

# County of Tulare

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# Mid-Year Budget Report Fiscal Year 2018/19

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TULARE COUNTY ADMINISTRATIVE OFFICE

MARCH 19, 2019

# Overview

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- Tulare County Financial Strengths and Financial Challenges
- State Budget Highlights
- Local Perspective: Assessed Value, Sales and Use Tax, Prop 172 – Public Safety
- Mid-Year Report
- Department Requests
- Looking into the Future
- Requested Action

# Tulare County Financial Strengths

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- Economic Growth and Development
- Budget in Alignment with Fiscal Sustainability
- Growth of Reserves and Trust Fund Management
- Effective Debt Management
- Capital Improvement Construction and Expansion
- Performance Levels Consistent with County's Adopted Business Plan

# Tulare County Financial Challenges

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- Increasing Legislative and Regulatory Requirements Relating to Employee Compensation
- Rising Employer Retirement Contribution along with Pension Obligation Bond Payment
- Detention Facilities: Public Safety, Mental Health, and Health Care Cost
- Fire: Stations, Improvements, Transport, Equipment, and Staffing
- Zones of Benefit: Water Systems and Wastewater Systems
- Groundwater Management: Assessed Valuation and Reverse Multiplier
- Economic Recession: Timing, Business Sectors and Magnitude

# Governor's State Budget Highlights

## Fiscal year 2018/2019

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### **Governor's Proposed Budget**

- Balanced Budget
- Rainy Day Fund
- Building Budget Reserve
- Diminishing Budgetary Debt
- Planning for Recession or Revenue Growth Slowdown

