

County of Tulare

Recommended Budget Overview
Fiscal Year 2020/21



Tulare County FY 2019/20 Budget Recap

General Fund FY 2019/20 Recap

- County ended FY 2019/20 in a positive financial position
- Improved and replaced assets and equipment
- Increased the Strategic Reserve
- Supported economic development
- Enhanced public safety
- Completed various capital projects and building improvements
- General Fund Unassigned Fund Balance at year-end: \$42.3 million

County Budget Protocol

1. Revenue estimates are budgeted conservatively by comparing with historical actual revenue trends
2. One-time funds are used for one-time purposes when setting departmental budget targets
3. Structural increases to departmental budgets reflect a thorough analysis of need, ongoing revenue opportunities, and operational efficiencies
4. All proposed budgets must be fiscally sustainable
5. Proceeds from sales of real property are designated for future capital needs

California State Budget Fiscal Year 2020/21

- Total Budget: \$202.1 billion
- State General Fund: \$133.9 billion
- Budget Reserves: \$11.4 billion
 - \$8.3 billion Rainy Day Fund Balance
 - \$2.6 billion Special Fund for Economic Uncertainties
 - \$450 million in Safety Net Reserve
 - 10% salary reduction for state employees, 7% for public safety

California State Budget Fiscal Year 2020/21

Key Impacts to Counties

- \$1 billion for Realignment backfill (\$250 million trigger dependent upon federal funding)
- \$550 million to support housing for homeless or at risk for homeless due to COVID
- \$300 million to Homeless Coordinating and Financing Council
- Proposes closure, or realignment, of Division of Juvenile Justice to counties
- Requires CDCR to identify one state-owned and operated prison for closure by January 10, 2021
- Expands investment in CAL FIRE, OES, and local agencies for ongoing wildfire preparedness
- \$50 million matching grant program to prepare, respond, and mitigate impacts to public safety power shutoffs
- \$100 million for November 2020 presidential election
- Reduces funding for child support agencies to the 2018 levels

Tulare County FY 2020/21 Budget

Budget Highlights

- **Total Budgets – All Funds: \$1.45 billion (\$68.7 million increase)**
- **General Fund Budget: \$886.8 million (\$42.2 million increase)**
- **Discretionary Revenues: \$178.1 million (\$1.3 million increase)**
- **General Fund Net County Cost: \$220.4 million (\$2.7 million decrease)**
- **General Fund Unassigned Fund Balance: \$42.3 million (\$4 million decrease)**
- **Strategic Reserve: \$30 million (\$2 million decrease)**
- **Contingency: \$4 million (\$1 million decrease)**

Tulare County FY 2020/21 Budget

Budget Highlights – General Fund

- **Emergencies: \$1 million (Fire, Floods, and Tree Mortality)**
- **Capital Improvements: \$3 million**
- **County Fire Improvements, Vehicles, and Equipment: \$3.3 million**
- **Aerial Apparatus for Fire Department: \$1.8 million**
- **2.0 Staffing for Fire Station One**
- **Funding for Debt Retirement: \$1.3 million**
- **Economic Development: \$1.9 million**
- **IT Projects: \$1.2 million**
- **Conflict Public Defender: \$1 million**
- **GSA Memberships and Water Program Activities: \$1.1 million**

Tulare County FY 2020/21 Budget

Budget Highlights – Outside Funds

- Aviation Navigation Aids: \$363,586
- County Fire Grant Funded various Tree Mortality Projects, Capital Assets, and Tools and Supplies: \$1.3 million
- Road Fund County Transportation Improvement Program: \$55.9 million
- Solid Waste Visalia Phase 4 Expansion: \$9 million
- Six New Transit Buses: \$3.1 million
- Various Capital Projects: Sequoia Field Program Facility \$20 million, Center Drive FF&E \$4.3 million, Infectious Disease Clinic \$2.8 million, Emergency Dispatch Relocation \$2.2 million, Dinuba Library \$2.1 million, and Terra Bella Fire Station Remodel \$1.7 million

