Santa Barbara County

Recommended Operational Plan Fiscal Years 2012-13 & 2013-14

Preparing for Future Challenges
Hearing Schedule

- Hearings begin Monday, June 11, 2012
- Continue on Wednesday, June 13 and Friday, June 15
- Hearings start at 9 am each day
Budget Hearing Materials

Budget Binder Tab Number:
1. Budget Hearing Schedule
2. Board Inquiry Forms
3. Board Letter
4-7. Final Budget Adj., Ongoing Grant/Contracts, Resolution
8. Budget Overview – CEO
9-29. Department Presentations
30. General County Programs & Outside Agencies
31. Expected Service Level Impacts
FY 2012-13
Recommended Budget
Development Process
Budget Development Process

- November 2011 – Fiscal Outlook Report
- December 2011 – Budget Policies and Review of Budget Adoption Process
- April 2012 – Fiscal Outlook Update
- April 2012 – Potential Service Level Impacts
Budget Development Policies

- Accountability / Transparency
- Balanced Budget / Fiscal Stability
- Policy-Based Budgeting
- Service Levels
- Essential Infrastructure
- Future New Jail Operations
- Program Increase Requests
- Continuous Improvement and Innovation Strategies
- Reserves
Balancing Current Needs with Future Risks

- Expenditures: Continue to rise faster than revenues; primarily employee benefit costs
- Revenues: Modest growth in General Revenues
- Significant use of one-time funds for ongoing services (structural imbalance)
- State budget challenges loom
Balancing Current Needs with Future Risks

(continued)

• Several years of service level reductions
• Additional Funding Needs:
  – North County Jail
  – Fire Operations
  – ADMHS
  – Deferred Capital Maintenance
  – Retirement
Changes After Publication of the Budget

- Retirement costs in 13/14 will decrease from current proposed budget
- RDA Dissolution will result in additional General Fund and Fire District $’s
- Property Tax Assessed Value may be lower than previously thought
Recommended FY 2012-13 Operating Budget

Budget Summary
Strategies to Balance

• Continued use of one-time funds to balance = $16.1M

• Reduce expenditures; Service Level Impacts (SLI’s) total $10.9M

• FY12/13 Concession savings; $15.0M Gross, $9.1M Net
## FY12/13: Gap

(Source: Fiscal Outlook Update, April 2012)

### Problem:

<table>
<thead>
<tr>
<th>Item</th>
<th>Gross</th>
<th>Rev/Exp</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditures</td>
<td>$ (10.7)</td>
<td>$ 4.2</td>
<td>$ (6.5)</td>
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<tr>
<td>Goleta Neutrality</td>
<td>(2.3)</td>
<td>-</td>
<td>(2.3)</td>
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<tr>
<td>Prior Use of One-Time</td>
<td>(18.5)</td>
<td></td>
<td>(18.5)</td>
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<tr>
<td><strong>Total Problem to solve</strong></td>
<td>$ (31.5)</td>
<td>$ 4.2</td>
<td>$ (27.3)</td>
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</table>

### Solutions:

<table>
<thead>
<tr>
<th>Item</th>
<th>Gross</th>
<th>Rev/Exp</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased General Revenues</td>
<td>3.3</td>
<td></td>
<td>3.3</td>
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<tr>
<td>Concessions</td>
<td>15.0</td>
<td>(5.9)</td>
<td>9.1</td>
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<tr>
<td><strong>Total Solutions</strong></td>
<td>$ 18.3</td>
<td>$ (5.9)</td>
<td>$ 12.3</td>
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Total of Previous GAP: $ (13.2) $ (1.7) $ (15.0)
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Previous GAP</td>
<td>$(15.0)</td>
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<tr>
<td>New Jail, set-aside</td>
<td>(2.0)</td>
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<tr>
<td>Changes from Budget Input, Rev. &amp; Exp.</td>
<td>(10.0)</td>
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<tr>
<td><strong>Revised Gap w/all Budget Changes</strong></td>
<td>(27.0)</td>
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<tr>
<td>Proposed Cuts (Service Level Impacts)</td>
<td>10.9</td>
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<tr>
<td>Use of One-time funds</td>
<td>16.1</td>
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<tr>
<td><strong>Total Proposed Solutions</strong></td>
<td>$ 27.0</td>
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## FY 12/13 Budget Summary

