

**AGENDA REQUEST AND SUMMARY**

For: September 5, 2017 (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).

Conduct a public hearing to consider adopting all budget actions contained in the Fiscal Year 2017-18 budget document, including: 1) personnel recommendations; 2) information technology and capital project lists; 3) the appropriation limit computation method and resulting limit; and 4) the Fiscal Year 2017-18 Adopted Budget Resolution

2. **FINANCING – ESTIMATED COUNTY COST:** (Enter "none" if no cost) NA

3. **FUNDS BUDGETED:** Yes      Acct. # or Fund : NA

4. **REVIEW WITH:**
- |                               |    |                             |                |
|-------------------------------|----|-----------------------------|----------------|
| COUNTY ADMINISTRATIVE OFFICER | -- | YES <u>X</u>                | NO <u>    </u> |
| COUNTY COUNSEL                | -- | YES <u>X</u>                | NO <u>    </u> |
| ADMINISTRATIVE ANALYST        | -- | YES <u>X</u>                | NO <u>    </u> |
| OTHER DEPARTMENTS (LIST)      |    | <u>All Department Heads</u> |                |

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:**  
One copy of Minutes

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

Requesting Department: CAO Submitted by: Craig Pedro

Approved by: Craig L. Pedro Date: August 25, 2017

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



## County Administrator's Office

**Craig L. Pedro**  
County Administrator

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August 25, 2017

TO: Board of Supervisors

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

SUBJECT: FY 2017/18 Adopted Budget

On June 20, 2017, your Board considered and approved the FY 2017/18 Recommended Budget. The construction of that Budget started in January and included the Board: 1) retreat with Department heads to discuss strategic priorities; 2) Review of the 3-Year Budget Forecast; and 3) providing direction to staff on initial versions of the Recommended Budget in late May and early June.

The following chart illustrates the change between the FY 2016/17 Adopted Budget and the FY 2017/18 Recommended Budget:

	<b>Adopted FY 2016/17</b>	<b>Recommended FY 2017/18</b>	<b>Change</b>	
<b>General Fund</b>	\$ 69,445,712	\$ 72,760,455	\$ 3,314,743	4.8%
Governmental	\$153,294,078	\$193,159,209	\$39,865,131	26.0%
Enterprise	\$ 10,396,184	\$ 7,054,489	(\$ 3,341,695)	(32.1%)
Internal Service	<u>\$ 18,911,244</u>	<u>\$ 19,325,946</u>	<u>\$ 414,702</u>	<u>2.2%</u>
	\$182,601,506	\$219,539,644	\$36,938,138	20.2%
<b>Permanent Employees</b>	645.6	635.1	(10.50)	(1.6%)

The approximate \$3.3 million increase in the **General Fund** was primarily driven by funds allocated towards purchase of new financial software and the new drought grant. The \$40 million increase amongst all **Governmental Funds** reflected the changes above as well as the new revenue from SB 1 (\$940,000), projects for Storm damages (\$3.6 million), Road Capital Projects (\$16 million) and the County Capital Jail project (\$21 million). The **Internal Service Funds** increased due to the anticipated purchase of a new telephone system (\$1.2 million) and increased Employee Group Insurance costs.

*...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.*

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

- OES 2 (start of State grant)
  - Assessor – State Partnership Program <2> (end of State grant)
  - Office of Revenue Recovery <1>
  - Sheriff-Coroner <2>
  - Probation <1.1>
  - Probation – Juvenile Hall <0.5>
  - Community Development <2>
  - PW – Admin/Engineering 1
  - WIC <0.5>
  - Behavioral Health 1
  - Social Services <3.5>
  - Recreation <1>
  - Purchasing <0.5>
- <10.1>

All of the new position changes outlined above were approved and recruitments authorized as part of the Recommended Budget adoption action.

**PREPARING THE ADOPTED BUDGET – Major Factors**

Conversion of the FY 2017-18 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) consideration of State and federal budget actions; and 4) budgeting for the beginning of construction for 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 \$1.8 million higher than originally projected. The largest variances were in the General, Social Services, Road Construction and Ambulance Funds. A combination of higher than anticipated revenues and lower expenses accounted for the **General Fund’s** \$816,000 improvement. The **Human Services Agency** funds (Health, Social Services and Behavioral Health) ended the year better than anticipated (\$1.9 million) due to significantly lower expenses. The **Road Construction Fund** came in less than estimated (\$972,000) due to an error in calculating the estimated ending fund balance. Lastly, the **Ambulance Enterprise Fund** experienced a much higher year-end fund balance due to higher revenues and lower expenditures (\$634,000).

