



FY2018/19

Midyear Financial Update

- Year end Projection for FY2018/19
- Recommendations – Appropriation
Adjustments, Position Allocation Changes
- Establish parameters for FY2019/20 Budget

February 26, 2019
County Administrator's Office



Midyear Update Overview

- **Departments remain within budgets**
 - Implemented operational efficiencies, managing vacancies, utilizing technology and capturing revenues.
- **Board existing budget strategies to manage expenditures and revenues still in use by departments**
- **Fund Balance update for the General Fund**
 - Started FY2018/19 with \$34.9 million in Fund Balance, including \$12 million in Contingencies.
 - Adopted Budget includes \$14.8 million from reserves (\$4.8 million from Deferred Maintenance/Capital Renewal and \$10 million from Employer PERS Rate Increase).
 - Anticipate starting FY2019/20 with \$23.9 million in Fund Balance, which includes \$12 million in Contingencies.



Compared to the Working Budget (Excluding Contingencies)

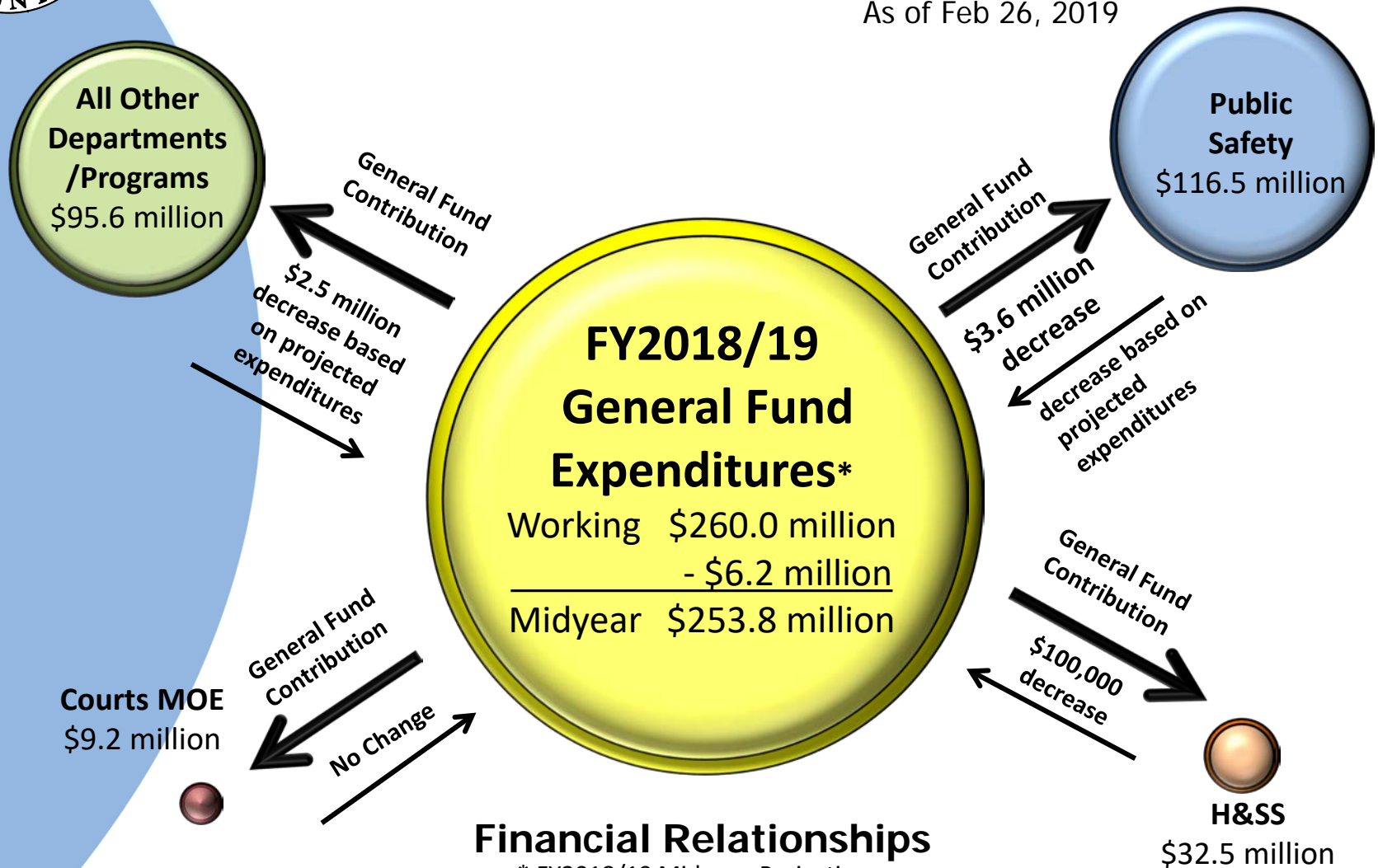
Midyear: Projected Changes in Key Funds

- **General Fund – 001: \$253.8 million, a \$6.2 million decrease**
 - Revenue increase, \$4.2 million
 - Expenditure decrease, \$6.2 million
- **Public Safety Fund – 900: \$199 million, a \$3.6 million decrease**
 - Revenue decrease, \$3.6 million
 - Expenditure decrease, \$3.6 million
 - General Fund Contribution decrease, \$3.6 million
- **H&SS Fund – 902: \$324 million, a \$6.7 million decrease**