$828.1 Million Balanced Budget

### Budget at a Glance

<table>
<thead>
<tr>
<th>(Dollars in Millions)</th>
<th>Actual FY 10-11</th>
<th>Adopted FY 11-12</th>
<th>Recommended FY 12-13</th>
<th>Proposed FY 13-14</th>
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<td>Total Revenues</td>
<td>$743.7</td>
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<td>Other Financing Sources</td>
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<td><strong>Total Sources</strong></td>
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<td><strong>$865.9</strong></td>
<td><strong>$828.1</strong></td>
<td><strong>$828.0</strong></td>
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<td>Total Expenditures</td>
<td>$766.5</td>
<td>$825.0</td>
<td><strong>$800.1</strong></td>
<td>$800.6</td>
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<tr>
<td>Designated for Future Use</td>
<td>$113.4</td>
<td>$40.9</td>
<td>$28.0</td>
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<td><strong>Total Uses</strong></td>
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<td><strong>$828.1</strong></td>
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<td>Staffing FTEs</td>
<td>3,911.7</td>
<td>3,713.7</td>
<td>3,801.4</td>
<td>3,797.5</td>
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*Santa Barbara County Recommended Operational Plan*

Preparing for Future Challenges
Use of One-Time Funds

FY 2012-13 Recommended Budget

- Ongoing: $784M (98%)
- One-time: $16.1M (2%)

Santa Barbara County Recommended Operational Plan
Preparing for Future Challenges
Total Expenditures by Function

FY 02-03 Adopted
- Support Services: 11%
- Community Resources & Public Facilities: 20%
- General County Programs: 4%
- Public Safety: 22%
- Law & Justice: 6%
- Policy & Executive: 1%
- Health & Public Assistance: 36%

FY 12-13 Recommended
- Support Services: 9%
- Community Resources & Public Facilities: 19%
- General County Programs: 1%
- Public Safety: 26%
- Policy & Executive: 2%
- Law & Justice: 5%
- Health & Public Assistance: 38%

Santa Barbara County Recommended Operational Plan
Preparing for Future Challenges
General Fund Contribution
10 Year Comparison

FY 02-03 Adopted
- Public Safety 34%
- Law & Justice 13%
- Policy & Executive 6%
- Community Resources & Public Facilities 8%
- Health & Public Assistance 13%
- Support Services 13%
- General County Programs 13%

FY 12-13 Recommended
- Public Safety 50%
- Community Resources & Public Facilities 7%
- Support Services 10%
- General County Programs 4%
- Policy & Executive 6%
- Law & Justice 14%
- General Fund Contribution

Santa Barbara County Recommended Operational Plan
Preparing for Future Challenges
Average Cost of County Employee – 10-year Trend

Santa Barbara County Recommended Operational Plan
Preparing for Future Challenges
Average Cost per FTE with Retirement

<table>
<thead>
<tr>
<th>Year</th>
<th>Salaries and Benefits without retirement</th>
<th>Retirement</th>
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<tbody>
<tr>
<td>05-06</td>
<td>$87</td>
<td>$12</td>
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<td>06-07</td>
<td>$92</td>
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<td>07-08</td>
<td>$98</td>
<td>$16</td>
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<tr>
<td>08-09</td>
<td>$106</td>
<td>$19</td>
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<td>09-10</td>
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<td>10-11</td>
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<td>11-12</td>
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<td>12-13</td>
<td>$124</td>
<td>$30</td>
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Santa Barbara County Recommended Operational Plan
Preparing for Future Challenges
Average Cost of County Employee Safety Departments vs. Non-Safety Departments

Santa Barbara County Recommended Operational Plan
Preparing for Future Challenges
Ten Year Staffing Trend

Adopted Full Time Equivalent (FTEs) FY03/04 - 11/12: Recommended FY12/13

Santa Barbara County Recommended Operational Plan
Preparing for Future Challenges
## Key General Fund Discretionary Fund Balances