Tulare County FY 2020/21 Budget

Budget Report Highlights

- General Fund Five-Year History
- General County Revenues
- General Fund Unassigned Fund Balance
- Sales and Use Tax Allocation
- Statewide Proposition 172 Sales Tax
- Local Assessed Value and Property Taxation
- Comparison of County Funds
- Comparison of Authorized Staffing
- County Budgets by Activity
- Long-Term Obligations
- Looking to the Future

General Fund Five-Year History

Fiscal Year	Budgeted Amount	Percentage Increase
2016/17	715,084,944	0.84%
2017/18	752,842,911	5.28%
2018/19	790,039,705	4.94%
2019/20	844,549,915	6.90%
2020/21	886,780,331	5.00%

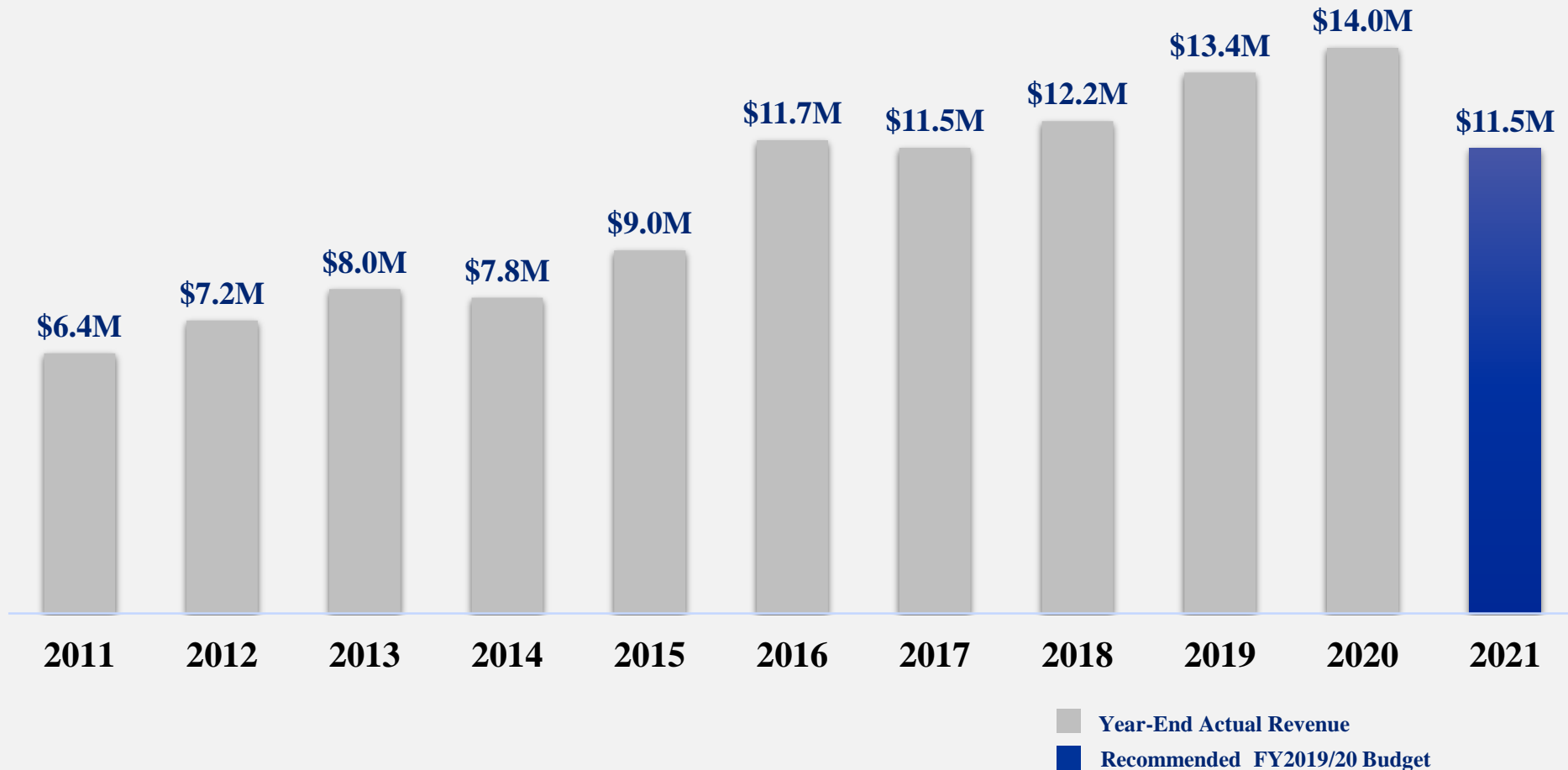
General County Revenues