**General Revenue Changes**

The Revenue Team met to review General Revenue estimates. The Team recommended decreasing anticipated Property Tax, Sales Tax, State VLF and PILT receipts totaling

\$370,306 and increasing anticipated TOT and Sales Tax receipts totaling \$277,373. This results in a net decrease in pure General Revenues of \$92,933. There was also a \$110,275 increase in anticipated State Realignment VLF receipts with an offsetting transfers-out (expense) to HSA Funds.

### **State & Federal Budget Actions**

In the Recommended Budget, the new SB 1 revenue was placed in the Road Capital Fund. Based on new regulations, all SB1 activity has been moved from the Road Capital Fund to the Road Fund.

IHSS trailer bill language has fortunately delayed big financial impacts related to new Maintenance of Effort (MOE) levels for counties until FY 2019-20. Changes to the collective bargaining process involving IHSS providers have already taken effect.

### **Law & Justice Project Budgeting**

The County Administrator worked closely with the Auditor-Controller in the re-budgeting of Law and Justice projects contained in the County Capital Budget. The FY 2017-18 budgets for each of the projects has been set as follows:



Project close-out for both the Juvenile Detention Facility and Road & Infrastructure Project 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 will be delayed several months and thus shift the majority of the cost into FY 2018-19. Thus, the FY 2017-18 budgeted expense for the Jail has been reduced from \$29.9 million to \$15 million.

### **PREPARING THE ADOPTED BUDGET – Department Level Changes**

Department level changes that have been made between the Recommended and Adopted Budget proposal are outlined below.

#### **Multi-Department Items**

As discussed during the Recommended Budget, the Auditor-Controller prepaid the fixed payment for PERS. These savings (\$138,000) have now been spread across all applicable funds and cost centers. Another multi-department adjustment reflected in this document is that increased costs (primarily overtime) and offsetting revenue (reimbursements) related to the Detwiler Fire have been incorporated into the Sheriff, Boat Patrol, TNT, Roads, CRA, and Animal Control budgets.

## **Board of Supervisors**

In accordance with the Grand Jury's recommendation and follow-up Board discussion on August 23, 2017, the budget for Board salaries has been increased by \$27,000 to allow for mid-year implementation of Board salary increases.

## **Contingencies**

Due to higher fund balances, the General Fund contingencies were increased by \$386,000.

## **County Administrative Office**

Consistent with goals set-forth by the Board for the CAO, the mid-year conversion of an existing Deputy County Administrator position to an Assistant County Administrator position has been added into the budget at a net cost of \$11,795.

## **Economic Development**

Due to an increase in Transient Occupancy Tax (TOT), the estimated amount to be paid to the Visitors Bureau was increased by \$50,000.

## **Tree Mortality**

This cost center's anticipated revenue and appropriations were increased from the Recommended Budget based on estimated work to be completed. Staff will continue to provide updates to the Board throughout the year on progress and accomplishments.

## **AB233 - Court**

The required County Maintenance of Effort (MOE) for this cost center was increased by \$11,000.

## **Air Pollution Control**

Increased State DMV/MVR revenue (\$40,000) was anticipated with offsetting appropriations.

## **Radio Communications**

This cost center was moved from the Fleet Internal Service Fund to the General Fund. Total impact to the General Fund is \$59,864, which is offset by reduced expenses in other General Fund cost centers such as the Sheriff, Probation and OES.

## **Jamestown Mine**

This cost center was eliminated due to creation of a Debt Service cost center. The payment for the mine has been moved to the Debt cost center and all other revenues and expenditures were moved to Facilities Management.

## **Debt Service**

This cost center was created in order to provide a comprehensive view of General Fund supported debt payments and history. Payments for the PERS Safety Side Fund, County Capital projects and the Jamestown Mine now reside in this cost center. Once borrowing is formalized for IT (Finance/Budget/HR software) and the Law and Justice projects, those payments will also be moved to the cost center.

## **Road Fund**

Revenues from Air Pollution Control for Vehicle Replacement or Diesel Engine Retrofit were increased by \$40,000 with offsetting appropriations. Special Departmental expenses were also increased with offsetting revenue related to a project slated to take place this fiscal year. The SB1 cost center was moved from the Road Capital Projects Fund to the Road Fund.

