

FY 2011-2012 Budget Hearings



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Overview of the Budget

- 2011-2012 Budget is balanced
- Essentially maintains service levels
- Still a gap between ongoing expenses and ongoing revenues
- Strong fiscal discipline is still required
- Does not include State budget impacts



Key Points

- Assumes employees begin paying a share of retirement costs
- Net loss of 6.3 positions (after Schedule A)
- Additional cuts prevented by use of at least \$3.7 million in one-time funding
- \$3.5 million General Fund Contingencies (2.8% of fund)
- \$5 million General Reserve (4% of fund)



Long-term Issues to Address

- Plan for reinvesting in workforce
- Increasing pension costs
- Lack of property tax revenue growth
- Deferred maintenance
- Restoring service levels
- Loss of grant revenues
- State budget impacts
- Expenditure – Revenue gap



Multiyear Budget Forecast

- \$3-\$4 million annual gap between anticipated on-going use and receipt of general purpose revenue in fiscal year 2012-2013 and beyond
- Few options to close the gap:
 - Increase revenues
 - Reduce costs



Recommended Budget

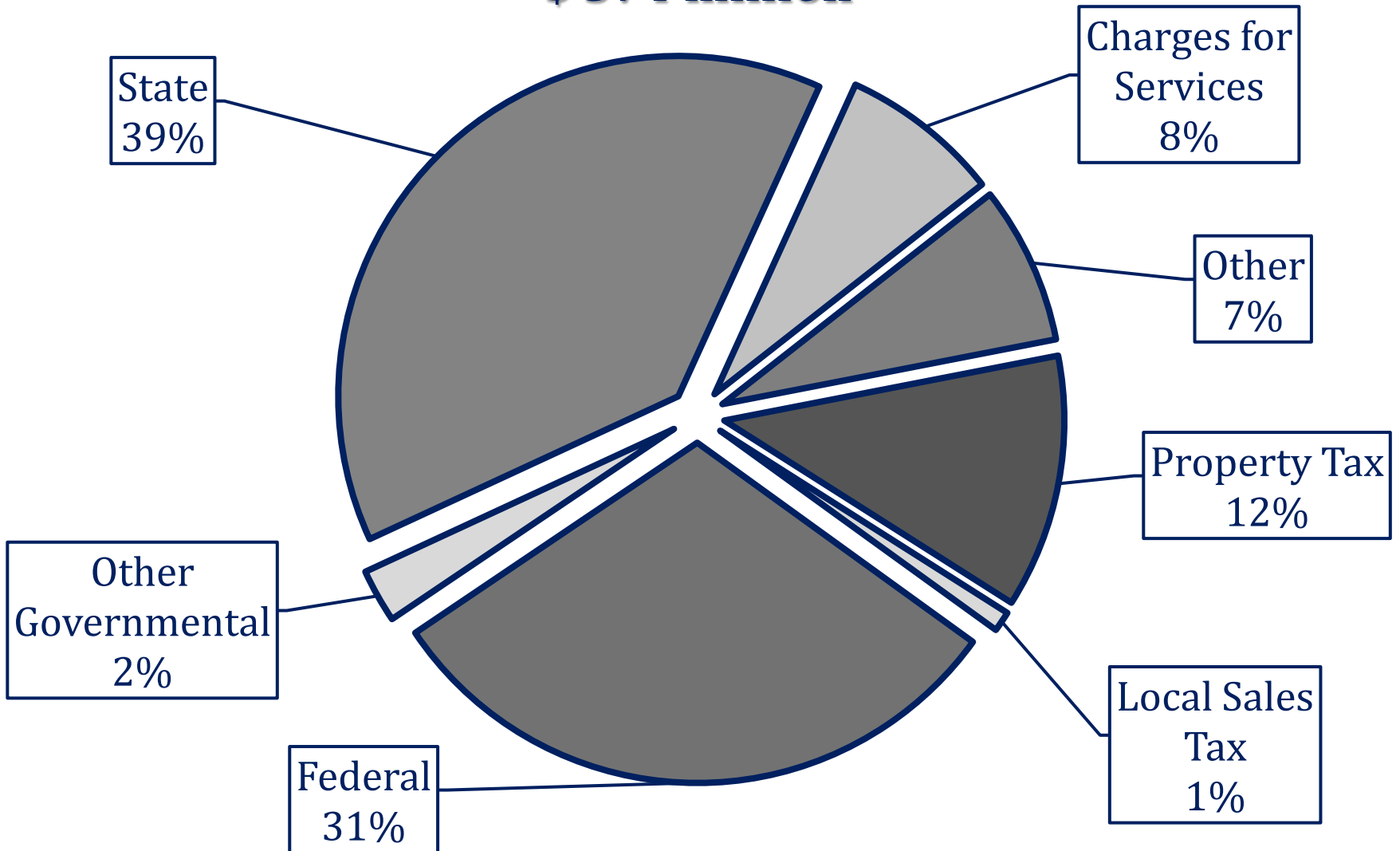
(including recommended Schedule A adjustments)