Description	FY 2018/19 Adopted Budget	FY 2019/20 Adopted Budget	FY 2020/21 Recommended	One-Year Percentage Change
Secured Property Taxes	\$45,506,005	\$47,856,334	\$48,813,461	2.00%
Motor Vehicle Fees	\$52,545,858	\$53,232,000	\$55,627,440	4.50%
Local Sales Tax	\$9,865,000	\$11,511,000	\$11,500,000	-0.09%
Prop 172 Sales Tax	\$28,000,000	\$31,661,000	\$31,600,000	-0.19%
All Other	\$28,213,294	\$32,539,506	\$30,579,926	-6.02%
Total	\$164,130,157	\$176,799,840	\$178,120,827	0.75%

General Fund Unassigned Fund Balance

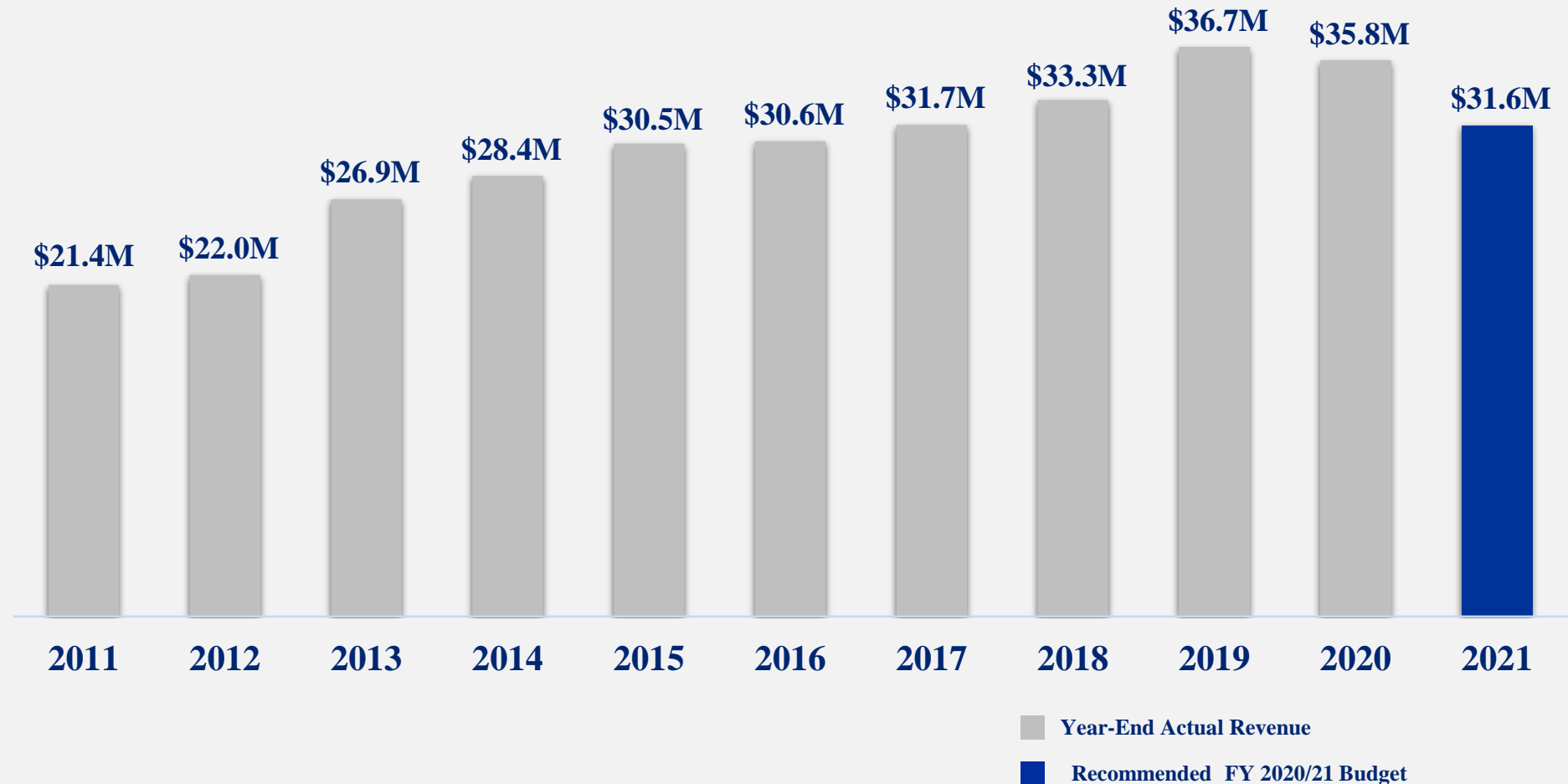
Budgeted Fund Balance	Adopted FY 2016/17	Adopted FY 2017/18	Adopted FY 2018/19	Adopted FY 2019/20	Recommended FY 2020/21
Unassigned	\$31,637,173	\$38,265,226	\$47,237,736	\$46,313,194	\$42,254,584

