



FY21 Budget Development

APRIL 7, 2020 STUDY SESSION

Topics for Discussion

- ▶ Retreat Reminders
- ▶ The Coronavirus Effect
- ▶ A New Budget Schedule
- ▶ Policies to Guide Us
- ▶ Balancing the Budget
- ▶ Priorities Moving Forward



Retreat Reminders

- ▶ Improving how we deliver services
 - ▶ Current service delivery is higher despite several major disasters
 - ▶ Quality of department heads has improved (more efficient, strategic)
 - ▶ More collaborative and engaged at state and national levels
 - ▶ Employees are more involved in decision making



Retreat Reminders

- ▶ Achievements now improving COVID-19 response
 - ▶ Homeless shelter
 - ▶ Consolidation of HHSA
 - ▶ HR changes
 - ▶ Telework
 - ▶ Paperless
 - ▶ Employee-friendly
 - ▶ Community health accreditation
 - ▶ Significant crime reduction
 - ▶ ERP software selection underway

TRAC (Crisis Team) & Whole Person Care Team are Moving!

When?
OCTOBER 23
2019

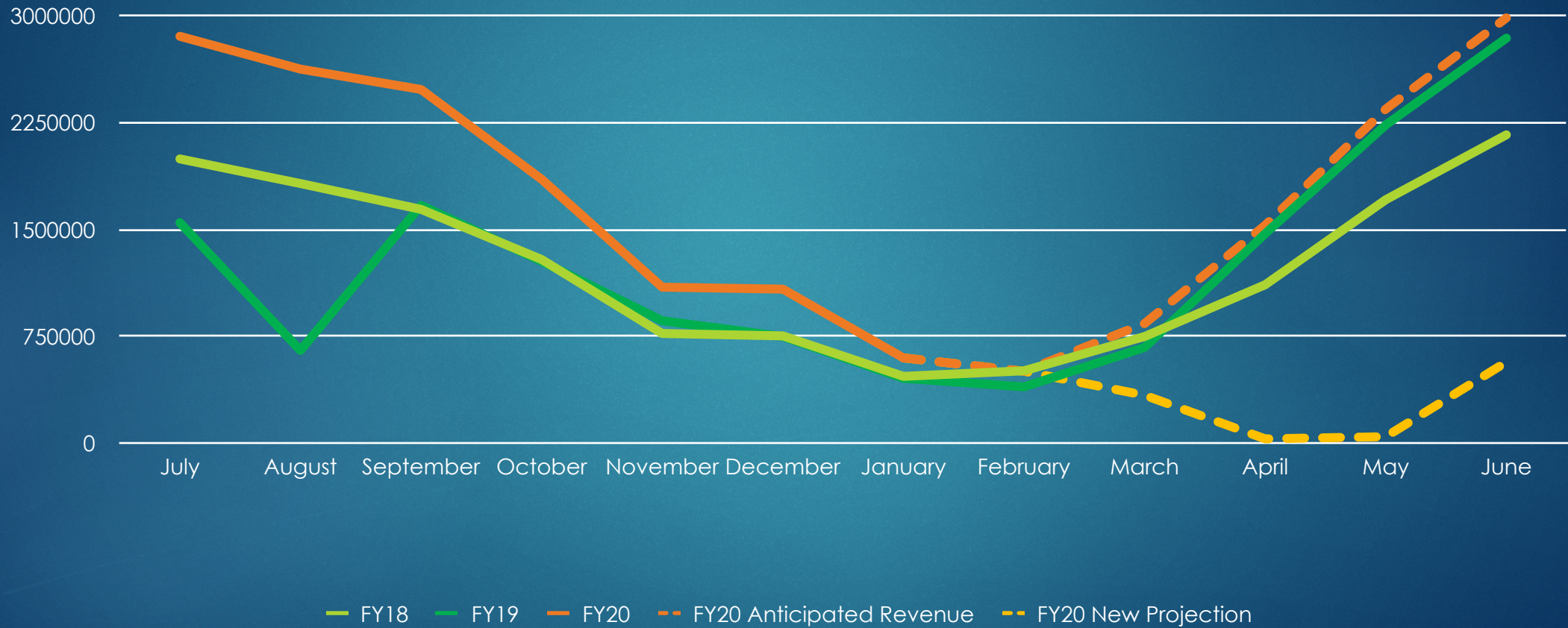
Where?
5300 Hwy 49 North
Mariposa, CA 95338

Health & Human Services Agency
Healthy. Safe. Thriving.

