

County of Tulare



Mid-Year Budget Report Fiscal Year 2019/20

TULARE COUNTY ADMINISTRATIVE OFFICE

APRIL 7, 2020

Overview

- 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
- FY 2020/21 Budget Schedule
- Requested Action

Tulare County Financial Strengths

- 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 the County's adopted business plan

Proposed State Budget Highlights

Fiscal Year 2020/2021

Governor's Proposed Budget

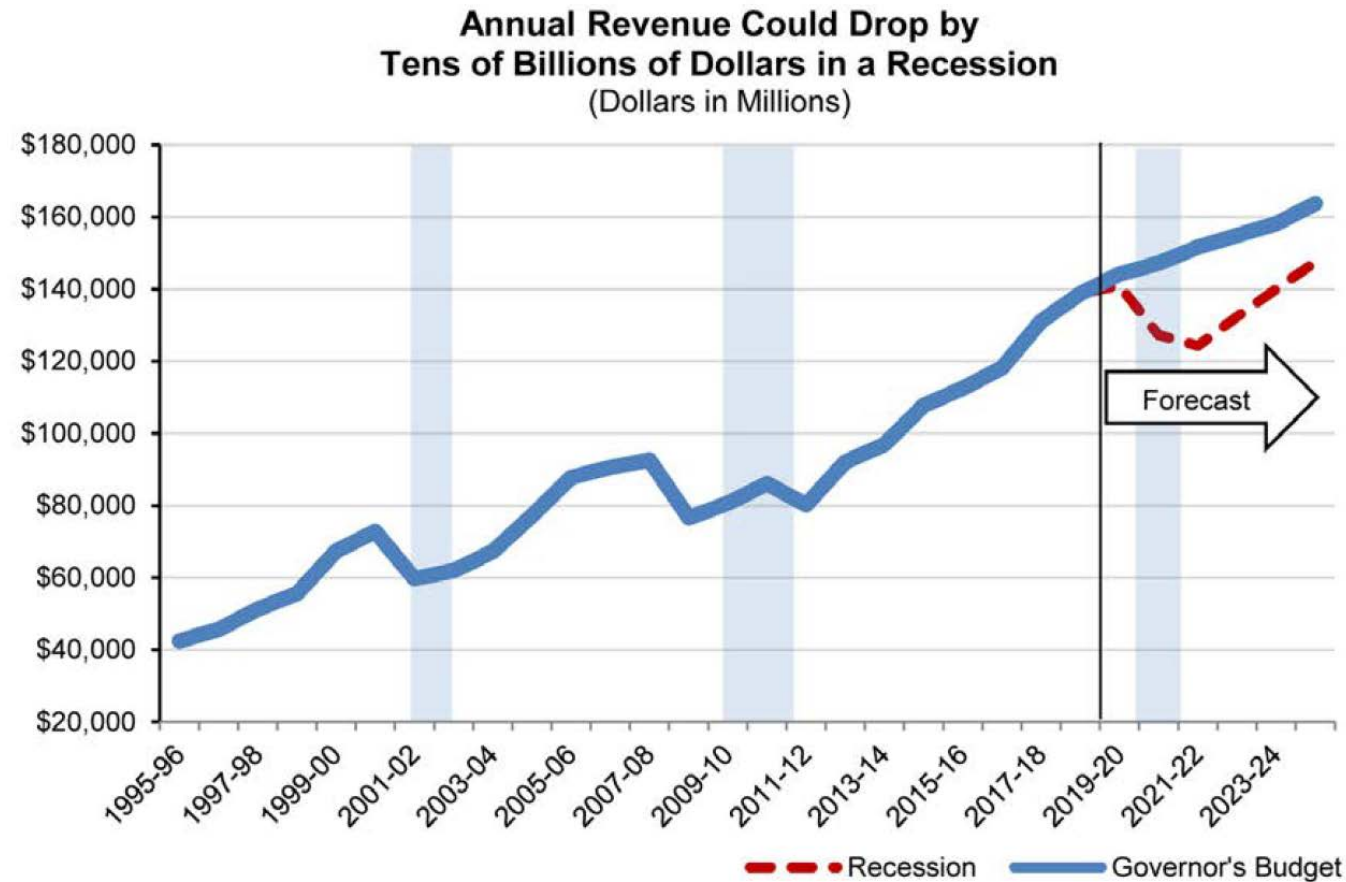
- Total Budget \$222.2 billion
- General Fund \$153 billion
- Special Fund \$63.76 billion
- Special Bond Fund \$5.36 billion
- Total Increase of \$7.4 billion compared to 2019/20 Budget Package
- Rainy Day Fund projected to be \$18 billion
- \$21 billion set aside for Reserves