Sales and Use Tax Allocation



Source: Tulare County Accounting System Advantage Financial (AFIN)

Proposition 172 - Public Safety (One-Half Cent Sales Tax)



Source: Tulare County Accounting System Advantage Financial (AFIN)

Local Assessed Value & Property Taxation

Economic Growth

Assessed Valuation Growth without Exemptions

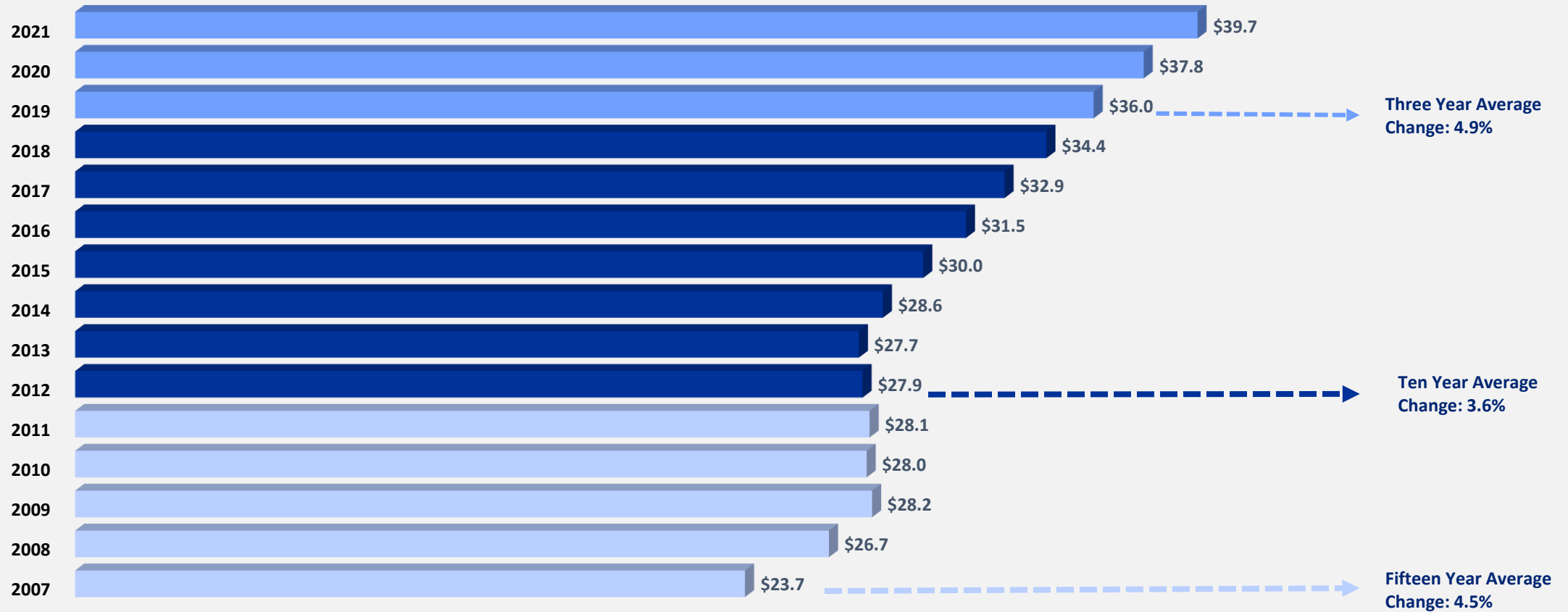
- FY 2020/21: \$39.7 billion (\$1.9 billion increase)
- Growth Rate : 5.044%
- Three-Year Average Growth Rate: 4.949%