## **Criminal Justice Fund**

This fund was changed to reflect a small increase in revenue with offsetting appropriations of \$14,000.

## **Public Health**

The Public Health Fund's beginning balance was \$500,000 higher than estimated which has allowed for a proportionate increase in the Health Fund's contingencies. Additional funding of \$180,000 was allocated for Tobacco Control programs, resulting in an increase in both revenue and appropriations.

## **Behavioral Health**

The beginning fund balance was \$342,000 higher than estimated and the department expects to receive \$64,000 more in realignment revenue. Contingencies were increased by \$254,000, DSS Administration was increased by \$87,000 and transfers out to County Capital were increased by \$50,000 to help pay for a new accessible ramp into the Health & Wellness Building. Transfers out to BH Housing were increased by \$22,000.

## **BH Housing Fund**

As noted above, transfers from Behavioral Health to this Fund were increased by \$22,000 with like increases in appropriations for facilities management and housing coordination.

## **Social Services**

The beginning fund balance was \$1,040,000 higher than estimated and Federal Aid for Foster Care increased by \$57,000. This facilitated appropriation increases in areas such as Contingencies (\$800,000) and Foster Care (\$151,000).

## Airport Construction

The beginning fund balance was \$46,000 more than anticipated and staff is anticipating \$25,500 in additional State funding. These additional resources have allowed the transfer in from the General Fund to be reduced and project expenditures to be increased by \$49,500.

## County Capital

As previously reported, the most significant change to this cost center is the shifting of \$14.9 million in costs related to the New Jail from FY 2017-18 to FY 2018-19. \$381,000 in debt service payments for acquisition of the Law & Justice Center Campus (land) has also been shifted to the new Debt cost center in the General Fund.

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 2017/18 Recommended Budget and FY 2017/18 Adopted Budget proposal:

	<b>Recommended FY 2017/18</b>	<b>Adopted FY 2017/18</b>	<b>Change</b>	
<b>General Fund</b>	\$ 72,760,455	\$ 74,447,546	\$ 1,687,091	2.3%
Governmental Funds	\$193,159,209	\$177,465,349	(\$15,693,860)	(8.1%)
Enterprise Funds	\$ 7,054,489	\$ 7,884,699	\$ 830,210	11.8%
Internal Service Funds	\$ 19,325,946	\$ 18,976,827	(\$ 349,119)	(1.8%)
<b>All Budgeted Funds</b>	<b>\$219,539,644</b>	<b>\$204,326,875</b>	<b>(\$15,212,769)</b>	<b>(6.9%)</b>
<b>Permanent Employees</b>	635.1	636.1	1.0	0.2%

The primary reason for the \$15.6 million decrease in the overall budget between the Recommended and Adopted proposal is the change in budgeting for the New Jail. The increase in the General Fund is due to an increase in the Tree Mortality Budget and Contingencies.

It is also important to show the proposed changes between fiscal years. Therefore, this next chart contrasts the difference between the FY 2016/17 Adopted Budget and the FY 2017/18 Adopted Budget proposal:

	<b>Adopted FY 2016/17</b>	<b>Adopted FY 2017/18</b>	<b>Change</b>	
<b>General Fund</b>	\$ 69,445,712	\$ 74,447,546	\$ 5,001,834	7.2%
Governmental Funds	\$153,294,078	\$177,465,349	\$ 24,171,271	15.8%
Enterprise Funds	\$ 10,396,184	\$ 7,884,699	(\$ 2,511,485)	( 24.2%)
Internal Service Funds	<u>\$ 18,911,244</u>	<u>\$ 18,976,827</u>	<u>\$ 65,583</u>	<u>.0%</u>
<b>All Budgeted Funds</b>	\$182,601,506	\$204,326,875	\$ 26,595,732	15.0%
<b>Permanent Employees</b>	645.6	636.1	(9.5)	(1.5%)

## 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 *fully complies* with 3 policies, *substantially complies* with 1, *partially complies* with 4 and *does not comply* with 2.