Special Areas of Interest

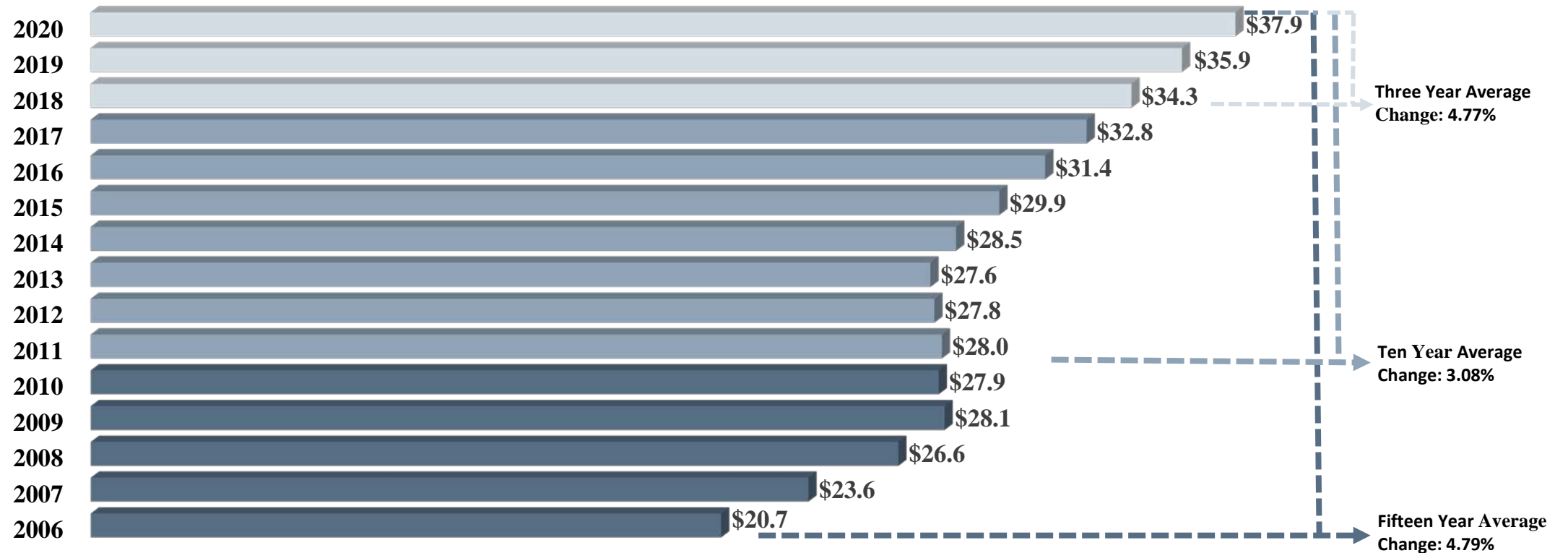
- Building Reserves and Reducing Liabilities
- Housing Affordability
- Homelessness
- Emergency Response and Effective Government
- Promoting Opportunity for all
- Continued Investment in K-12 education
- Expanding access to higher education
- Climate protection
- Reimaging criminal justice
- Jobs, the economy, and protecting the environment