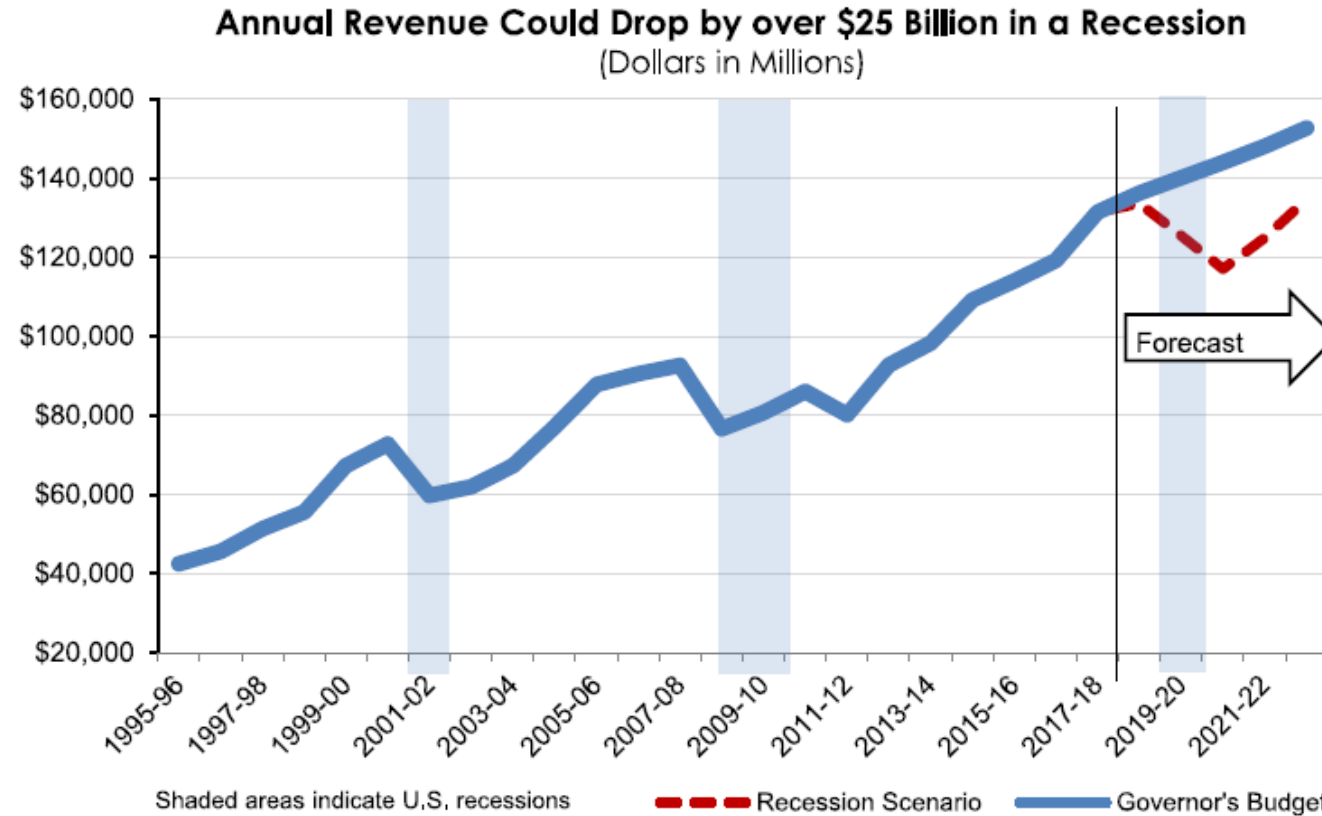
### **Discretionary Resources :**

- Paying down Liabilities: \$9.7 billion
- One-Time Spending: \$5.1 billion
- Discretionary reserves: \$ 3 billion

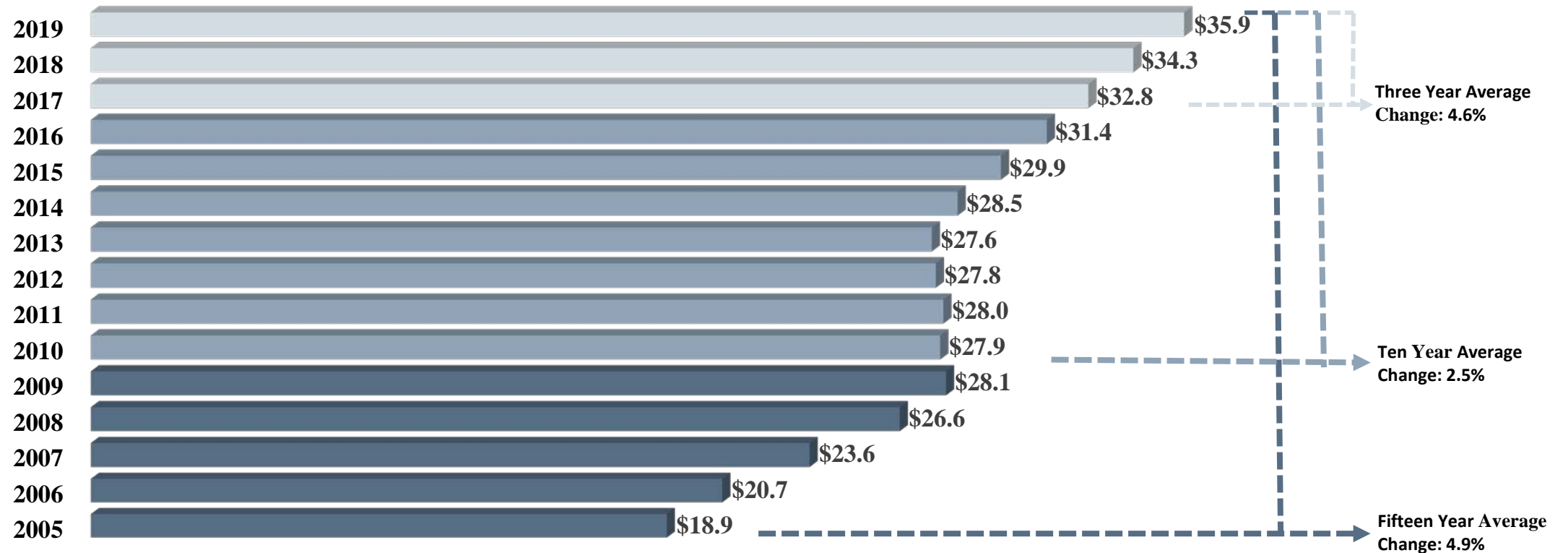
### **Special Areas of Interest**

- In-Home Supportive Services (IHSS)
- Housing
- Homelessness Programs
- Disaster Response, Recovery, and Prevention