Assessed Valuation Growth with Exemptions

- FY 2020/21: \$38.3 billion (\$1.8 billion increase)
- Growth Rate as Reported by Assessor: 4.957%
- Three-Year Average Growth Rate: 5.011%

New Building Permits for FY 2019/20: 3,912 (161 increase)

Local Assessed Value & Property Taxation (Billions)



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

Comparisons of County Funds

Fund Type	FY 2019/20 Adopted Budget	FY 2020/21 Recommended	Difference	% Inc/Dec
General Fund	844,549,915	886,780,331	42,230,416	5.0%
Other Operating Funds	388,947,637	409,316,525	20,368,888	5.2%
County Service Areas	1,451,487	1,383,445	-68,042	-4.7%
Enterprise Funds	43,879,755	43,955,920	76,165	0.2%
Internal Service Funds	94,971,492	102,270,216	7,298,724	7.7%
Special District	7,932,314	8,077,870	145,556	1.8%
Total	\$1,381,732,600	\$1,450,400,862	\$68,668,262	5.0%

Comparison of Authorized Staffing

Fund Type	FY2018/19 Adopted Budget	FY2019/20 Adopted Budget	FY2020/21 Recommended Budget	Net Change 19/20 -20/21	% Increase 19/20 -20/21
General Fund	4,135.63	4,206.63	4,115.63	-91.00	-2.2%
Other Funds	898.00	899.00	890.00	-9.00	-1.0%
Total Authorized Staffing	5,033.63	5,105.63	5,005.63	-100.00	-2.0%

County Budgets by Activity

Total Budget: \$1.45 billion

- **Health and Human Services: \$749.1 million**
- **Public Safety and Public Law: \$255.2 million**
- **Transportation: \$112.9 million**
- **Internal Service Funds: \$102.3 million**
- **Supporting County Departments: \$76.1 million**
- **General Government and Operations: \$48.7.9 million**
- **Property Assessment, Public Finance and Accounting: \$43.9 million**
- **Assessment Districts, County Service Areas, Special Districts, and Solid Waste: \$30 million**
- **Land Use, Development, and Infrastructure: \$21.6 million**
- **Agriculture, Research, and Fish and Wildlife: \$10.6 million**

County Long-Term Obligations

Tulare County Long-term Obligations as of June 30, 2020

- Pension Obligation Bonds: \$232.9 million
- Variable Rate Demand Bonds: \$31.1 million (Millennium Fund Bonds Outstanding)
- Chevron Loan Payable: \$1.3 million
- Certificates of Participation for Enterprise Funds: \$1 million
- Bonds for El Rancho Sewer District: \$3,800
- Total Long-term Debt: \$266 million

Looking To The Future

COVID-19 pandemic

- County began experiencing the impacts of the COVID-19 pandemic in March 2020
- Resulted in a sustained public health emergency response, shelter-in-place orders, and closure of much of the economy
- County instituted the following proactive budget mitigation measures:
 - Reduced net county cost budgets by approximately 2% below FY 2019/20
 - Deleted chronically vacant positions over 730 days
 - Delayed large purchases and capital projects
 - Instituted a countywide hiring freeze

Looking To The Future

Plan to address continued economic downturn and fiscal uncertainty due to the COVID-19 pandemic

- Continue to implement a robust economic development strategy with emphasis on Assessed Valuation growth
- Use strategic reserves to maintain status quo operations
- Maintain contingency reserves
- Invest in revenue-generating improvements, projects, and activities
- Focus on operational efficiencies
- Propose budget allocations that are feasible and sustainable for the long-term
- Make budget adjustments, if necessary, at mid-year

Looking To The Future

Technological enhancements to improve the efficiency and effectiveness of County operations:

- Procure additional laptop computers and technology to expand telework capabilities
- Increase use of cloud computing
- Roll out 18 Ballot On Demand Printers for 18 polling locations
- Implement:
 - Microsoft Office 365 countywide, a cloud-based suite of Microsoft Office products
 - Online parks reservation system for arbors
 - Relias e-learning and training platform countywide
 - eProsecutor, a new web based case management system for the District Attorney
 - PrimeGov, an agenda management system for Board of Supervisors and public search portal
 - OpenGov, a cloud-based budgeting and financial management system
 - E-Review, allowing permitting records and processes to become electronic

Looking To The Future

Significant financial challenges

- Rising cost of law enforcement and fire capital and staffing needs
- Increasing annual retirement contributions
- Increasing financial share of mandated programs
 - Health and Human Services (In-Home Support and Medical/Mental Health Care)
 - Jail medical and mental health care
 - Internal Service Funds
 - Zones of Benefit (Water and Wastewater Systems, Rehabilitation, Consolidation, Divestment)
- New countywide financial and human resources systems
- Unknown duration and impact of the COVID-19 pandemic

Looking To The Future

Strategies for the Board to consider for a stable budget in future years

- Negotiate financially sustainable labor agreements
- Limit the issuance of debt
- Use one-time funds for one-time expenses
- Fund the Strategic Reserve to the stated reserve ratio reflected in the Reserve Policy
- Collaborate with Tulare County Employee Retirement Association to minimize significant retirement cost increases
- Continue to utilize conservative revenue estimating practices
- Encourage departments to maximize the use of non-General Fund revenues to minimize the burden on the General Fund
- Encourage and support departments to adopt business practices designed to help organizations function more efficiently and effectively

Thank You!

- Board of Supervisors
- Board of Supervisors Board Representatives
- County Administrative Office Staff
- All County Agencies and Departments: Leadership, Management and Staff
- County Counsel
- Auditor-Controller/Treasurer-Tax Collector
- Human Resources and Development
- General Services Agency Print & Mail

FY 2020/21 Budget Hearing

Adjourn as the Tulare County Board of Supervisors and Convene as the Terra Bella Sewer Maintenance District

Enterprise Fund (Budget Book Page 331)

Terra Bella Sewer Maintenance District

- 1. Adopt the FY 2020/21 Final Budget for the Terra Bella Sewer Maintenance District as modified during the hearings; and**
- 2. Authorize the Auditor-Controller to make necessary minor adjustments in order to bring the FY 2020/21 Budget into final balance.**

Adjourn as the Terra Bella Sewer Maintenance District and Convene as the Tulare County Flood Control District

Special District (Budget Book Page 357)

Tulare County Flood Control District

- 1. Adopt the FY 2020/21 Final Budget for the Tulare County Flood Control District as modified during the hearings; and**
- 2. Authorize the Auditor-Controller to make necessary minor adjustments in order to bring the FY 2020/21 Budget into final balance.**

Adjourn as the Tulare County Flood Control District and Reconvene as the Tulare County Board of Supervisors

Enterprise and Assessment District Funds – Consent Budgets

(Budget Book Pages 323-330 and 334-346)

Transit, Solid Waste Funds and L & M Funds-Assessment Districts

L01 Orosi Lighting/Landscape 92-01
L05 Orosi Storm Drain 95-720
L10 Orosi Storm Drain 98-722
L16 Earlimart Lighting/Landscape 02-01
L60 Tipton Storm Drain 02-748
L65 Earlimart Storm Drain 02-746
L70 Cutler Storm Drain 05-764
L75 Teviston Storm Drain 04-752
L80 Earlimart Storm Drain 04-744
L85 Orosi Storm Drain 04-754
L86 Visalia Storm Drain 07-792
L87 Visalia Storm Drain 07-767
L88 Visalia District 13-792
L89 Traver Storm Drain 14-830
L90 Visalia Storm Drain 14-792