The Coronavirus Effect



Transient Occupancy Tax



The Coronavirus Effect

- ▶ State sales tax deferral to as late as July 2021 (\$3 billion)
 - ▶ 1991 and 2011 Realignment (1.5625%)
 - ▶ Supplemental Law Enforcement (0.5%)
 - ▶ Transportation and Roads (0.25%)
 - ▶ County General Fund (1%)
 - ▶ Healthcare District (0.5%)
- ▶ Renewed support for split-roll ballot initiative
 - ▶ Exempts up to \$500,000 in business property from property tax
- ▶ Gas tax and SB1 receipts down as much as 75%

The Coronavirus Effect

- ▶ Diminished cash flow
 - ▶ General Fund loan from other County funds likely necessary
- ▶ Minimal remaining reserves
- ▶ Additional expenses addressing coronavirus
 - ▶ Reimbursement for some expenses likely, but slow
- ▶ Timing of state payments
 - ▶ Already seeing some delays

A New Budget Schedule

Budget Activity	Normally Due	Plan for This Year
Department Requests Due	March 13	March 13
Recommended Budget	May	September
Adopted Budget	June	October
Final Balancing Adjustments	October	October

Policies to Guide Us



- ▶ Keep a long-term focus and link resource allocations to long-term plans
- ▶ Establish a General Fund reserve minimum of 16.7%
 - ▶ Save \$2.5 million per year for 8-10 years to achieve
 - ▶ Invest up to one-third of reserves in pension/OPEB trust funds
- ▶ Reserve Fund Balance for capital projects and one-time payments
- ▶ Ongoing expenditures are only funded by ongoing revenues
- ▶ Evaluate programs based on net county cost, strategic priority, measurable results, and availability of related revenues
- ▶ New positions should be considered only after concluding there is sufficient need that cannot be met by technology, shared support or contracted services

Balancing the Budget



- ▶ Eliminate services with low contribution to long-term goals
- ▶ Reduce expenditures by improving productivity
- ▶ Eliminate proposed new initiatives with high net County cost
- ▶ Seek grant funding and postpone expenditures until obtained
- ▶ Postpone reserve contributions for asset maintenance and replacement costs, etc.
- ▶ Employee furloughs or salary reductions
- ▶ Employee lay offs (part-time first then full-time employees)
- ▶ Emergency inter-fund loans
- ▶ Use of General Fund reserve

Priorities Moving Forward



- ▶ Start with ensuring a solid foundation
 - ▶ Rebuild reserves over 8-10 years (\$2,500,000/year)
 - ▶ Eliminate reliance on fund balance
 - ▶ Evaluate department consolidations

- ▶ Allocate resources to make us more productive and efficient
 - ▶ Technology – Enterprise Resource Planning (ERP), digital signatures, property tax software, GIS platform, Office 365, remote capability
 - ▶ Training – Asking employees to do more requires support learning how
 - ▶ Travel – More video calls, but stay connected to legislative allies

Priorities Moving Forward



- ▶ Allocate resources to support a brighter future
 - ▶ General Plan amendments, plans that enhance grant eligibility, analysis of MPUD service territory expansion
 - ▶ Infrastructure to support new, expanding, and reinvented businesses
 - ▶ Broadband to support a new way of doing business
 - ▶ Housing at all levels, especially higher density workforce housing
- ▶ Community Health Improvement Plan
 - ▶ Tele-health access and options
 - ▶ Mobile health unit for schools
 - ▶ Transportation to healthcare providers

Priorities Moving Forward



- ▶ Capital Improvement Plan (5-10 Year Outlook)
 - ▶ Technology – broadband, hardware, software, security
 - ▶ Roads
 - ▶ County Facilities

- ▶ Remember our focus areas:
 - ▶ Public safety
 - ▶ Infrastructure
 - ▶ Wellness
 - ▶ Economy

