



## Legislation Text

**File #:** 19-487, **Version:** 1

Conduct a noticed/published hearing to consider adoption of the FY2019/20 Recommended Budget

- a. County Administrator's presentation of the FY2019/20 Recommended and Supplemental Budget
- b. Recommendations for consideration and action regarding the FY2019/20 Recommended Budget and Supplemental Budget documents, including technical adjustments proposed at this hearing
- c. Public Comment of the FY2019/20 Recommended Budget
- d. Selection of budget units for discussion and Board of Supervisor members' comments
- e. Board discussion of budget units selected for discussion by functional area
- f. Board discussion and action on contributions to Non-County Agencies (Attachment D)
- g. Continue FY2019/20 Recommended Budget Hearings as needed until conclusion
- h. Final Public Comment of the FY2019/20 Recommended Budget
- i. Adopt the Budget and Position Resolutions for FY2019/20 and other recommendations included in the Recommended Budget, Supplemental Budget and technical adjustments from the Board budget hearings

Published Notice Required? Yes   X   No   

Public Hearing Required? Yes   X   No   

### **DEPARTMENTAL RECOMMENDATION:**

The FY2019/20 Recommended Budget of \$1,082,219,710 is a balanced budget utilizing a combination of funding from State and federal revenue sources, including grants, and local revenues. It is important to note that while the budget is mathematically balanced, it does rely on draws from reserves, and some use of Fund Balance. Ongoing revenues all though increasing over prior years are not, at this time, growing at a pace that's kept up with all operating costs.

The FY2019/20 Recommended Budget was published on May 24, 2019, since then several departments have identified budget-related technical and programmatic changes that require the Board's consideration as part of your deliberation of the FY2019/20 Budget. There are also additional position changes included in the Supplemental Budget. If approved by the Board as presented, the revised total FY2019/20 Budget for all Governmental Funds subject to the Budget Act including the Supplemental Adjustments will be **\$1,097,278,577** an increase of \$15,058,867. The increase includes \$2,755,000 in supplemental adjustments due to re-budgets of FY2018/19 programs and increases of \$12,303,867 in revenues and expenditures. The Supplemental Budget adjustments result in a net increase \$1,015,112 in General Fund costs, and an additional draw from the Capital Renewal Reserve of \$2,000,000. There is consensus between the County Administrator and Department Heads on the FY2019/20 Recommended and Supplemental Budget documents presented to the Board for approval.

The County Administrator, in collaboration with the Auditor-Controller, Human Resources, and the Department Heads, has prepared the attached Supplemental Budget Adjustment documents and resolutions for the Board's deliberation during the Public Hearing.

### **Budget Considerations and Recommended Actions:**

The following are the Recommended Budget actions:

1. Adopt the attached Budget Resolution (Attachment G) which includes both the FY2019/20 Recommended Budget and the FY2019/20 Supplemental Budget adjustments (Attachment A & B) that includes the following specific authorizations listed in items 2-23.
2. Approve the attached Changes in Position Allocation List reflecting allocated positions included in the Recommended and Supplemental Budgets and Approve the Resolutions Amending the List of Numbers and Classifications of Positions incorporating the deletions and additions recommended in the FY2019/20 Recommended Budget, as modified by the Supplemental Budget requests for FY2019/20 (Attachment C).
3. Approve the Recommended Contributions to Non-County Agencies as included in the Recommended and Supplemental Budgets (Attachment D).
4. Approve the Fixed Assets included in the Recommended and Supplemental Budget (See Recommended and Supplemental Budget narratives).
5. Approve the Capital Projects included in the Recommended and Supplemental Budget (See listing of Capital Projects in Section G beginning on page G-1 of the Recommended Budget and additional projects reflected in the Supplemental Budget as outlined in Attachment B).

The following delegated authority is recommended to facilitate the closeout of FY2018/19:

6. Authorize the Auditor-Controller, with the concurrence of the County Administrator, to transfer appropriations within a fund to cover FY2018/19 year-end closeout if justified, subject to the transfer(s) not increasing the total appropriation within the fund.
7. As part of FY2018/19 closeout, transfer and/or redistribute BOS approved County General Fund Contribution between Departments within Fund 900 (Public Safety) and between Departments/Divisions for Fund 902 (Health & Social Services), provided that the BOS approved General Fund Contribution/appropriation amount directed to each of the individual Funds 900 and 902 remains within the approved County General Fund Contribution/appropriations amount.
8. In addition, as part of FY2018/19 closeout, if the Midyear projection of Fund Balance for the General Fund is not met (estimated at \$23.9 million), County Administrator will authorize the Auditor-Controller to reduce, in this order, Accrued Leave Payoff, Capital Renewal, CalPERS Reserve, and then General Fund Contingency for FY2019/20 by the amount short of the projection.

