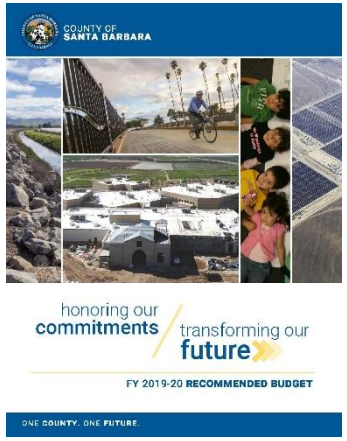
NOVEMBER
Five-Year Forecast
& Fiscal Issues

DECEMBER
Budget Development
Guidelines

2019

APRIL
Budget
Workshops

MAY
Recommended
Budget Released



JUNE
Budget
Hearings

FY 2019-20 Recommended Budget

The recommended budget is balanced, with **no service level reductions and revenue growth that allows for modest expansions** to address long-standing staffing deficiencies, structural deficits, or new service requirements.

Operating Revenues	$1,141.0 MILLION
Operating Expenditures & Net Increase to Reserves	$1,141.0 MILLION

A Milestone Year

- First time since FY 2017-18 that no service level reductions were required of any County department
- Represents years of prioritization and commitment to key projects
- Continued commitment to Renew ‘22
- Responsible fiscal practices to prepare us for potential recession
- Ability to address long-standing fiscal issues in departments and invest in future initiatives

Honoring Our Commitments

- **Northern Branch Jail** is slated to finish construction and begin operations
- **Fire tax shift** will reach its target of 17% of property tax revenues
- **Tajiguas Resource Recovery Project** will remain under construction
- **Pension cost sharing** will result in a net reduction to our pension contribution costs

Honoring Our Commitments

- **Major capital improvement projects** are funded through a combination of debt financing and one-time resources
- **Maintenance** funding through the 18% formula exceeds the targeted investment level identified in 2014
- **Cannabis enforcement** funding allows for additional staffing and equipment purchases to meet enforcement team needs

Capital Investments

- IT enhancements across several departments

Social Services	$1.0 million	Document imaging system, infrastructure & systems
District Attorney	$0.6 million	Case management system upgrade & digital storage
Clerk-Recorder-Assessor	$2.6 million	New vote tabulation system & server redundancy
General Services	$3.0 million	Upgrade & replace infrastructure

- **Lower Mission Creek Flood Control Project** ($7 million next year; $86 million total)
- **Laguna County Sanitation District Plant Upgrade** ($15.4 million next year; $50.6 million total)

Capital Investments

- **Fire Operations & Administration** ($6.5 million), **including Station 41 (Cuyama) Rebuild** ($4 million)
- **Jalama Beach Park Affordable Accommodations** ($1.4 million)
- **Arroyo Burro Ranger Office & Storage Improvements** ($0.8 million)
- **General Fund projects**

Renewable Energy and Energy Efficiency Upgrades	$4.8 million
Historic Courthouse Roof Replacement	$3.1 million
Public Safety Radio Tower Enhancements Phase 3	$2.1 million
Calle Real Water System Replacement	$2.0 million

Key Challenges

- **Recruitment, retention, and succession planning** in a tight labor market
- **Increasing and changing State and federal mandates and regulations**, particularly in the social service and criminal justice departments
- **Technology infrastructure, security, and data storage needs** identified as top issue in survey of County department directors
- **Diverting mentally ill individuals from the criminal justice system** is a priority for many departments and partner agencies
- **Addressing homelessness** requires a coordinated work plan and countywide effort

Preparing for the **Future**

In the immediate future, a recession is possible but still unknown. Recent signs have shown slower growth in the economy and tightening of fiscal policy.

The County continues to follow responsible fiscal practices to reduce potential service level impacts of a future recession:

- Ensuring use of one-time funds for one-time uses
- Allocating cannabis revenue, after enforcement costs, to one-time uses only
- Increasing the Strategic Reserve balance to full funding ($36.4 million in FY 2019-20)
- Making investments that have ongoing returns in either savings or new revenues
- Continuing efficiencies and process improvements
- Seeking grant opportunities and better grant coordination
- Partnering with other departments and agencies

Transforming Our Future

Renew '22 enters its third year:

- Fortify the County to be more resilient and prepared for the next economic downturn or natural emergency
- Transform how we do our work, constantly learn and improve, and explore ways to work differently
- Equip employees with the skills to thrive in the present, adapt to tomorrow, and anticipate the future

The County will continue to strive to **do the most essential things well to best serve our community**.