

AGENDA REQUEST AND SUMMARY

For: 9/18/2018 (Date of Board Meeting)
9:00 a.m. (Time, if appointment scheduled with the Clerk)

Consent Calendar: Yes No X
Public Hearing: Yes X No

1. **WORDING FOR AGENDA** (Including precise wording for required action, authorizing, etc. as it will appear on the Board Agenda, generally not to exceed 20 words).

Consideration of Approving the Fiscal Year 2018-19 Budget with Personnel Recommendations; Information Technology and Capital Project Lists; the Appropriation Limit Computation Method and Resulting Limit; and Adopt the Resolution

2. FINANCING – ESTIMATED COUNTY COST:

3. FUNDS BUDGETED: None

4. REVIEW WITH: COUNTY ADMINISTRATIVE OFFICER -- YES X NO
COUNTY COUNSEL -- YES NO
ADMINISTRATIVE ANALYST -- YES X NO
OTHER DEPARTMENTS (LIST) All Departments

5. FOLLOWING OUTSIDE AGENCIES OR INDIVIDUALS TO BE NOTIFIED OF BOARD ACTION: (Minute Excerpt – Include complete mailing address and indicate number of copies to whom)

A. _____
B. _____
C. _____

6. NUMBER OF COPIES REQUIRED BY REQUESTING DEPARTMENT:

7. COMMENTS (i.e. has this item come before the Board previously and when?) _____

Requesting Department: CAO Submitted by: Craig L. Pedro

Approved by: Craig L. Pedro Date: 9-12-2018



(Department Head Signature)



County Administrator's Office

Craig L. Pedro
County Administrator

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September 11, 2018

TO: Board of Supervisors

FROM: Craig L. Pedro, County Administrator
Tracie M. Riggs, Assistant County Administrator

SUBJECT: FY 2018/19 Adopted Budget

On June 19, 2018, your Board considered and approved the FY 2018/19 Recommended Budget. The construction of that Budget started in January with the following actions: 1) retreat with Department heads to discuss strategic priorities; 2) development and use of a new Multi-Year Budget Forecast and Funding Plan. The new Forecast and Funding Plan guided Board adopted strategies used in developing the Recommended Budget; 3) confirmation that the "in process" recommended budget is consistent with the expectations of the Board; and 4) presentations and discussions with the Finance Committee.

The first step of adopting a County budget is approval of a recommended budget before the end of June each year. The second step is adoption of a final budget after a formal hearing in August or September.

The following chart illustrates the change between the FY 2017/18 Adopted Budget and the FY 2018/19 Recommended Budget:

	Adopted FY 2017/18	Recommended FY 2018/19	Change	
General Fund	\$ 74,487,546	\$ 74,774,920	\$ 287,374	.39%
Governmental	\$177,536,981	\$205,164,748	\$27,627,767	15.56%
Enterprise	\$ 7,884,699	\$ 7,627,361	\$ (257,338)	(3.26%)
Internal Service	<u>\$ 18,976,827</u>	<u>\$ 19,728,141</u>	<u>\$ 751,314</u>	<u>3.96%</u>
	\$204,398,507	\$232,520,250	\$28,121,743	13.76%
Permanent	637.98	639.28	1.3	.20%

...serving the Board of Supervisors, departments, and the community as good stewards of the County's fiscal and human resources through collaborative, professional and ethical leadership.

There was less than a half a percent increase in the overall budget for the **General Fund**. The \$27.6 million increase amongst all **Governmental Funds** is driven by the capital improvement projects for the Jail and Columbia Airport. The **Internal Service Funds** are higher due to the telephone upgrade taking place this fiscal year. The most significant change in the **Enterprise Funds** is in the beginning fund balance in the Ambulance Fund was higher in FY 2017/18.

A list of personnel actions approved by your Board in the Recommended Budget is provided below:

Personnel Actions-Changes in FTE's

General Fund

Treasurer-Tax Collector	(0.5)	Vacant
Assessor-Recorder	(1.0)	Retirement
Probation	(2.0)	1 Vacant, 1 Layoff
Cannabis Enforcement	1.0	Addition
DA-Child Advocacy	1.0	Addition-Grant Funded
CRA	<u>(1.0)</u>	Moved to Solid Waste
	(2.5)	Reduction

Other Funds

Behavioral Health	2.0	Addition-Grant Funded
Social Services	(4.8)	Vacant
Solid Waste	2.0	Addition, Moved from CRA
Roads	<u>1.0</u>	1 Ret., 1 Cut, 3 Additions
	.20	Reduction

Total All Funds	(2.3)	Total position changes
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PREPARING THE ADOPTED BUDGET – Major Factors

Conversion of the FY 2018/19 Recommended Budget into an “Adopted Budget” proposal for Board consideration involved the following major factors: 1) recognizing changes between projected and actual beginning fund balances; 2) recognizing major changes to the County’s primary revenues; 3) analyzing and fine tuning department projections based on actual revenues and expenditures in the previous fiscal year; 4) consideration of State and federal budget actions; and 5) re-budgeting for the construction of the new Jail and completion of other Law and Justice projects.