# Governor's Proposed State Budget Recession Forecast

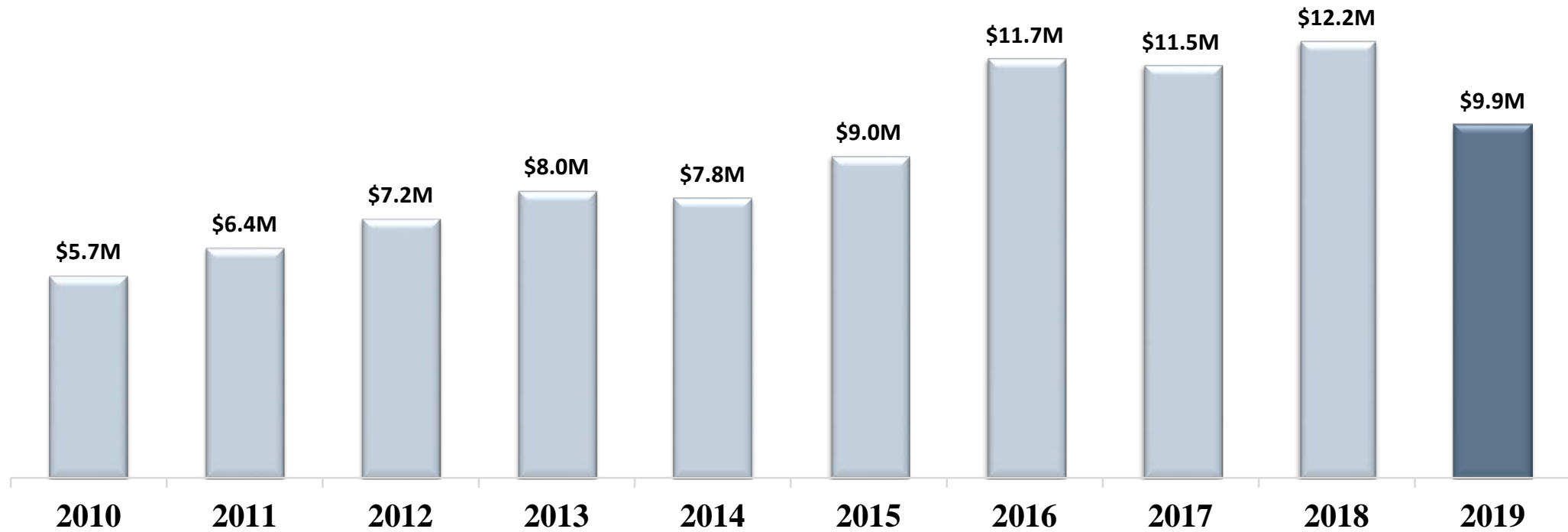


# Local Perspective: Local Assessed Value & Property Taxation (in Billions)



Source: Tulare County Assessor Preliminary Tax Roll Statistical Data Summary (Net Value Total without Homeowner Exemptions)