L91 Visalia Storm Drain 16-767
L92 Goshen Storm Drain 18-789
L93 Orosi District 19-17-003
M03 Strathmore Road 05-773
M04 Porterville Road 06-781
M06 Visalia Road 06-772
M86 Visalia Road 07-792R
M87 Visalia Road 07-767R
M88 Goshen Road 09-804R
M89 Goshen 12-804R
M90 Visalia 13-792R
M91 Visalia 14-792R
M92 Visalia Road 16-767R
M93 Goshen Road 18-789R
M94 Orosi District 19-17-003R

Tulare County Board of Supervisors Continued

County Service Areas #1 and #2 – Consent Budgets

(Budget Book Pages 347-356)

C15 Lemon Cove Water

Z01 El Rancho Sewer

Z10 Delft Colony Sewer

Z11 Delft Colony Water

Z50 Seville Sewer

Z60 Tonyville Sewer

Z70 Tooleville Sewer

Z80 Traver Sewer

Z90 Yettem Sewer

Z91 Yettem Water

Z95 Wells Tract Water

Z96 Wells Tract Sewer

Tulare County Board of Supervisors Continued

Internal Service Funds – Consent Budgets

(Budget Book Pages 285-322)

General Services Agency

Copier Services

Grounds Services

Custodial Services

Mail Services

Facilities

Print Services

Fleet Services

Utilities

County Counsel – Risk Management

General Liability

Property Insurance

Medical Malpractice

Workers' Compensation

Information & Communications Technology

Communications

Information & Communications Technology

Tulare County Board of Supervisors Continued

Operating Funds – Consent Budgets

(Budget Book Pages 223-284)

Aviation

Building Debt Service

Capital Projects

Child Support Services

Community Development Block Grants

County Fire

Fish and Wildlife

Health Realignment

HOME Program

Housing Successor Agency

ICT Special Projects

Indigent Health Care

Library

Mental Health Realignment

Pension Obligation Bond

Road Fund

Social Services Realignment

Tobacco Settlement

Workforce Investment Board

Tulare County Board of Supervisors Continued

General Fund - Consent Budgets

(Budget Book Pages 109-222)

Agricultural Commissioner/Sealer of Weights and Measures

Assessor/Clerk-Recorder

Auditor-Controller/Treasurer-Tax Collector

Board of Supervisors

Capital Acquisitions

Central Telephone Services

Citizens' Option for Public Safety (COPS)

Cooperative Extension

County Administration

County Counsel

District Attorney

General Services Agency

Health and Human Services Agency

Tulare County Board of Supervisors Continued

General Fund - Consent Budgets (Continued)

(Budget Book Pages 109-222)

Human Resources and Development
Juvenile Justice Crime Prevention Act
Miscellaneous Administration
Miscellaneous Criminal Justice
Probation
Public Defender

Purchasing
Registrar of Voters
Resource Management Agency
Rural Crime Prevention
Sheriff-Coroner

General Fund – General Revenues (Budget Book Pages 128-129)

General Revenues

General Fund – Contingency (Budget Book Pages 133-134)

Contingency

Others as Needed

Requested Action

Approve Final Action Items Requested in the Agenda Submitted for this Budget Hearing:

- 1. Adopt the FY 2020/21 Final Budgets for all funds and activities as modified during the hearings for the Enterprise and Assessment District Funds, County Service Areas #1 and #2, Special Districts, Internal Service Funds, Operating Funds, and the General Fund;**
- 2. Amend the Personnel Class Specifications, Class Designations, and Compensation Changes subject to meet and confer;**
- 3. Amend the Position Allocation List reflecting adds, deletes, amends, and reclassifications subject to meet and confer;**
- 4. Approve the capital asset purchase list;**

Requested Action

5. Approve a 2% cost of living increase for the following county elected officials: Sheriff-Coroner, District Attorney, County Assessor/Clerk Recorder, and Auditor-Controller/Treasurer-Tax Collector, consistent with the April 30, 2019, Resolution 2019-0287 action;
6. Approve the Board of Supervisors cost of living increase of 2% consistent with the April 30, 2019, Resolution 2019-0287 action, and pursuant to Tulare County Ordinance Code No. 3558, effective with the start of the first full pay period following sixty (60) days after the adoption of the Annual Budget for FY 2020/21, per Ordinance Code section 1-07-1060(e); and
7. Authorize the Auditor-Controller to make necessary minor adjustments in order to bring the FY 2020/21 Budget into final balance.