

**AGENDA REQUEST AND SUMMARY**

For: 6/18/2019 (Date of Board Meeting)  
9:00 a.m. (Time, if appointment scheduled with the Clerk)

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

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 Recommended Tuolumne County Budget for Fiscal Year 2019-20**

2. FINANCING – ESTIMATED COUNTY COST: NA

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: Eric Erhardt 

Approved by: Tracie Riggs 

Date: 6/13/19

\_\_\_\_\_  
(Department Head Signature)



## County Administrator's Office

**Tracie Riggs**  
*County Administrator*

**Eric Erhardt**  
*Assistant County Administrator*

**Maureen Frank**  
*Deputy County Administrator*

2 South Green Street, Sonora, California 95370  
Telephone (209) 533-5511 - Fax (209) 533-5510  
[www.tuolumnecounty.ca.gov](http://www.tuolumnecounty.ca.gov)

June 18, 2019

To: Board of Supervisors

From: Tracie Riggs, County Administrator  
Eric Erhardt, Assistant County Administrator

Subject: Recommended FY 2019/2020 Budget

### **Background**

County government is required by law to adopt a balanced budget on or before October 2<sup>nd</sup> of each year. One of the first steps in that process is the Board's approval of the recommended budget which provides a spending plan for County government until the budget is formally adopted.

For the last several years, the Board has established priorities during a special board meeting held in January of each year. It is those priorities that provided direction in developing the recommended and ultimately the adopted budget. This year your Board identified the following external and internal priorities:

#### **External:**

1. Fire Preparedness
2. Land Use-update ordinances in correlation with the newly approved General Plan
3. Road Improvements
4. Vulnerable Populations

#### **Internal:**

5. Employee Development
6. County Infrastructure (Buildings & IT)

### **Development of the FY 2019-2020 Recommended Budget**

Budget preparation this year began in late April with Departments creating a "status quo" budget for 2019-2020. The intent was to create a budget that accurately

*We support the Board of Supervisors in achieving their goals through service and collaboration with County Departments and the Community.*

reflected what it would cost to continue today's programs and services at tomorrow's cost.

On May 15<sup>th</sup>, the revenue team met and worked together to project the 2019-2020 General Revenues. It is estimated that General Revenues will increase from FY 2018-19 by approximately \$1 million dollars or approximately 2.2%. However, other State and Federal revenues have continued to decrease while their mandated programs have stayed in place. As a result, the increase in general revenues is not enough to meet the anticipated increase in appropriations for FY 2019/20.

After working with departments, staff is projecting about a 3.7 million dollar deficit based on a "status quo" budget. On June 4<sup>th</sup> your Board directed staff to create an interim recommended budget. The intent of this budget is to establish the legally mandated spending plan to fill the gap between July 1<sup>st</sup> and approval of the Adopted Budget. The recommended budget presented today is not a spending plan for the entire fiscal year, nor does it include sufficient revenue to fund an entire year of current programs and services as is.

Over the course of the next several weeks, staff will work closely with departments to create a zero based budget. Through this process we will intend to clearly illustrate to the Board and public what the mandated and non-mandated programs are well as their associated cost.

The current recommended budget was balanced through a multitude of actions in the General Fund. Those actions are:

1. Use of 2018-2019 Fund Balance
2. No allocations for Contingencies
3. No contribution to Reserves
4. Reduction in Work Comp liability of \$125,000
5. Reduction in Liability Insurance of \$150,000
6. Reduction in Leave Liability of \$250,000
7. Hiring freeze for General Fund non-public safety positions
8. Reduction in overtime
9. Increased the vacancy factor to 5%
10. Eliminated vehicle purchase except for the Sheriff's Office, reduced for Sheriff
11. Reductions to Professional Services
12. Reduction in Training and Seminars
13. Reduction in Expendable equipment – computers
14. Reduction in Software
15. CalFire Contract cost reduced by \$504,756

### **Summary of Recommended Budget**

The following chart illustrates the change between the FY 2018-2019 Adopted Budget and the FY 2019-2020 Recommended Budget:

	Adopted	Recommended	Change	%
	FY 18-19	FY 19-20		
General	\$ 79,215,635.00	\$ 78,100,935.00	\$ (1,114,700.00)	-1.4%
Governmental	\$ 217,784,561.00	\$ 176,212,357.00	\$ (41,572,204.00)	-19.1%
Enterprise	\$ 7,992,840.00	\$ 6,701,722.00	\$ (1,291,118.00)	-16.2%
Internal Service	\$ 19,637,757.00	\$ 17,305,514.00	\$ (2,332,243.00)	-11.9%
	Final FY 18/19	Recommended	Change	%
Permanent Employees	643.98	649.18	5.2	0.8%

### Changes

There is a decrease of approximately \$1.1 million dollars in the general fund. This is due primarily to the reduction in tree mortality grant funded projects that took place in prior years.