Fund Balance Changes

The changes in beginning fund balances can be viewed in Tab 2 – Attachment A. Overall, fund balances were \$4.3 million higher than originally projected. The largest variances were in the General, Human Services, Road Construction and Ambulance Funds. A combination of higher than anticipated revenues and lower expenses accounted for the **General Fund's** \$849,000 improvement. The **Human Services Agency** (HSA) funds (Health, Social Services and Behavioral Health) ended the year better than anticipated (\$2.2 million) due to significantly lower expenses. The **Road Construction Fund** came in higher than estimated (\$353,000) primarily due to carryover of fund balance for projects not completed in the previous fiscal year. Lastly, the **Ambulance Enterprise Fund** experienced a higher year-end fund balance due to higher revenues and lower expenditures (\$408,000).

General Revenue Changes

The Revenue Team met to review General Revenue estimates. The Team recommended decreasing revenue projections for Transient Occupancy Tax (\$330,000) and Sales Tax (\$330,000) due to the Donnell and Ferguson fires. The projection for property tax was increased slightly (\$136,000), helping to offset the loss of TOT and Sales Tax. Several other smaller adjustments were recommended, resulting in a net decrease in pure General Revenues (\$414,000). There was also a relatively small increase (\$44,000) in anticipated State Realignment VLF receipts with an offsetting transfers-out (expense) to HSA Funds.

State & Federal Budget Actions

The SB-1 revenue (\$2.37 million) has been included in the Adopted budget. If the bill is repealed in November, staff will have to return with major revisions to the Road Fund budget.

IHSS trailer bill language has fortunately delayed big financial impacts related to new Maintenance of Effort (MOE) levels for counties until FY 2019/20.

Law & Justice Project Budgeting

The County Administrative staff worked closely with the Auditor-Controller in the re-budgeting of Law and Justice projects contained in the County Capital Budget. The FY 2018/19 budgets for each of the projects has been set as follows:

• L&J-Infrastructure	\$ 565,196
• New Jail	<u>\$ 40,262,176</u>
	\$ 40,827,372

Project close-out for Infrastructure Projects should occur within the next few months. The most significant change amongst these projects relates to the new Jail. Due to delays in State approvals of building plans, construction of the Jail was delayed several months. The majority of the construction will take place in FY 2018-19, however, staff is expecting to carryover a small portion into FY 2019/20.

PREPARING THE ADOPTED BUDGET – What has changed from the Recommended?

As discussed above, the Adopted Budget allows the opportunity for departments to take one more look at their projections, both revenues and expenditures, and make any fine tuning adjustments based on actions that took place in the previous fiscal year. This is essential as the development of the Recommended Budget begins several months before the end of the fiscal year. Most departments have minor operational adjustments in both revenue and appropriations, however, the most significant of those adjustments has been identified below:

- **County Administrative Office:** This cost center has been adjusted to reflect the transition of the County Administrator position as appointed on August 21, 2018. Changes include a reduction of revenue from the Emergency Management Performance Grant, which normally supports more than half of the cost of the Assistant County Administrator's salary and benefits. The revenue has not been lost, it will be applied to the new OES Coordinator's salary as of January 1, 2019 in the OES cost center.
- **Facilities Management:** Corrections have been made to the utility costs for General Fund departments based on actual costs incurred in the previous fiscal year.
- **Master Stewardship Agreement:** As reported earlier this year, the County was awarded \$5 million towards funding projects through the Master Stewardship Agreement (MSA). A new cost center has been created with a budget of \$2,500,000. Whatever is not used in 2018/19 will be rolled into the next budget year.
- **Donnell Fire:** This is another new cost center to track costs related to the fire with a budget of \$58,000, which is an estimates as all costs are not known at this time.
- **General Revenues:** As discussed above, TOT and Sales Tax have been reduced significantly due to the Ferguson Fire (closure of Highway 120 and Yosemite National Park) and the Donnell Fire (closure of Highway 108 and various campgrounds throughout the Stanislaus National Forest). The total reduction is \$660,000, which is being offset by fund balance.
- **Hazardous Fuel Reduction Grant:** As discussed above, the Hazard Fuel Reduction Grant has been added to the Adopted budget as staff was notified of the \$1.7

million grant award after the Recommended budget was adopted by the Board. Staff are anticipating work to begin in the spring of 2019.