Proposed State Budget Highlights

Recession Forecast

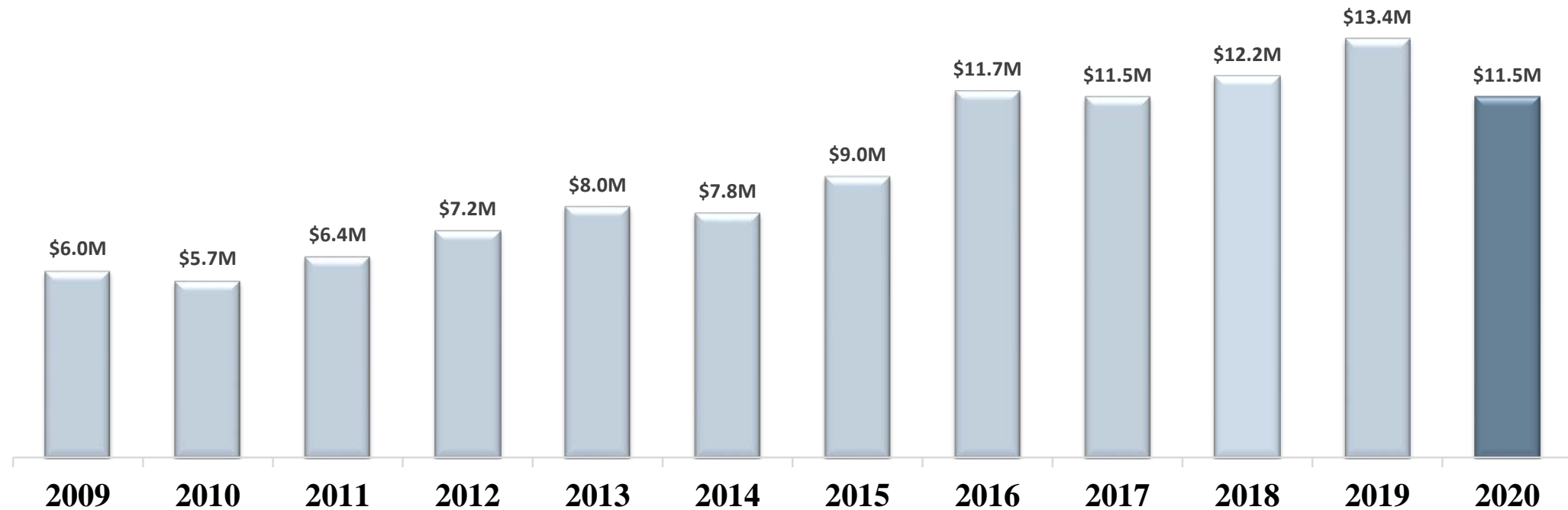


Local Perspective: Local Assessed Value & Property Taxation (in billions)



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

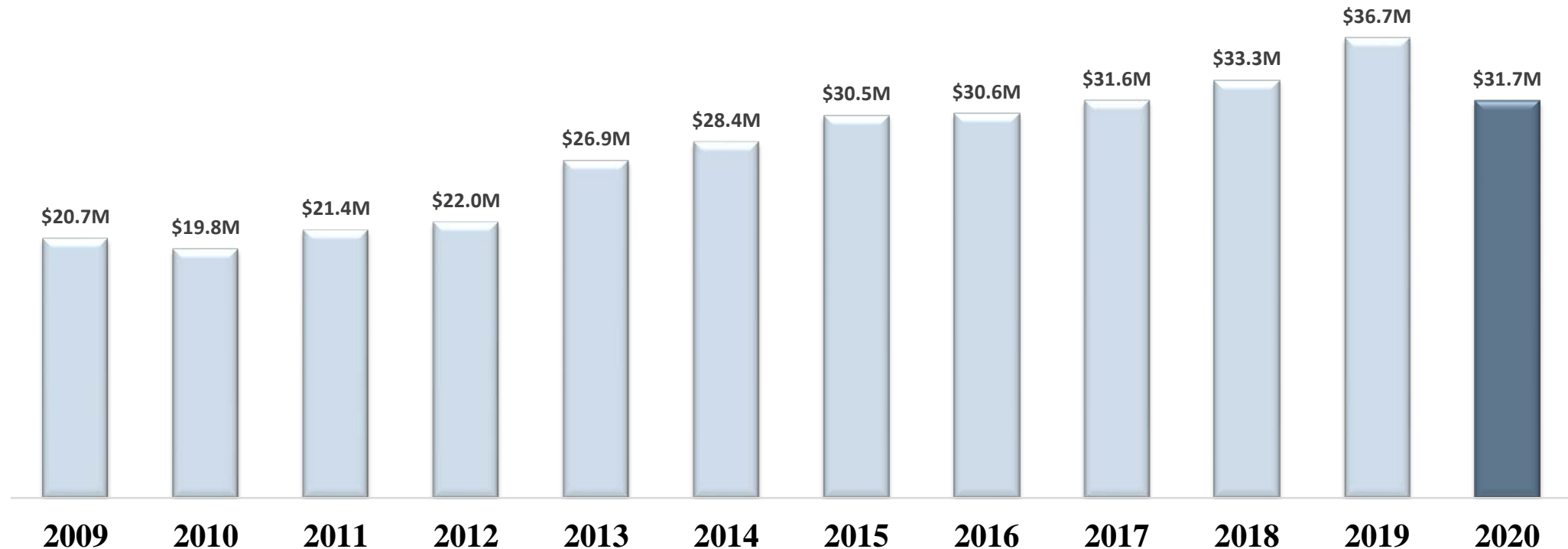
Local Perspective: Sales and Use Tax Allocation