The following delegated authority is recommended to facilitate other actions related to approval and financing of the FY2019/20 Recommended Budget:

9. Authorize the Auditor-Controller, with the County Administrator's approval to fund the net General Fund cost for Supplemental Budget Adjustments, by utilizing any year-end available Fund Balance in the General Fund and/or by reducing the transfer to the General Fund Committed Fund Balance for Capital Renewal.
10. Authorize the Auditor-Controller, with the concurrence of the County Administrator, to increase (from the 6/30/2019 year-end close/Fund Balance) the following (please refer to Schedule 4 of the FY2019/20 Recommended Budget):
  - i. Committed Fund Balance - Capital Renewal by \$8 million; and
  - ii. Committed Fund Balance - Employer CalPERS Rate by \$4.8 million
11. Authorize the County Administrator, assisted by the Auditor-Controller, to draw down (please refer to

Schedule 4 of the FY2019/20 Recommended Budget and Supplemental adjustments):

- i. Committed Fund Balance - Capital Renewal by \$8.2 million to fund the various capital projects
  - i. Committed Fund Balance - Employer PERS Rate Increase by \$2 million.
  - ii. Committed Fund Balance - Accrued Leave Payoff by \$1.5 million.
12. In the event the General Fund's year-end Fund Balance exceeds the amount needed to balance the FY2019/20 Budget, as may be authorized by the Board of Supervisors following Budget Hearing deliberations, authorize the County Administrator to direct the Auditor-Controller to (please refer to page D-14 of the Budget Construction & Legal Requirements of the FY2019/20 Recommended Budget):
- i. Increase the General Fund Committed Fund Balance for Capital Renewal up to \$5.0 million; and
  - ii. Increase the General Fund Committed Fund Balance for the Employer CalPERS Rate Increases and/or 115 Trust up to \$5.0 million;
  - iii. Increase the General Fund Committed Fund Balance for General Fund Reserves up to \$4.0 million;
13. Authorize the Auditor-Controller to apply year-end available Fund Balance at 6/30/2019 as an Operating Transfers-Out to the Library Contingency (BU 9304) in the following Budget Units: Library Zone 1 (BU 6150), Library Zone 2 (BU 6180), Library Zone 6 (BU 6166), and Library Zone 7 (BU 6167).
14. Authorize the Auditor-Controller to increase (decrease) appropriations in the Department of Child Support Services Operations Division (BU 2488, subobject 0002312) by the available year-end Fund Balance at 6/30/2019.
15. Authorize the Auditor-Controller to increase (decrease) appropriations in the East Vallejo Fire Protection District (BU 9814, subobject 0002245) by available year-end Fund Balance.
16. Authorize the Director of Human Resources, with the concurrence of the County Administrator, to make technical changes to the Position Allocation List.
17. Authorize the Auditor-Controller, with the concurrence of the County Administrator, to make adjustments after the close of the Budget Hearings and the end of the fiscal year as needed and where applicable to balance the FY2019/20 Adopted Budget.
18. Authorize the County Administrator to delete positions that have been vacant for over six months, in accordance with the 2011 Budget Reduction Strategy of eliminating or freezing vacant positions and only filling positions that are "Mission Critical" to the organization, and to accordingly direct the Director of Human Resources to make technical changes to the Position Allocation List as needed.
19. Authorize the Auditor-Controller, with the concurrence of the County Administrator to increase the committed Employer CalPERS Rate Reserve by repayments to the General Fund from Pension Debt Service Fund.
20. Authorize the Auditor-Controller, with concurrence of the County Administrator to increase General Fund Committed Reserves for Capital Renewal, Employer PERS Rate Increases or General Fund Reserves by repayments from General Fund Loans.
21. Authorize the Auditor-Controller, with the County Administrator's approval to increase the General Fund Balance for Accrued Leave Payoff by the amount appropriated in the General Expenditures Budget for Accrued Leave payoff not used by the end of the fiscal year.
22. Authorize the County Administrator, to complete all actions necessary, including approval of any necessary Appropriation Transfer Requests (ATR's) related to the Intergovernmental Transfer funds (IGT) previously approved by the Board in 2019.
23. Authorize the County Administrator to sign all agreements and/or contract amendments resulting from the Board's approval of the FY2019/20 Recommended Budget and Supplemental Budget requests.

In summary, the following separate attachments have been prepared in support of the recommended Board actions and provide additional detail and explanations:

Attachment A: Summary of Supplemental Budget Adjustments

Attachment B: Supplemental Adjustments to FY2019/20 Recommended Budget

Attachment C: Changes in the Permanent Position Allocation and Resolutions Amending the List of Numbers and Classifications of Positions in the Recommended and Supplemental Budget

Attachment D: Summary of Contributions to Non-County Agencies

Attachment E: State and Federal Update

Attachment F: Projected CalPERS Rates and Costs

Attachment G: FY2019/20 Budget Resolution