 - Revenue decrease, \$8.7 million
 - Expenditure decrease, \$6.7 million
 - \$100,000 decrease in General Fund Contribution



FY2018/19 Midyear Projections of General Fund Contributions to Other Funds

As of Feb 26, 2019



February 26, 2019

* FY2018/19 Midyear Projections
(Rounded)

CAO | FY2018/19 Midyear Projection



Midyear Financial Update

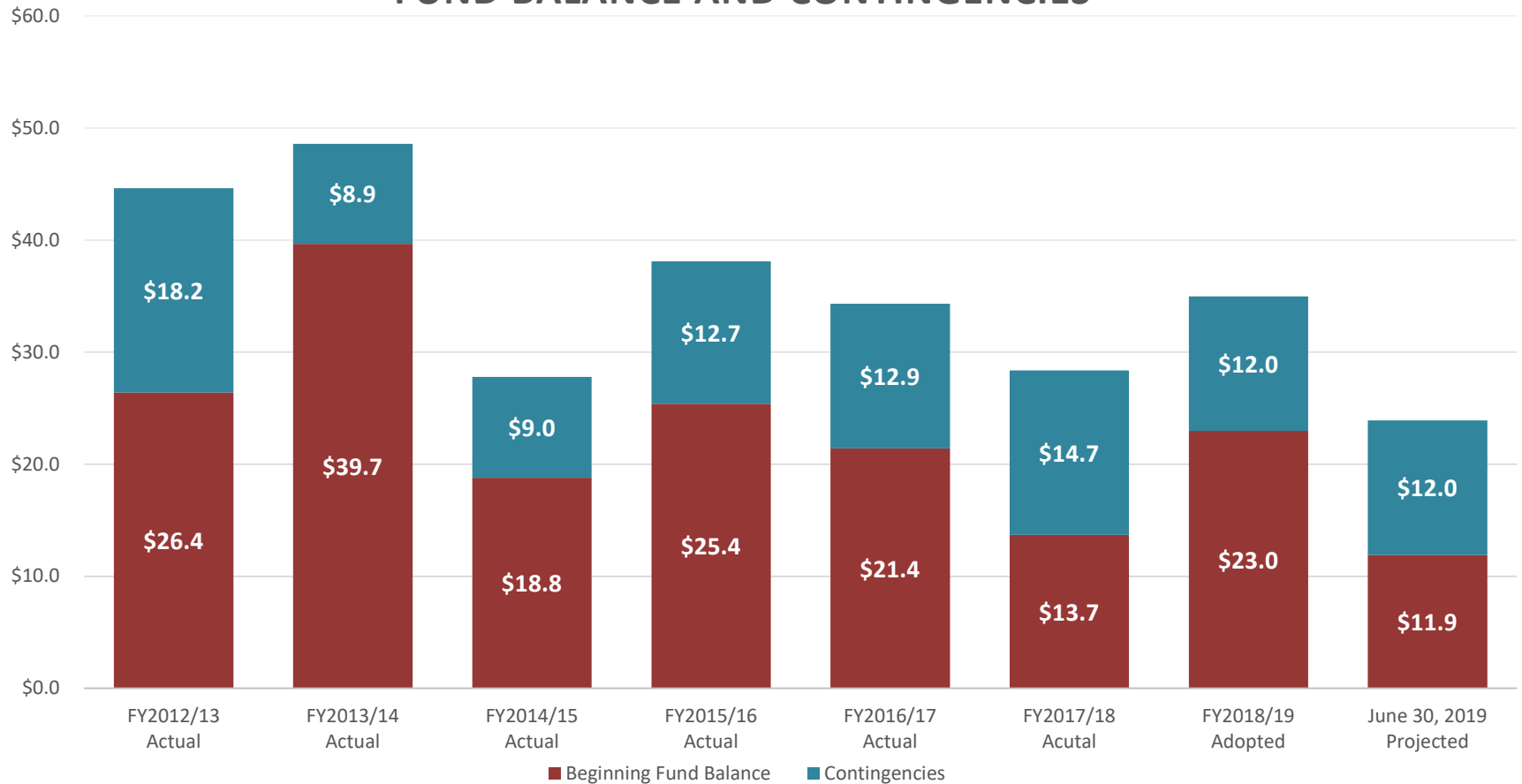
Midyear Projections for General Fund	
Expenditures	\$253,721,673
Revenues	252,636,213
Midyear Net County Cost	(1,085,460)
Beginning Fund Balance <i>(July 1, 2018)</i>	34,966,205
Reserves for Encumbrances	275,210
To Reserves	(26,809,855)
From Reserves	15,015,000
Exclude Contingencies	(12,000,000)
Subtotal	11,446,560
Projected Net Change <i>(June 30, 2019)</i>	\$10,361,100