Source: Tulare County Accounting System Advantage Financial (AFIN)

■ Year- End Actual Revenue
■ Recommended FY2019/20 Budget

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



Source: Tulare County Accounting System Advantage Financial (AFIN)

■ Year- End Actual Revenue
■ Recommended FY2019/20 Budget

Mid-Year Budget Report

Fiscal Year 2019/20

- General Fund Departments: Projected to be at or below allocated targets, thus staying within budget (balanced budget)
- General Fund Revenues: 35% collected, 1% lower than prior Fiscal Year
- General Fund Expenditures: 51% Expensed, 2% lower than prior Fiscal Year

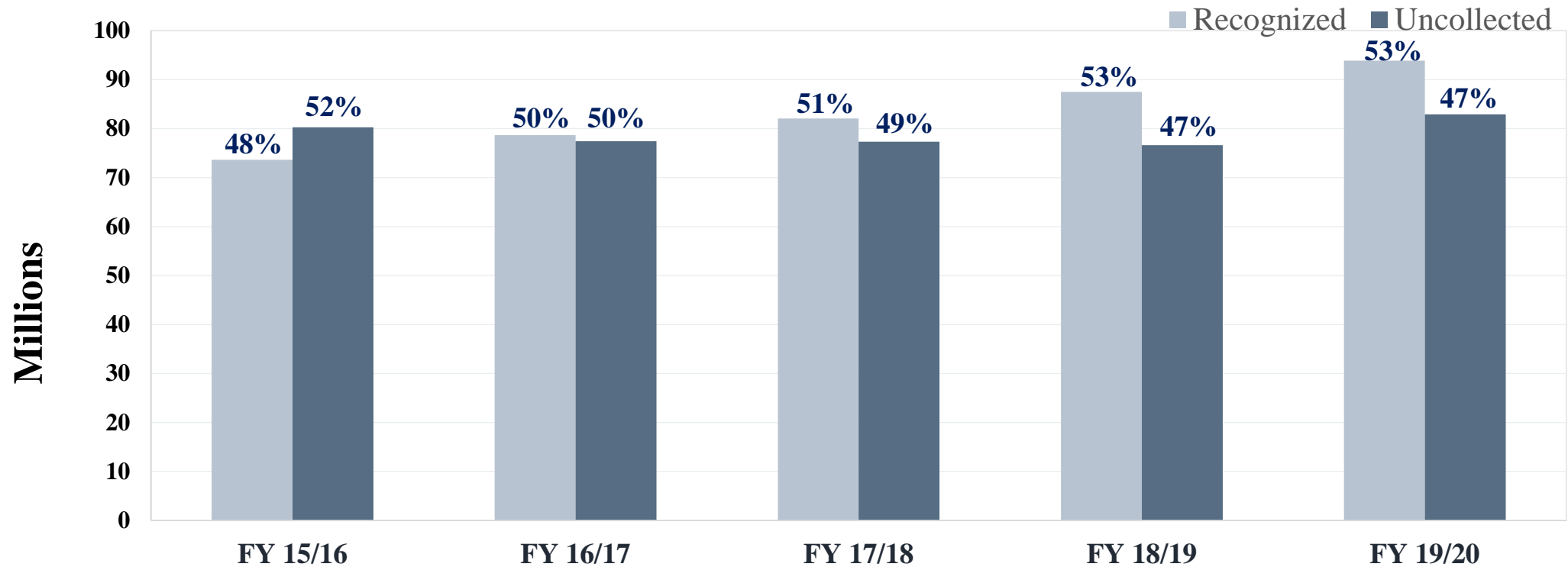
General Fund Budget Five-Year Summary

Fiscal Year	Budget	Employee Positions		Percent of Filled Positions
		Filled	Allocated	
2019/20	\$844,549,915	3,570	4,207	85%
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%

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

Mid-Year Report

General Revenues (031)