# Local Perspective: Sales and Use Tax Allocation

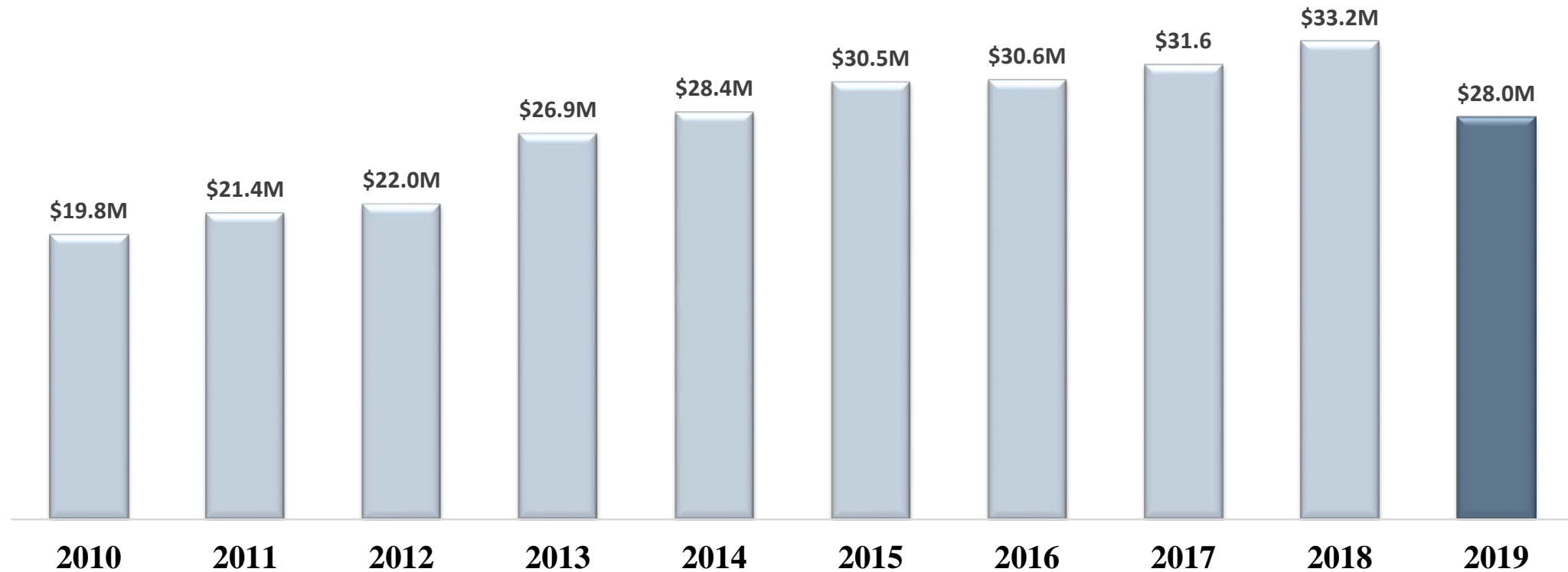


Source: Tulare County Accounting System Advantage Financial (AFIN)

■ Year- End Actual Revenue  
■ Recommended FY2018/19 Budget



# Local Perspective: Proposition 172 – Public Safety One- Half Cent Sales Tax



Source: Tulare County Accounting System Advantage Financial (AFIN)

■ Year- End Actual Revenue  
■ Recommended FY2018/19 Budget

# Mid-Year Budget Report

## Fiscal Year 2018/19

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- General Fund Departments: Projected to be At or Below Allocated Targets, thus Staying within Budget (Balanced Budget)
- General Fund Revenues: 36% Collected – One Percent Lower when Compared to Prior Fiscal Year
- General Fund Expenditures: 53% Expensed – Two Percent Higher when Compared to Prior Fiscal Year