- **Information Technology:** The conversion to the new Finance/Budget software is underway, requiring the remaining portion of the project to be re-budgeted (\$521,000).
- **Air Pollution Control:** This department was able to once again pull down funds from State DMV MRP (\$202,909) with offsetting increases in Special Departmental Expense DMV MVR (\$187,207) and Green Waste Recycling Program (\$15,000).
- **Community Resources Agency:** This cost center required a series of changes due to the progress towards reorganization and the loss of funding. Revenues overall were reduced by \$164,000, with the primary reductions coming from the loss of the CUPA Grant (environmental health), reduction in planning fees (increases taking place later in the year than originally planned), and a reduction in fees charged to the Jail project. Reductions were made in various line items with a net increase in cost of \$144,000.
- **Transfers Out:** There were two changes made to this cost center to account for the increase in VLF Realignment revenue which requires a corresponding transfer out to H.S.A. and as previously approved by the Board, an increased transfer to Airport Construction of \$243,415.

Other Governmental Funds

- **Road Fund:** Revenues from Public Works Road Fees was increased by \$49,215 with like amount in the Special Departmental expense acc. Reimbursement for retrofitting vehicles was increased (\$27,000) with offsetting expenses in vehicle retrofit. The reimbursement for staff time from SB 1 was increased (\$26,792) based on new estimates and contingencies were increased (\$834,000) due to higher fund balance.

Staff will return at a later date with a more comprehensive analysis on this fund.

- **Road Construction Fund:** This fund contains Road Capital Projects, Storms 2017, Storms 2018 and SB 1.
 - Storms 2017 & 2018 and Road construction have all been modified to reflect more accurate projections of work to be completed this fiscal year. The 2017 Storms cost center was reduced by \$345,000 and the 2018 Storms cost center was increased by \$1.3 million. Road Construction revenues were reduced by \$231,000 and expenses increased by \$123,000.

Staff will return at a later date with a more comprehensive analysis of this fund.

- **Public Health:** The Public Health Fund’s beginning balance was \$343,000 higher than estimated which has allowed for a significant increase (\$206,000) in the Health Fund’s contingencies. There were other changes made to meet requirements of grants and services.
- **Behavioral Health:** The beginning fund balance was \$737,000 higher than estimated with \$386,000 more going into contingencies. The most significant increases to appropriations are for Managed Care, DSS Administration, and Contract Services for Children’s Services.
- **Social Services:** The beginning fund balance was \$1,167,000 higher than estimated, allowing contingencies to be increased by \$568,000. The most significant budget impact is a decrease in revenues of \$575,000 for CalWorks and Food Stamps.
- **Airport Construction:** Staff provided information during a prior Board meeting regarding the ability to pull down additional revenues for much needed work at the Columbia Airport. Federal revenues were increased by \$1.6 million as was the General Fund Transfer of \$243,415 to Airport Construction. Appropriations for construction costs were increased by \$1.9 million.
- **County Capital:** As previously reported, the most significant change to this cost center is the shifting of \$3.8 million in costs primarily related to the construction of the Jail.

The above captures most of the major changes between the Recommended and Adopted Budget proposal. There have been other minor adjustments made to rebalance funds due to fund balance and revenue or expense changes.

SUMMARY OF RESULTING ADOPTED BUDGET PROPOSAL

The chart below shows the changes between the FY 2018/19 Recommended Budget and FY 2018/19 Adopted Budget proposal:

	Recommended FY 2018/19	Adopted FY 2018/19	Change	
General Fund	\$ 74,774,920	\$ 79,215,635	\$ 4,440,715	5.9%
Governmental Funds	\$205,164,748	\$217,784,561	\$12,619,813	6.2%
Enterprise Funds	\$ 7,627,361	\$ 7,992,840	\$ 365,479	4.8%
Internal Service Funds	\$ 19,728,141	\$ 19,637,757	\$ (90,384)	(.5%)
All Budgeted Funds	\$232,520,250	\$245,415,158	\$12,894,908	5.5%

Permanent Employees	639.28	637.28	(2.0)	(0.3%)
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The primary reason for the \$12.6 million increase in the overall budget between the Recommended and Adopted proposal is the change in budgeting for the capital projects at the Columbia Airport and full funding to complete the Jail project. Additionally, the Master Stewardship Agreement and Hazardous Fuels Reduction cost centers were added with budgets of \$2,500,000 and \$550,000, respectively. Increased fund balances of \$2.2 million in the Human Services Agency also contribute to the increase.