Modified Budget

153,906,730

156,081,413

159,349,667

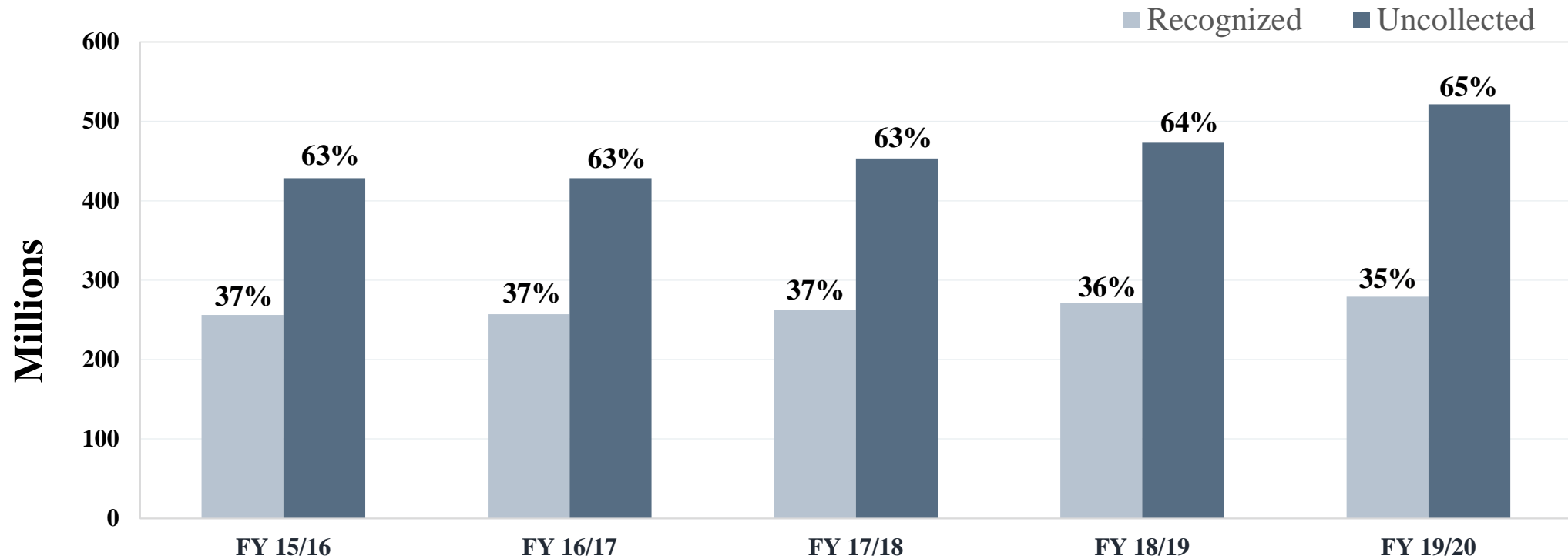
164,130,157

176,799,840

Source: Tulare County Auditor-Controller

Mid-Year Report

General Fund Revenues

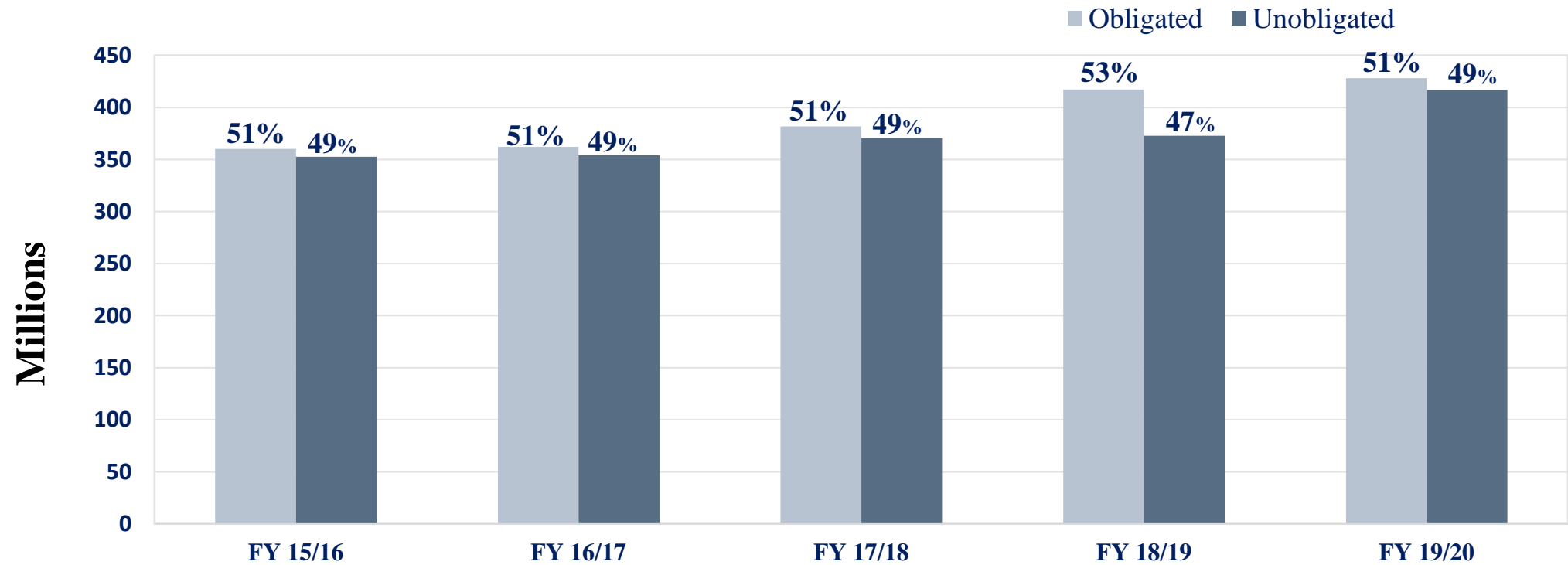


Modified Budget	684,406,747	685,652,231	716,214,500	744,842,025	800,671,558
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Source: Tulare County Auditor-Controller

Mid-Year Report

General Fund Expenditures



Modified Budget	712,777,552	716,289,404	752,479,726	790,079,761	844,984,752
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Source: Tulare County Auditor-Controller

Mid-Year Department Requests - Personnel

- **Assessor**
 - Add (1) Supervising Title and Administration Technician
- **District Attorney**
 - Add (1) Prosecution Assistant
 - Add (1) Media Specialist II
 - Add (1) Investigative Technician II
 - Add (1) IT Desktop Technician II
 - Delete (1) Legal Office Assistant-Supv
- **Fire**
 - Add (3) Fire Apparatus Engineer
 - Add (1) Fire Captain
- **Information & Communications Technology**
 - Delete (1) IT Business Intelligence II
- **Public Defender**
 - Add (1) Social Worker-Licensed
- **Health & Human Services Agency**
 - Add (1) Personnel Services Officer
 - Add (1) Compliance Specialist
 - Add (1) Child Welfare Service Mgr
 - Add (1) Mental Health Technician II
 - Add (3) Administrative Specialists II
 - Add (3) Electronic Health Records Specialists
 - Add (2) Public Health Program Coordinator
 - Add (2) Health Education Specialist
 - Delete (1) Family Services Coordinator
 - Delete (1) Dietician
- **Resource Management Agency**
 - Add (1) Account Clerk III
 - Add (1) Construction & Maintenance Worker III
- **Sheriff**
 - Amend (1) Media Specialist III

Mid-Year Department Requests – Salary Adjustments

- **Child Support Services**

- 2% equity increase for (2) unrepresented attorneys, effective 7/5/20, commensurate with the effective date of represented attorney equity increases.