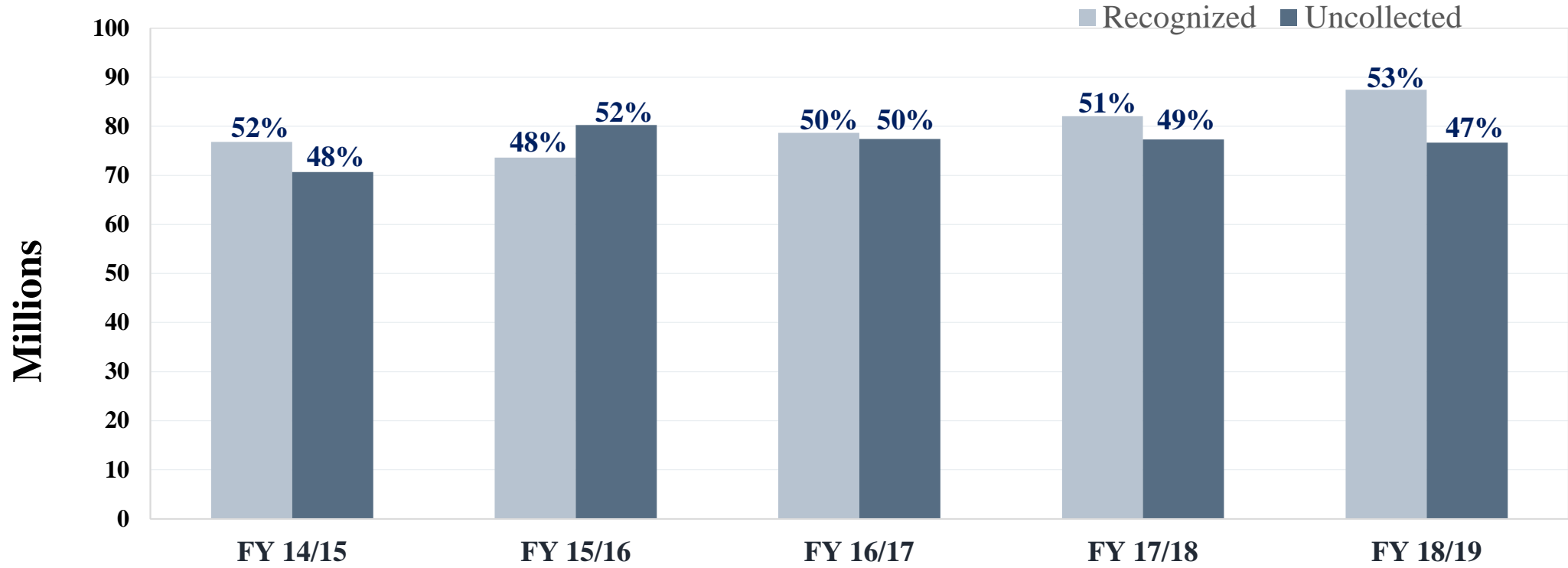
# General Fund Budget Five-Year Summary

Fiscal Year	Budget	Employee Positions		Percent of Filled Positions
		Filled	Allocated	
2018/19	\$790,039,705	3,563	4,136	86%
2017/18	\$752,842,911	3,553	4,127	86%
2016/17	\$715,084,944	3,504	4,087	86%
2015/16	\$709,100,088	3,461	4,003	86%
2014/15	\$674,467,830	3,469	3,950	88%

Source: Budgets Adopted by Board of Supervisors During Public Hearings of Above Fiscal Years

# Mid-Year Report

## General Revenues (031)

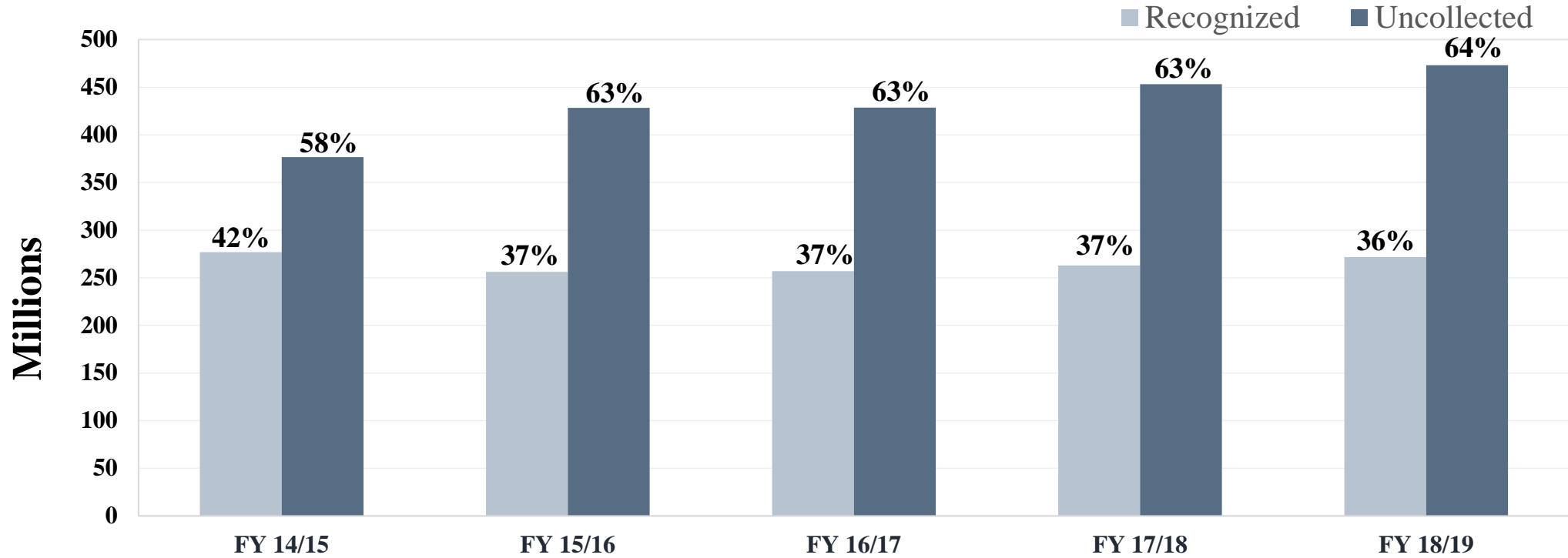


Modified Budget	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19
	147,483,988	153,906,730	156,081,413	159,349,667	164,130,157