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Capital</td>
<td>$ 405,405</td>
<td>$ 500,000</td>
<td>$</td>
<td>$ 905,405</td>
</tr>
<tr>
<td>Roads</td>
<td>98,465</td>
<td>500,000</td>
<td>-</td>
<td>598,465</td>
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<tr>
<td>Litigation</td>
<td>1,712,039</td>
<td>-</td>
<td>(500,000)</td>
<td>1,212,039</td>
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<tr>
<td>Salary &amp; Benefits Reductions</td>
<td>6,155,374</td>
<td>-</td>
<td>-</td>
<td>6,155,374</td>
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<tr>
<td>Deferred Maintenance</td>
<td>1,883,588</td>
<td>2,855,220</td>
<td>(2,000,000)</td>
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<tr>
<td>Audit Exceptions</td>
<td>3,913,929</td>
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<td>(4,116,821)</td>
<td>(202,892)</td>
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<tr>
<td>New Jail Operations</td>
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<td>2,000,000</td>
<td>-</td>
<td>3,000,000</td>
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<tr>
<td>Program Restoration</td>
<td>183,494</td>
<td>-</td>
<td>-</td>
<td>183,494</td>
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<tr>
<td>Contingencies</td>
<td>1,291,421</td>
<td>500,000</td>
<td>-</td>
<td>1,791,421</td>
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<tr>
<td>Strategic Reserve</td>
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<td>-</td>
<td>21,827,244</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$ 38,470,959</strong></td>
<td><strong>$ 6,355,220</strong></td>
<td><strong>$ (6,616,821)</strong></td>
<td><strong>$ 38,209,358</strong></td>
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## Key General Fund Discretionary Fund Balances - Updated

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<tr>
<td>Capital</td>
<td>$405,405</td>
<td>$500,000</td>
<td>-</td>
<td>$905,405</td>
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<tr>
<td>Roads</td>
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<td>500,000</td>
<td></td>
<td>500,000</td>
</tr>
<tr>
<td>Litigation</td>
<td>1,712,039</td>
<td></td>
<td>(500,000)</td>
<td>1,212,039</td>
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<tr>
<td>Salary &amp; Benefits Reductions</td>
<td>6,155,374</td>
<td>-</td>
<td>-</td>
<td>6,155,374</td>
</tr>
<tr>
<td>Deferred Maintenance</td>
<td>1,883,588</td>
<td>2,855,220</td>
<td>(2,000,000)</td>
<td>2,738,808</td>
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<tr>
<td>Audit Exceptions</td>
<td>3,216,704</td>
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<td>(3,216,704)</td>
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<tr>
<td>New Jail Operations</td>
<td>1,000,000</td>
<td>2,000,000</td>
<td></td>
<td>3,000,000</td>
</tr>
<tr>
<td>Program Restoration</td>
<td>183,494</td>
<td>-</td>
<td>-</td>
<td>183,494</td>
</tr>
<tr>
<td>Contingencies</td>
<td>1,291,421</td>
<td>500,000</td>
<td>(301,497)</td>
<td>1,489,924</td>
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<tr>
<td>Strategic Reserve</td>
<td>21,827,244</td>
<td>-</td>
<td>-</td>
<td>21,827,244</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$37,675,269</strong></td>
<td><strong>$6,355,220</strong></td>
<td><strong>($6,018,201)</strong></td>
<td><strong>$38,012,288</strong></td>
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Strategic Reserve Balance

Target Level = 8% of GF Operating Revenue = $31.2M

Santa Barbara County Recommended Operational Plan
Preventing for Future Challenges
Five Year Forecast

Local Discretionary Revenue & General Fund Contribution

Dollars (Millions)

275
250
225
200
175

08-09 09-10 10-11 11-12 12-13 13-14 14-15 15-16 16-17

201.4 197.0 198.7 208.0 207.6 222.7 230.0 238.7 247.5
197.4 197.3 198.5 208.3 206.7 210.6 215.8 222.0 229.2

Discretionary Revenue  Total General Fund Contributions

Santa Barbara County Recommended Operational Plan
Preparing for Future Challenges
Recommendations

To Adopt FY 2012-13 Budget
Recommendations

1. Approve final budget adjustments to the FY 2012-13 Recommended Budget, including Attachment E budget balancing adjustments

2. Delegate authority to the County Executive Officer to execute ongoing grants and contracts (including library and advertising contracts) included in the Recommended Budget

3. Authorize the County Executive Officer to approve ongoing contracts where amounts are up to 10% more or less than indicated amounts, or up to $5,000 more or less than indicated amounts on contracts under $50,000, without returning to the Board for approval
Recommendations

4. Adopt the Resolution of the Board of Supervisors entitled In the Matter of Adopting the Budget for FY 2012-13

5. By separate resolution, adopt the Successor Agency to the former Redevelopment Agency budget for FY 2012-13