- **County Counsel**

- 2.6% salary increase for Chief Deputy County Counsel - Land to create parity with similar classifications, effective 4/12/20
- 2% equity increase for (22) unrepresented attorneys, effective 7/5/20, commensurate with the effective date of represented attorney equity increases.

- **District Attorney**

- 2% equity increase for (13) unrepresented attorneys, effective 7/5/20, commensurate with the effective date of represented attorney equity increases.
- 2% salary increase for two Assistant District Attorneys to create parity with similar classifications, effective 7/5/20.

- **Public Defender**

- 2% equity increase for (7) unrepresented attorneys, effective 7/5/20, commensurate with the effective date of represented attorney equity increases.

Mid-Year Department Requests - Capital Assets

- **Custodial**

- Purchase (1) Burnisher (\$8,200)

- **Fleet**

- Purchase (1) Dual A/C Machine (\$10,000)

- **Health & Human Services Agency**

- Purchase (2) Ford Fusion Sedans (\$53,130)
- Purchase (3) Standalone Battery Backups and (1) Power Outage Alert System (\$23,070)
- Purchase (1) Multimode Plate Reader (\$45,735)
- Purchase (1) Generator (\$5,967)
- Purchase (1) Pressure Washer (\$6,879)
- Purchase (1) X-Ray Machine (\$49,639)

- **Probation**

- Purchase (1) Duress System (\$14,500)
- Purchase (2) Full Metal Detectors (\$30,000)

- **Road Fund**

- Purchase (1) 1/2 Ton Pickup (\$25,000)
- Purchase (1) 4x4 3/4 Ton Pickup (\$30,000)
- Purchase (1) Drivable Street Sweeper (\$310,000)
- Purchase (1) Hot Water Pressure Washer (\$8,000)
- Purchase (2) Message Sign Boards (\$40,000)

Mid-Year Department Requests - Budget Adjustments

- **Airport**

- Cover operating expenses

- **Capital Projects**

- Account for additional revenue associated with the Cornerstone, Center Drive, and Fire Station 1 projects.

- **Custodial**

- Purchase (1) burnisher

- **District Attorney**

- Transfer funds to Capital Projects to allocate funds for the Visalia Courthouse basement renovation.

- **Facilities**

- Account for costs associated with the Courthouse Lighting Project.

- **Fleet**

- Purchase (1) dual A/C machine

- **Health & Human Services Agency**

- Account for additional revenue from the State for a CalWORKs grant.
 - Transfer funds to Capital Projects for the Government Plaza parking lot renovation.
 - Purchase (1) x-ray machine and (1) pressure washer.
 - Purchase (3) battery backups, (1) power outage alert system, and (1) generator.
 - Purchase (2) vehicles.
 - Purchase (1) multimode plate reader.

- **Information & Communication Technology**

- Transfer funds to cover costs associated with 26 projects.

Mid-Year Department Requests - Budget Adjustments

- **Library**

- Record unanticipated revenue to be received through the Medi-Cal Outreach Program.

- **Miscellaneous Administration**

- Transfer funds to Capital Projects to cover costs for the Cornerstone building.
- Transfer funds to Airport to cover operating expenses.
- Continue funding Groundwater Sustainability Agency memberships.

- **Probation**

- Transfer funds to cover Capital Projects expense and capital asset purchases.

- **Roads**

- Cover six capital asset purchases.

- **Seville Water**

- Cover administrative support for water operations and consolidation construction project.