It is also important to show the proposed changes between fiscal years. Therefore, this next chart contrasts the difference between the FY 2017/18 Adopted Budget and the FY 2018/19 Adopted Budget proposal:

	Adopted FY 2017/18	Adopted FY 2018/19	Change	
General Fund	\$ 74,487,546	\$ 79,215,635	\$ 4,728,089	6.3%
Governmental Funds	\$177,536,981	\$217,784,561	\$ 40,247,580	22.7%
Enterprise Funds	\$ 7,884,699	\$ 7,992,840	\$ 108,141	1.4%
Internal Service Funds	<u>\$ 18,976,827</u>	<u>\$19,637,757</u>	<u>\$660,930</u>	<u>3.5%</u>
All Budgeted Funds	\$204,398,507	\$245,415,158	\$ 41,016,651	20.1%
Permanent Employees	637.98	637.28	(.7)	(.10%)

BUDGET POLICY COMPLIANCE

Below is a listing of the Board's adopted budget policies along with staff's evaluation of how well the Adopted Budget proposal complies with each policy. Based on this evaluation, the budget *complies* with 7 policies and *partially complies* with 3.

- 1. Balance annual operating budgets without the use of one-time revenues (i.e. unobligated/available beginning fund balances and other significant one-time revenue allocations). This policy serves to ensure that ongoing expenses do not exceed ongoing revenues.**

General Fund: Complies. The General Fund has not utilized any beginning fund balance for ongoing operations. The entire beginning balance has been dedicated towards funding contingencies; reserves; paying off debt; and funding one-time expenditures, one-time costs, revenue losses related to the Ferguson and Donnell Fires.

Use of Fund Balance and one time revenue from SB90

Estimated Beginning Fund Balance	\$ 2,706,254
One-time SB90 Reimbursement	<u>\$ 439,798</u>
	\$ 3,146,052
Contingencies	\$ 750,000
Reserves	\$ 250,000
Pay off Juvenile Det. Facility Debt	\$ 400,000
Fund LOSAP Pay-off for Fire	\$ 100,000
Match for 2018 Storm Damages	\$ 717,525
Airport Construction	\$ 243,415
Donnell Fire Costs	\$ 58,000
One-Time Revenue Loss (TOT & Sales Tax)	<u>\$ 627,112</u>
	\$ 3,146,052

The Human Service Agency departments have been building contingencies over the last few years in anticipation of forecasted future needs. As a result, each of the departments are currently forecasting to use a portion of their fund balance in FY 2018/19.

2. **Dedicate unobligated/available beginning fund balances to: 1) establish annual contingencies; 2) pay-off County debts; 3) increase reserves; 4) fund future liabilities; and 5) fund capital equipment, plant and infrastructure needs.** *Complies.* As outlined under Policy #1, the entire General Fund beginning balance and one-time SB 90 Mandate payments have been obligated towards meeting each of these categories.

3. **Non-earmarked General Fund Contingencies should be budgeted at no less than 1% of the General Fund budget.** *Substantially Complies.* 1% of the General Fund is \$792,156. Contingences within the FY 2018/19 Recommended Budget are set at \$750,000. The difference in the General Fund between the Recommended Budget and the Adopted Budget is \$4.4 million. It is noteworthy to mention that part of the \$79.2 million dollar budget includes Tree Mortality (\$3.3 million), Master Stewardship Agreement (\$2.5 million) and Hazardous Fuels Reduction Grant (\$550,000) for a total of \$4.1 million. These three cost centers are not part of “normal County operations” and if pulled out, would reduce the General Fund to \$75 million.

4. **Establish General Reserves at 5% of the total operating budget for Governmental Funds (i.e. combined governmental budgets less capital budgets). The County will strive to set aside a minimum of \$250,000 annually until the reserve is fully funded.** *Partially Complies.* The FY 2018/19 Recommended Budget contains \$250,000 to begin building up the County’s General Reserves.