Source: Tulare County Auditor-Controller

# Mid-Year Report

## General Fund Revenues

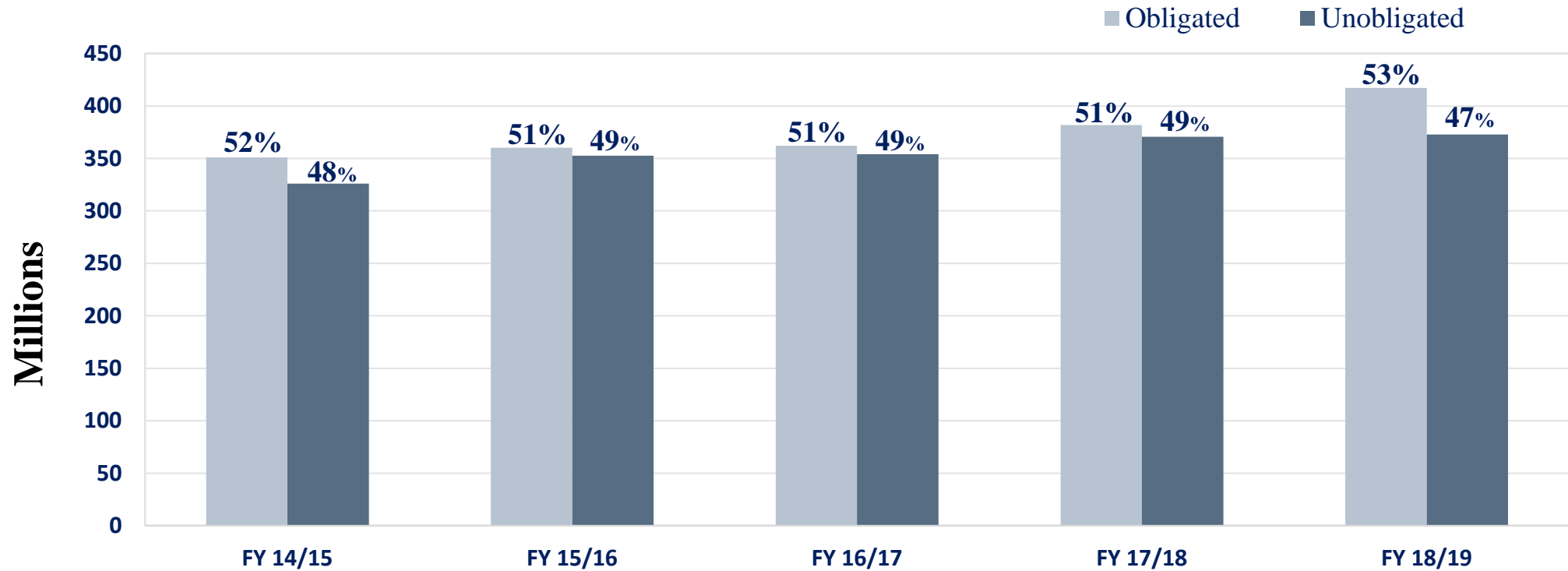


<b>Modified Budget</b>	<b>653,630,494</b>	<b>684,406,747</b>	<b>685,652,231</b>	<b>716,214,500</b>	<b>744,842,025</b>
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Source: Tulare County Auditor-Controller

# Mid-Year Report

## General Fund Expenditures



**Modified Budget**      **677,036,064**

**712,777,552**

**716,289,404**

**752,479,726**

**790,079,761**

**Source: Tulare County Auditor-Controller**

# Mid-Year Department Requests-Capital Assets and Personnel

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## Capital Asset Requests

- **County Fire**
  - Purchase (2) F250 Trucks (\$90,000)
  - Purchase (1) Vermeer Wood Chipper (\$90,000)
- **Health & Human Services Agency**
  - Purchase (1) 2019 Toyota Camry (\$33,520)
  - Purchase (1) Freezer (\$6,500)
- **Road Fund**
  - Purchase (1) Pine G2 Gyrotory Compactor (\$52,000)
- **Sheriff**
  - Purchase (2) Double Stacked Ovens (\$24,000)
  - Purchase (1) Trash Compactor (\$34,000)

## Personnel Requests

- **Probation**
  - Delete (2) Probation Correctional Officers I/II
- **Public Defender**
  - Amend (1) Investigator I to Investigator IIB

# Mid-Year General Fund Department Requests-Budget Adjustments

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- **Agricultural Commissioner**

- Account for additional revenue received and to recognize actual grant expenditures and revenues (\$153,447)

- **Health & Human Services Agency**

- Purchase (1) vehicle (\$33,520)
- Purchase (1) freezer (\$6,500)
- Record operating transfer to Capital Projects for a capital project at the Visalia Health Care Center (\$2,200,000)