1. **Balance annual operating budgets without the use of one-time revenues.** *Does not Comply.* The General Fund's use of one-time revenues supporting ongoing expenses is at 1.5% of the total budget. This is an improvement compared to 2.9% in FY 2016-17. Last year, concern for the Human Services Agency was voiced due to their dependence upon fund balance. The Health Department and Department of Social Services each have placed 50 percent of their fund balance into contingencies.
2. **Dedicate unencumbered beginning fund balances to: 1) pay-off County debts; 2) increase cash flow reserves; 3) fund future liabilities; and 4) fund capital equipment, plant and infrastructure needs.** *Partially Complies.* Some fund balance is going to serve as match for airport capital projects. While some money is being transferred to the County Capital Fund, it is going towards major maintenance projects (e.g. roof repairs, HVAC repairs, etc.) that are really operational expenses versus true capital projects (e.g. new, expanded and/or rehabilitated buildings or other County facilities).
3. **Non-earmarked General Fund Contingencies should be budgeted at 1% of the total operating budget for governmental funds.** *Substantially Complies.* 1% of pure governmental operating budgets (combined governmental budgets less capital budgets) would be \$1,354,841. General Fund Contingencies are currently set at \$958,131. Mitigating the variance between the policy target and budgeted General Fund Contingencies are the large contingencies that have been established within the Human Service Agency Funds.
4. **Establish General Reserves at 5% of Governmental Fund Budgets.** *Does Not Comply.* This policy was first established in December 2012. To be in full

compliance, the County's General Reserve would need to be increased from its current level of \$1.6 million to approximately \$8.9 million. The latter target is arguably inflated due to the historic level of capital projects currently underway. Nevertheless, the Board and staff need to look for opportunities to increase General Reserves in the future.

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.** *Fully 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. Below is a projection of how this funding will increase over the next few years:

- FY 2017-18 = \$940,000
- FY 2018-19 = \$2,400,000
- FY 2019-20 = \$3,410,000
- FY 2020-21 = \$3,830,000
- FY 2021-22 = \$4,060,000

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 on the brink of committing to a \$40 million capital improvement program at the Columbia Airport. This is welcome news but will require a large injection of County General Funds to meet the County's match requirement 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 2017 Planning Retreat. Unfortunately, the FY 2017-18 Adopted Budget proposal does not contain any additional resources to address same.
8. **Maintain a comprehensive quarterly budget monitoring and reporting program.** *Fully 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.** *Fully Complies.*

## 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 2017/18 Adopted Budget Personnel Changes spreadsheet and associated memorandum on new and revised position classifications (see Tab 2 - Attachment B). The requested changes call for a 1.0 FTE net increase 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:

Conversion of a Deputy CAO to an Assistant CAO	0.0
Program Specialist	<u>1.0</u>
	1.0 FTE

## **INFORMATION TECHNOLOGY PROJECT LIST**

The Information Technology Steering Board (ITSB) schedule for FY 2017/18 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, and H*, respectively.

## **GENERAL FUND CONTINGENCIES**

All available one-time funding has been concentrated in the General Fund's Contingencies which currently stand at \$958,131.

## **USE OF ONE-TIME DOLLARS IN THE GENERAL FUND**

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

Beginning Fund Balance \$2,532,877

Uses of the beginning fund balance are as follows:

### One-Time Uses

Pure Contingencies	\$ 958,131	
Transfer to Airport Construction	28,827	
Tree Mortality	<u>420,409</u>	
		\$1,407,367

### Ongoing Operations

Transfer-Out County Capital	892,255*	
General Operational Costs	<u>233,255</u>	
		<u>\$1,125,510</u>
		\$2,532,877

*\*All uses in County Capital fund either ongoing debt service payments or routine major maintenance projects (e.g. roofing, HVAC, etc.)*

## **OTHER FUNDING REQUESTS FOR BOARD CONSIDERATION**

### **Board Requested Items**

In conjunction with approving the Recommended Budget, the Board requested that three specific items (i.e. Library, Recreation and Water Consultant restorations) be returned for funding consideration during the Final Budget Hearing. To be clear, none of the items outlined below have been incorporated into the proposed Adopted Budget. *Should your*

*Board desire to fund all or any portion of the following, the only option to do so, without cutting already funded staff and/or programs, is making commensurate reductions in General Fund Contingencies.*

1. Library: The Board directed staff to return with the cost to maintain bookmobile and literacy services. The chart below provides two different scenarios:
  - A. Literacy services would not be reduced; however, the Bookmobile would be reduced to two days per week and enough part-time salaries to maintain primary library services. This scenario does not provide enough part-time salaries to provide back-up for vacations and illness. In the event of vacations and/or illness, the Twain Harte or Tuolumne branches would be closed; or
  - B. This scenario provides enough funding to keep all services status quo (no reduction in days for the Bookmobile and adequate coverage for vacations and/or illness).