5. **Strive towards fully funding future liabilities.** *Partially Complies.* The budget as it relates to each Internal Service Fund (ISF) is fully consistent with each respective

policy but not yet in full compliance with the respective funding targets. Internal Service Fund funding policies are restated below:

- Workers Compensation ISF – set annual department charges at an amount greater than the projected current expenses until cash reserves equal 70% Confidence Level of future liabilities as projected in the most recent fund actuarial report.
- Liability Insurance ISF – set annual department charges at a level sufficient to fully fund projected current expenses while maintaining a \$250,000 cash reserve.
- Unemployment Insurance ISF - set annual department charges at a level sufficient to fully fund projected current expenses while maintaining a \$100,000 cash reserve.
- Post-Retirement Medical Insurance ISF - set annual department charges at an amount greater than the projected current expenses until cash reserves fully fund future liabilities as projected in the most recent fund actuarial report.
- Leave Liability ISF – set annual department charges at an amount greater than the projected current expenses until cash reserves fully fund future liabilities as projected by the Auditor/Controller.

6. **Prioritize funding for public safety and road maintenance services.** *Complies.* Approximately 50% of the General Fund’s discretionary revenue continues to be budgeted to support public safety departments. With the passage of SB1 (2017), a significant increase in funding for basic road maintenance will be injected into the County.

It is important to note that SB1 requires a fixed, ongoing Maintenance of Effort (MOE) transfer of \$942,066 from the General Fund to the Road Fund. This MOE is slightly higher than the \$750,000 annual General Fund transfer that had been made over the past several years. While this injection of funding is going to “greatly” assist the County’s road maintenance efforts, additional funding will still be needed to bring all County roads up to and keep them at proper maintenance levels.

7. **Strive to provide funding to adequately maintain existing plant and infrastructure.** *Partially complies.* With the passage of SB1, the County can look forward to improved State funding for road maintenance. The FAA and State are also committing significant grant funding towards capital improvements at the Columbia Airport. This is welcome news, but will require a large County General Fund match over the next 5 years. The greatest remaining need is staffing and funding to adequately maintain the County’s buildings and grounds. This need was recognized as a priority during the Board’s 2018 Planning Retreat.

8. **Maintain a comprehensive quarterly budget monitoring and reporting program.** *Complies.* Such a program was used in development of this budget and will be used for tracking its fiscal performance in the coming year.

9. **Continue an active long-term Capital Improvement Program which includes a section describing financing methods.** *Partially Complies.* The Board adopted a comprehensive Capital Improvement Plan (CIP) on December 6, 2011. It is time to review and provide an update on the progress of the CIP.

10. **Match specific State and Federal funding reductions with commensurate cuts in specific program expenses.** *Complies.*

The FY 2018-19 Adopted Budget closely follows and reflects the Board direction provided over the course of the last several months. As a general reminder, the FY 2018/19 Adopted Budget:

- **Maintains all core County services**
- **Balances ongoing General Fund expenses solely with ongoing revenues**
- **Provides \$250,000 to begin building back the County's General Reserves**
- **Fully funds General Fund Contingences at \$750,000**
- **Provides \$717,525 towards match for 2018 storms**
- **Provides a sound foundation for developing future year budgets**

FUND OVERVIEWS

All funds are balanced. Summaries of all funds can be viewed on the State Controller Summary Reports under Tab 3 of this binder. Line-item budgets for each cost center within each fund (Governmental, Enterprise and Internal Service) can be viewed under Tabs 4, 5 and 6, respectively.

PERSONNEL ACTIONS

A list of recommended personnel actions can be found on the FY 2018/19 Adopted Budget Personnel Changes spreadsheet and associated memorandum on new and revised position classifications (see Tab 2 - Attachment B). The requested changes do not add any additional FTE's in authorized staffing compared to the staffing level already established in the Recommended Budget. Also provided in Tab 2 - Attachment C is the Final Allocated Positions by Department Chart. The increase in staffing is summarized below:

Plans Examiner	1.0
Solid Waste Manager	1.0
BH Worker I/II	(1.0)
Welfare Fraud Investigator	<u>(1.0)</u>
	0 FTE

INFORMATION TECHNOLOGY PROJECT LIST

The Information Technology Steering Board (ITSB) schedule for FY 2018/19 can be found in Tab 2, Attachment D.

CAPITAL PROJECTS

The revised capital projects lists for the County Capital, Road Construction, Road Storm Construction and Airport Construction Funds can be found in *Tab 2, Attachments E, F, G, H, and I* respectively.

GENERAL FUND CONTINGENCIES

All available one-time funding has been concentrated in the General Fund's Contingencies which currently stand at \$750,000.