- **Miscellaneous Administration**

- Transfer unused budget for Homelessness into Homelessness and Community Activity Fund (\$400,000)
- Operating transfer to cover expenses for Sheriffs minor kitchen equipment (\$16,300)
- Operating transfer to cover expenses for Sheriffs kitchen capital assets (\$58,000)
- Operating transfer to cover expenses for County Fire Weed Abatement and the purchase of capital assets (\$214,664)

- **Probation**

- Account for the decrease in salary lines based on the deletion of (5) positions (\$166,647)

- **Sheriff**

- Purchase minor kitchen equipment (\$16,300)



# Mid-Year Outside Funds Department Requests-Budget Adjustments

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- **Capital Project Fund**

- Purchase (2) ovens and (1) trash compactor (\$58,000)

- **County Fire**

- Record operating transfer from Miscellaneous Administration to cover expenses for:

- Weed Abatement (\$34,664)
    - Purchase of (1) Wood Chipper (\$90,000)
    - Purchase of (2) F250 Trucks (\$90,000)

- Record unanticipated revenue from state disaster relief (\$15,568)

- **Fleet Services**

- Cover the increase of fuel costs and usage (\$360,504)

- **Road Fund**

- Purchase a Pine G2 Gyrotory Compactor (\$52,000)

- **Utility Fund**

- Cover increased utility costs (\$362,721)
  - Cover professional services for the County Wide Solar Project (\$170,582)

# Mid-Year Amended Class Specifications Requests

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- Administrative Secretary
- Assistant Chief Investigator-District Attorney
- Chief Deputy Treasurer/Tax Collector
- Investigator-District Attorney, Supervisor
- Investigator-Welfare
- Fire Apparatus Engineer
- Fire Apparatus Engineer 40 Hr
- Fire Battalion Chief
- Fire Battalion Chief-Admin
- Fire Captain
- Fire Captain-Admin
- Fire Lieutenant
- Fire Lieutenant 40 Hr

# Budget Schedule

Action	Date	Responsible Person(s)
Notice of Final Budget Hearing Posted	8/28/2019	Clerk - BOS
Final Budget Hearing Materials to the Board of Supervisors and Public	8/30/2019	CAO
Recommended Budget to the Board of Supervisors	9/10/2019	CAO
Final Budget Hearing Begins and may Proceed to October 2, 2018, per State Law	9/10/2019	Board of Supervisors
Personnel Resolution with all Adopted Budget Personnel Actions are finalized	9/20/2019	CAO
Adopted Budget Book to the Board of Supervisors and Public	11/20/2019	County Auditor
Adopted Budget Book to the State of California	12/01/2019	County Auditor

# Budget Protocol Plan

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1. Historically Normal (Reasonable) Revenues are Budgeted; in which case, Conservative Revenue Estimates are proposed to be Budgeted, thus avoiding Unbalanced Budget
2. Proceeds from Sales of Assets are Designated for Future Capital Needs
3. One-Time Funds are Used for One-Time Purposes when setting Agency/Departmental Budget Targets
4. Budgetary Sustainability: Any Structural Increases or Substantial One-Time Funding to Agency/Departmental Budgets Should Reflect a Due Diligence Analysis of New or Expanded Sources of Revenue and Operational Efficiencies (Corresponding Reduction of Expenses or Programmatic or Project Re-Direction of Expenses)

# Thank You!

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- Board of Supervisors
- County Administrative Office
- Clerk of the Board
- Human Resources and Development
- Auditor-Controller / Treasurer-Tax Collector
- Assessor / Clerk-Recorder
- County Counsel / Risk Management
- All County Agencies and Departments

# Requested Action

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1. Receive the Mid-Year Budget Report for FY 2018/19;
2. Approve the proposed schedule for preparation and adoption of the FY 2019/20 budget, which incorporates a rollover budget as the operating budget (including the Capital Projects budget) for the period between July 1, 2019 and adoption of the FY 2019/20 budget (4/5ths vote required);
3. Adopt the personnel resolution to delete and amend positions; and approve and amend the required job specifications and class designations stemming from the Mid-Year Budget Report subject to completion of meet and confer;
4. Approve the capital asset purchase list; and
5. Authorize the Auditor-Controller/Treasurer-Tax Collector, with concurrence of the County Administrative Officer, to process any budget adjustments stemming from the Mid-Year Budget Report (4/5ths vote required).

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# *Questions or Comments*

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THANK YOU.