The most notable change for FY 2019-2020 was in Governmental Funds. There are two factors which have contributed to the signification reduction we see in Governmental Funds. (1) In 2018-2019 there was an increase of \$20 million for the Jail Construction project. That project is underway, and those funds have been allocated to that project. As a result we now see the reduction of approximately \$20 million in the Count Capital Fund for 2019-2020. (2) In previous budgets, staff would include the entire cost of approved road projects into the annual budget. However, many times these projects take multiple fiscal years to complete and the unexpended funds would continue to carry forward year after year. This practice overstates what our actual annual expenditures are for road construction. This year we are only including those funds that will be expended within the fiscal year.

### Summary of Personnel Actions-Changes in FTE's

**General Fund:** The only recommended staffing change for the General Fund is within the Public Defender's Office. With the addition of the Conflict Division to the Public Defenders Office, there is a need to increase administrative support and function. Currently there is a 0.5 FTE Office Assistant allocated to the Public Defenders office which is vacant. Historically, it has been a challenge to keep this position filled at the part-time level. The intent is to eliminate the Office Assistant position from the Public Defender's Office and make it a full time (1.0 FTE) Administrative Assistant which will provide administrative support to both the Public Defenders Office and the Conflict Counsel Division. Additionally, this classification includes a greater scope of responsibility when it comes to budgeting and financial responsibility. It is expected that through this staffing change that we will see an increase in

billings for service provided for dependency counsel and the California Department of Corrections and Rehabilitations.

Public Defender – Office Assistant I/II	(0.5)	Vacant
Public Defender – Administrative Assistant	1.0	
Net Change	0.5	

**Road Fund-** see attachment “A” for department memo with detail.

Public Works Admin - Engineering Tech	1.0	
Road Maintenance – Road Worker/Senior Road Worker	3.0	
Net Change	4.0	

**Behavior Health-** see attachment “A” for department memo with detail.

Behavior Health – Program Supervisor	(1.0)	Vacant
Behavior Health – Clinician I/II/III	(0.5)	Vacant
Behavior Health – Clinician I/II/III	0.2	
Behavior Health – Worker I/II	(3.0)	Vacant
Behavior Health – Peer Specialist II	(1.0)	Vacant
Behavior Health – Convert Fiscal Tech to Accountant I/II		
Net Change	(5.3)	

**Social Services-** see attachment “A” for department memo with detail.

Social Services - Social Worker IV	1.0	
Social Services – Senior Staff Service Analyst	1.0	
Social Services – Social Services Supervisor I	1.0	
Social Services – Eligibility Specialist Trainee/I/II	2.0	
Net Change	5.0	

**Other considerations:**

**Columbia Airport Capitol Construction**

During the construction taking place at Columbia Airport, the contractor identified the need to repave Industrial Drive due to construction impacts. The contractor will pay for repaving Industrial Drive. Adjacent to Industrial Drive is the parking lot for the Lorrick Hangar which has numerous pavement failures and pot holes. The Airport Manager and County Counsel are evaluating options to complete the repairs to this parking lot.

The Columbia Airport budget has a fund balance of over \$74,000. It is proposed that \$50,000 of this fund balance be transferred from this airport’s budget and transferred to the Airport Capital budget to pay for the Lorrick Hangar parking lot paving project.

### **Behavior Health Fee Schedule:**

The California State Mental Health Plan provides that Mental Health Short Doyle/Medi-Cal (SD/MC) services are to be paid at the lower of costs or customary charges, which is consistent with federal Medicare rules. The State has implemented such a provision in the California Code of Regulations Title 9, Section 1840.105 and in its cost reporting instructions. The State equates customary charges with Published Charges.

Mental Health Short Doyle/Medi-Cal Claims for services are billed based on Published Charges. The proposed published charges are calculated on the most recent Annual Cost Report submitted to the State and adjusted by the federal Home Health Agency Market Basket Index. The proposed rates are listed in attachment "C". The estimated revenue for FY 19/20 are based on these proposed rates.

### **Additional optional Cost Reduction Measure**

As staff works over the next several weeks with Departments to create a zero based budget for your board, we will be operating at status quo. The reduction measures as outlined are not sustainable through the fiscal year. As a result, when the final budget is adopted, we will have to take greater steps in reducing this year's expenditures to balance the budget. One way to minimize the future impacts of any action your Board takes in September is to impose furloughs as outlined in the various MOU. This action would create a savings of approximately \$270,000.

Through this process, those employees furloughed would continue to work their normally scheduled hours but would see a reduction of approximately 1.54 hours per pay period which equates to 40 hours. They would accrue leave at the same rate. The County could then close non-essential services the entire week of Christmas allowing employees to use 24 hours of their furlough leave. Employees would work with their departments to use the remaining furlough leave within the 19-20 fiscal year.

### **Recommendation**

It is recommended that your Board;

1. Approve the FY 2019/2020 Recommended Budget as presented
2. Approve all associated staffing changes.
3. Authorize the CAO to approve acquisition of fixed asset and capitol projects prior to final budget hearing.
4. Approve the FY 2019/2020 Tuolumne County Behavior Health Fee Schedule

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:

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