Proposed Use of General Fund Contingency	
Contingencies <i>(December 31, 2018)</i>	\$12,000,000
Anticipated Transfers	0
Contingency Balance	\$12,000,000
Other Adjustments	1,500,000
Projected Net Change	10,361,100
Projected Fund Balance with Contingencies	\$23,861,100



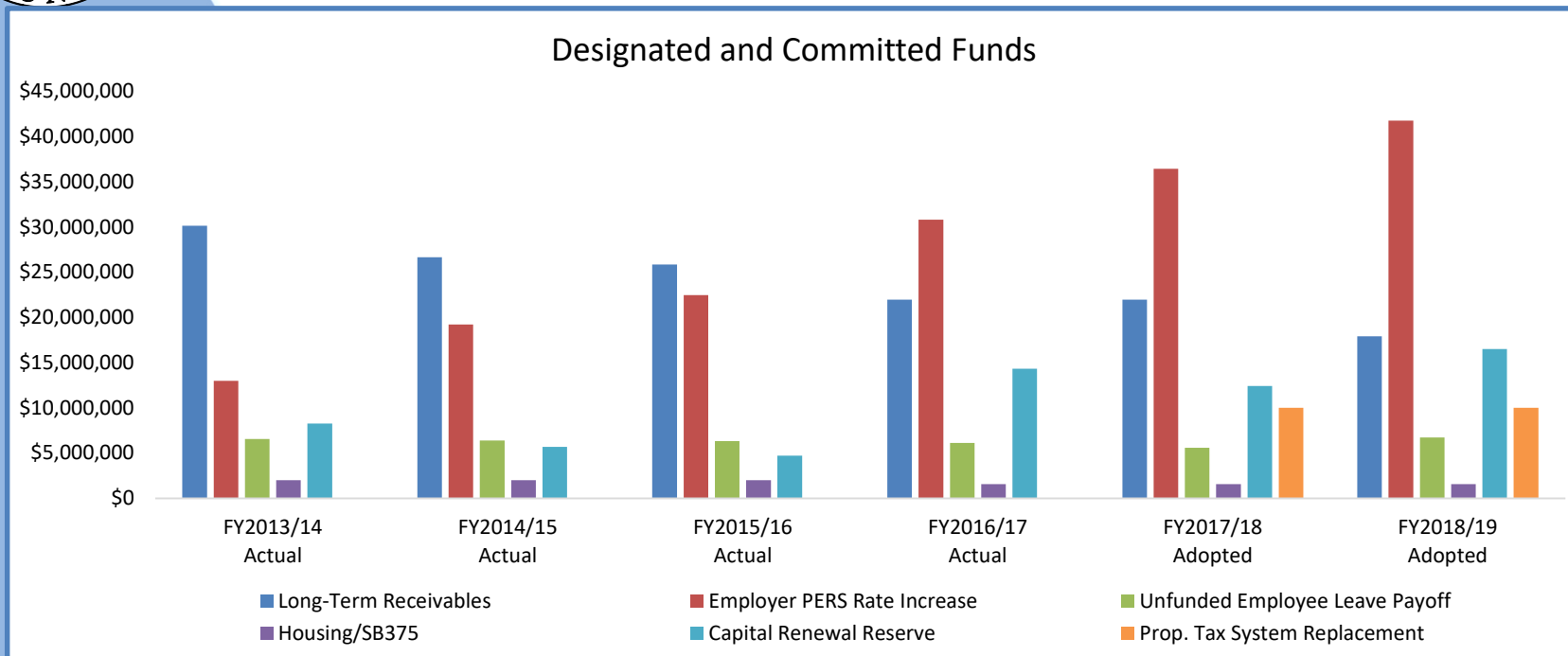
General Fund Balance & Contingencies

FUND BALANCE AND CONTINGENCIES





General Fund - Designated & Committed Reserves



Employer PERS Rate Increase

- The FY2018/19 Adopted Budget for the Employer PERS Rate Increases includes both the value of the IRS 115 Trust at \$30.6 million and the Reserve for Employer PERS Rate Increase at \$11.2 million for a total reserve of \$41.8 million.

Capital Renewal Reserve (Deferred Capital/Maintenance Projects)

- The Reserve balance in the FY2018/19 Adopted Budget is \$16.5 million.
- Board Adopted in Feb 2017 "Good" level of maintenance requires annual \$2 - \$3 million set aside for major repairs /capital renewal.



FY2019/20 Budget Assumptions

Projected beginning Fund Balance in General Fund at

\$23.9 million on July 1, 2019 - Propose \$12 million in Contingencies for FY2019/20

Labor Cost Assumptions for FY2019/20:

Includes the annualized cost of new positions added in FY2018/19.

Filling of vacant positions.

Retirement (PERS) Rates

Miscellaneous – from 22.939% in FY2018/19 to 25.271% in FY2019/20

Safety – from 30.258% in FY2018/19 to 32.550% in FY2019/20

Pension Obligation Bonds (POB)

Miscellaneous – from 1.543% in FY2018/19 to 1.525% in FY2019/20

Safety – from 2.708% in FY2018/19 to 2.744% in FY2019/20

Workers' Compensation Insurance

- Rates based on Actuarial Confidence Level of 75%.
- No available balance to fund costs to departments.
- Departments may see increases resulting from claims history.

Liability Insurance

- No available balance to fund costs to departments.
- Departments will see increases or decreases based on loss experience.



Recommended Board Action Summary

- **Review and Accept FY2018/19 Midyear Financial Report**
- **Approve Appropriation Transfer Requests**
(Attachment F)
- **Approve Position Resolution** (Attachment G)
 - Net increase of 6.9 positions
- **Affirm Initial Budget Assumptions for FY2019/20**
(Attachment H)
- **Confirm Budget Hearings dates commencing Tuesday June 18 through Friday June 21, 2019**



Questions & Answers