USE OF ONE-TIME DOLLARS IN THE GENERAL FUND

The proposed Adopted General Fund Budget contains one major source of one-time funding:

USE OF ONE-TIME DOLLARS IN THE GENERAL FUND

The Adopted General Fund Budget contains two major source of one-time funding:

Estimated Beginning Fund Balance	\$ 2,706,254
One-time SB90 Reimbursement	<u>\$ 439,798</u>
	\$ 3,146,052
Contingencies	\$ 750,000
Reserves	\$ 250,000
Pay off Juvenile Det. Facility Debt	\$ 400,000
Fund LOSAP Pay-off for Fire	\$ 100,000
Match for 2018 Storm Damages	\$ 717,525
Airport Construction	\$ 243,415
Donnell Fire Costs	\$ 58,000
One-Time Revenue Loss (TOT & Sales Tax)	<u>\$ 627,112</u>
	\$ 3,146,052

OTHER FUNDING REQUESTS FOR BOARD CONSIDERATION

The following are some specific requests the Board will need to consider as part of the budget hearing. Staff will develop options for the Board that are consistent with the integrity of the approved budget policies, that could provide alternatives for funding

additional items not currently in the budget. Example: Defund an item or items in other cost centers in order to make capacity to add one or more items below.

Specific Board Request

The Board has expressed interest in adding a Legal Assistant position in the County Counsel cost center to address capacity needs. \$37,278 would be needed to fund the position in FY 2018/19 for 6 months. \$74,557 would be needed for full-year funding starting in FY 2019/20.

Outside Agency Requests

The **Tuolumne County Arts Alliance is seeking \$35,000** to assist in funding its operations in FY 2018/19. A copy of the funding request is included in the budget packet (see Tab 2 - Attachment I).

ATCAA is seeking a \$26,000 increase in the County's annual contribution (\$24,000 to \$50,000) to the agency. A copy of the funding request is included in the budget packet (see Tab 2 - Attachment J).

The Board heard from the Executive Director's of both agencies regarding their requests during your August 21st meeting.

Watch List

- *General Revenues:* The Adopted Budget contains estimated impacts to TOT and Sales Tax due to the Donnell and Ferguson Fires. Staff will continue to closely monitor these two revenue sources and keep the Board apprised of any changes.
- *Illegal Commercial Cannabis Grows:* While the Adopted Budget provides enforcement capacity related to personal use grows, it does not provide dedicated resources to address wide-spread, large illegal commercial grows should they develop. Staff would suggest maintaining fully funded General Fund Contingencies to allow for capacity to provide those resources if needed.
- *Measure to Repeal of SB1 on the November 2018 Ballot:* \$2.3 million of new SB1 revenues and projects are contained in the FY 2018/19 Road budgets. Should the SB1 transportation funding package be repealed in November, SB1 revenues will cease being collected, causing the immediate suspension and/or cancellation of work on County roads. Further, aggressive action will need to be taken to rebalance FY 2018/19 Road budgets and the opportunity for future road maintenance work ultimately exceeding \$5 million annually will be lost.
- *Ferretti Road:* The Adopted Budget currently contains revenue projections for reimbursement of road repairs from the Federal Highway Administration. In the

event the funding is not approved and the funding switches to the California Disaster Assistance Act, the County's match would increase from 12.5% to 25%, this equates to an increased share of cost of \$200,000.

RECOMMENDATION

It is recommended that your Board conduct a public hearing to consider adoption of all budget actions contained in the FY 2018/19 budget document (*with modification as desired by the Board*), including:

1. All personnel recommendations as outlined in Tab 2 – Attachments B and C;
2. The revised IT and capital project lists contained in Tab 2 – Attachments D-I;
3. The appropriation limit computation method as presented by the Auditor-Controller prior to the Hearing in Tab 2 – Attachment J; and
4. The FY 2018/19 Adopted Budget Resolution as presented along with the appropriation limit computation in Tab 2 – Attachment K.

Please note that both the appropriation limit computation and budget resolution mentioned above may need to be changed based on Board direction given during the hearing. This will require a break during the meeting to allow the Auditor-Controller and CAO staff time to prepare revised documents for final action by your Board.

Cc: County Department Heads
CAO Staff
Ann Fremd, HR/Risk Manager

A copy of the full budget package (i.e. budget memo, attachments, controller reports and line-item details) can be viewed at the following link:

<http://www.tuolumnecounty.ca.gov/budget>