Library			
A		B	
Part-time Salaries	\$ 15,071	Part-time Salaries	\$ 19,915
Maint & Repairs	\$ -	Maint & Repairs	\$ 500
Fuel	\$ 613	Fuel	\$ 1,500
	\$ 15,684		\$ 21,915

2. Recreation: The Board directed staff to return with alternatives to reducing and/or eliminating youth programs. It is important to note that when staff began analyzing the various ways to maintain recreation services, it was discovered that there was a major discrepancy between the Activity Coordinator and the Administrative Assistant (clerical support) pay ranges. These two classifications were paid at the same range. The area of concern is that the Activity Coordinator requires a degree and a scope of authority and responsibility above the Administrative Assistant. The chart below provides three different scenarios;
  - A. This scenario reinstates an Activity Coordinator at its previous salary range and does not correct the discrepancy between the two positions outlined above. All activities are also reinstated as well as the revenue and associated expenses for said activities; or
  - B. Reinstates the Activity Coordinator at an appropriate salary range for scope of authority and responsibility and reinstates all activities with offsetting revenues; or

C. This scenario is slightly different in that it adds a Recreation Director (instead of an Activity Coordinator) as well as reinstating all activities. The addition of a Director is worth consideration as, like the Library, it would allow for all operational issues to be dealt with by the Director allowing for better efficiencies at the department level and provide greater flexibility in the County Administrator’s Office (who manages both the Library and Recreation).

Recreation					
A		B		C	
Revenue	40,000	Revenue	40,000	Revenue	40,000
Activity Coordinator *	\$ 50,216	Activity Coordinator *	\$ 53,573	Recreation Director *	\$ 81,526
Sports Camp Costs	\$ 20,000	Sports Camp Costs	\$ 20,000	Sports Camp Costs	\$ 20,000
Rental Fees	\$ 4,000	Rental Fees	\$ 4,000	Rental Fees	\$ 4,000
	\$ 74,216		\$ 77,573		\$ 105,526
Net Cost	\$ 34,216	Net Cost	\$ 37,573	Net Cost	\$ 65,526
* Partial year cost 11/1/2017 Start Date					

3. Water Consultant: The cost to add back the full scope of the water consultant’s contract is \$35,850.

**Outside Agency Requests**

The following are three more funding requests related to Outside Agencies for the Board’s consideration. Again, *should your Board desire to fund all or any portion of the following, the only option to do so, without cutting already funded staff and/or programs, is making commensurate reductions in General Fund Contingencies.*

1. Tuolumne County Arts Alliance - Funding has been provided to the Arts Alliance in the amount of **\$45,000** for the last five years. While requested, funding was not included in the Recommended Budget. The Arts Alliance is expecting a transition in its Executive Director position within the current fiscal year. Funding would facilitate this transition and allow new staff to begin the process of seeking additional grants as well as securing new partnerships within the community to ensure future viability of Arts Alliance programs. A copy of the funding request is included in the budget packet (see Tab 2 - Attachment I).
2. SWIFT (SouthWest Interface Team) - When the Secure Rural Schools Program was eliminated, it not only eliminated much needed funds for the Road Fund but also caused a reduction in funding for Search and Rescue and SWIFT. The revenue and expense for SWIFT resides in the OES cost center. The contractual services for coordination of SWIFT is split between Tuolumne and Mariposa Counties and the normal budget for this contract is \$12,000 annually. The Recommended Budget contained \$3,000 to maintain the contract until the Final Budget Hearing. In order to fund the full cost of the annual contract, an additional **\$9,000** would need to be added back to the budget.

3. Highway 108 Fire Safe Council – This Council is a non-profit, volunteer organization that has been operating since 2002 and is comprised of individuals, public and private businesses, and governmental agencies that share a common goal of preventing and reducing loss from wildfire. The Council has been successful in securing funding to reduce vegetation and develop fire breaks throughout the County. The Highway 108 Fire Safe Council is proposing to establish a part-time Executive Coordinator, which is not unusual for the type and scope of work provided by Fire Safe Councils across the state. They have submitted a funding request of **\$25,000** for the first year, which incorporates one-time start-up costs, and estimate they will need \$20,000 annually thereafter. Their goal is to become self-sustaining through grant funding, donations and other fund raising in the future. A copy of the funding request is included in the budget packet (see Tab 2 - Attachment I).

### **RECOMMENDATION**

It is recommended that your Board conduct a public hearing to consider adoption of all budget actions contained in the FY 2017/18 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-H;
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 2017-18 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>**