- **Zones of Benefit**

- Cover additional staff time for efforts to find new outside service provider and the consolidation construction project

Tulare County Financial Challenges

- **Increasing operational and structural costs**
- Increasing legislative and regulatory requirements relating to employee compensation
- Rising employer retirement contribution along with Pension Obligation Bond payment
- Detention facilities operational costs: public safety, mental health, and health care costs
- **Fire Department organizational and capital asset planning**
- Zones of Benefit water systems and wastewater systems
- Internal Service Fund expenses outpacing rate increases
- **Groundwater Sustainability Agency fees and regulatory compliance**
- Economic recession, and the impact of the COVID-19 pandemic

Tulare County

Financial Challenges – Increasing Structural Costs

FY 2020/21 Increases in Structural Costs

- An estimated \$6 million increase in salaries and benefits
- \$1.1 million increase in rental costs associated with the Kmart Lease
- \$697K increase in rental costs associated with the Cornerstone Lease. This figure does not include a possible increased staffing cost associated with the Porterville Courthouse opening new courtrooms
- \$2.6 million increase in jail medical costs. These costs are projected to grow from \$2.6 to \$4.2 million over the next five fiscal years
- \$255K increase to Dispatch costs

Tulare County Financial Challenges – Fire Department Planning

Increasing Fire Department Costs to the General Fund

- \$4.5 million increase in General Fund support for FY 2020/21 for a total of \$9.5 million
 - Increases to Salaries and Benefits
 - Costs associated with Fire Station 1

Tulare County

Financial Challenges – Groundwater Management

Groundwater Sustainability Agency Membership	FY2019 Actual	FY2020 Adopted Budget	FY2020 Requested Adjustment	Requested Difference
Assoc. of CA Water Agencies	2,715.00	-	-	-
East Kaweah Groundwater	262,096.67	58,000.00	612,672.78	554,672.78
Eastern Tule Groundwater	317,748.56	713,046.00	713,046.00	-
Greater Kaweah Groundwater	126,750.00	130,000.00	130,000.00	-
Kings River East GSA	6,500.00	3,250.00	3,250.00	-
Lower Tule	-	-	110.75	110.75
Tri Counties	-	-	1,500.00	1,500.00
Delano Earlimart	-	-	2,000.00	2,000.00
Total	715,810.23	904,296.00	1,462,579.53	558,283.53

Budget Schedule

Action	Date	Responsible Entities
Notice of Final Budget Hearing Posted	8/26/2020	Clerk of the Board
Final Budget Hearing Materials to the Board of Supervisors and Public	8/28/2020	County Administrative Office
Recommended Budget to the Board of Supervisors	9/15/2020	County Administrative Office
Final Budget Hearing Begins and may Proceed to October 2, 2020, per State Law	9/15/2020	Board of Supervisors
Personnel Resolution with all Adopted Budget Personnel Actions are finalized	9/18/2020	County Administrative Office
Adopted Budget Book to the Board of Supervisors and Public	11/20/2020	County Auditor
Adopted Budget Book to the State of California	12/01/2020	County Auditor

Budget Protocol Plan

1. Historically conservative and reasonable revenue estimates are budgeted to ensure a balanced budget
2. Proceeds from sales of real property are designated for future capital needs
3. One-time funds are used for one-time purposes when setting agency/departmental budget targets
4. County agencies/departments shall seek grants and other funding opportunities and revenue sources to maximize subvention usage prior to General Fund support, while minimizing commitments requiring recurring General Fund coverage
5. Any structural increases or substantial one-time funding to agency/departmental budgets require an analysis of new or expanded sources of revenue and operational efficiencies (corresponding reduction of expenses or programmatic or project re-direction of expenses) for budget sustainability

Thank You!

- 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

1. Receive the Mid-Year Budget Report for FY 2019/20.
2. Approve the proposed schedule for preparation and adoption of the FY 2020/21 budget, which incorporates a rollover budget as the operating budget (including the Capital Projects budget) for the period between July 1, 2020, and adoption of the FY 2020/21 budget (4/5ths vote required).
3. Adopt the personnel resolution to add, delete, and amend positions, and approve and amend the required job specifications, class designations, and salary adjustments proposed in the Mid-Year Budget Report subject to completion of meet and confer.
4. Approve the capital asset purchase list.
5. Authorize the Auditor-Controller/Treasurer-Tax Collector, with the concurrence of the County Administrative Officer, to process any budget adjustments proposed in the Mid-Year Budget Report (4/5ths vote required).

Questions or Comments

THANK YOU.