- \$415.3 million – All funds
- 2,117- Allocated Positions
- Balanced Budget
 - Some reductions due to funding losses
 - Some one-time reliance on balances

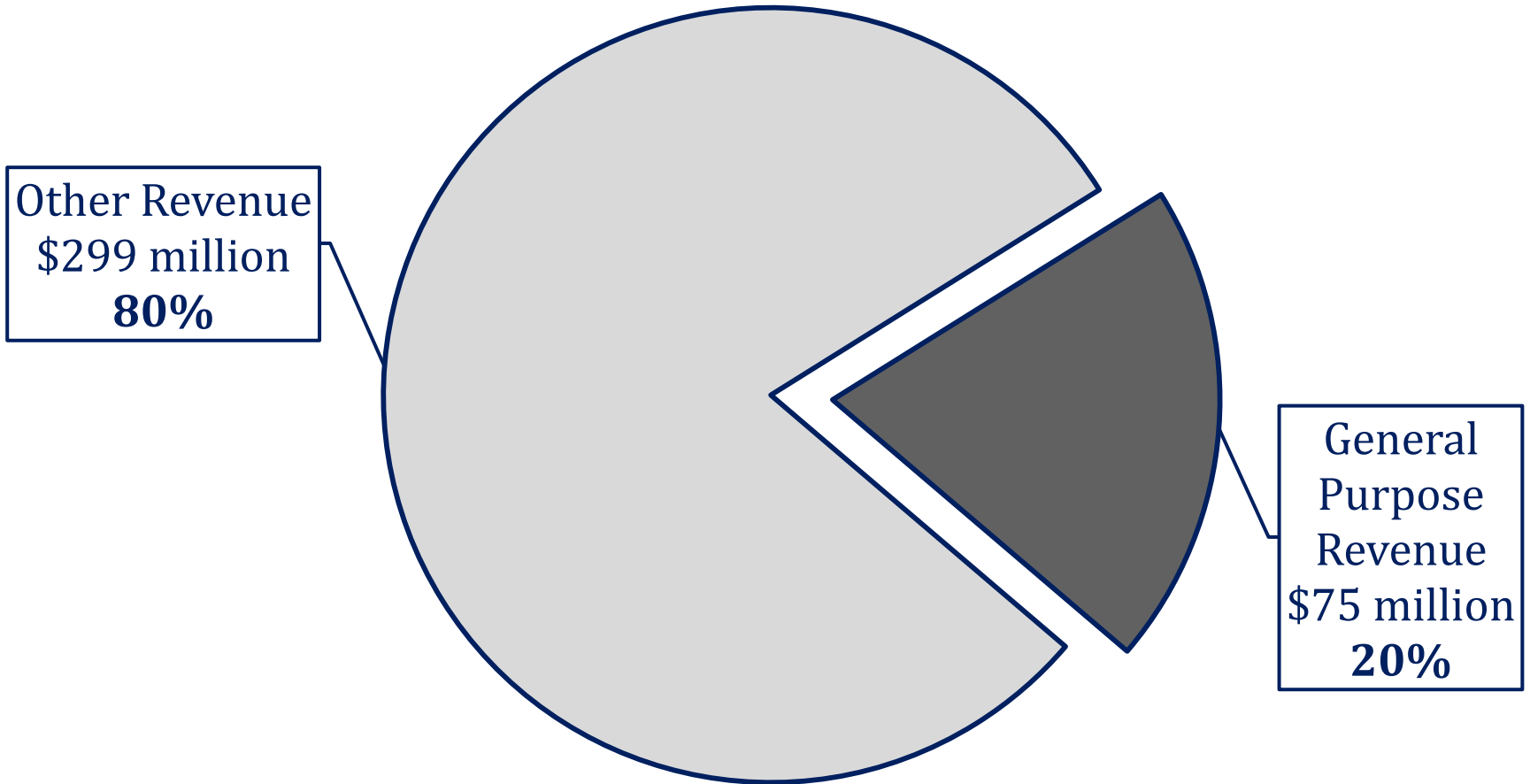


Estimated Revenues

\$ 374 million



General Purpose Revenue vs. Other Revenue

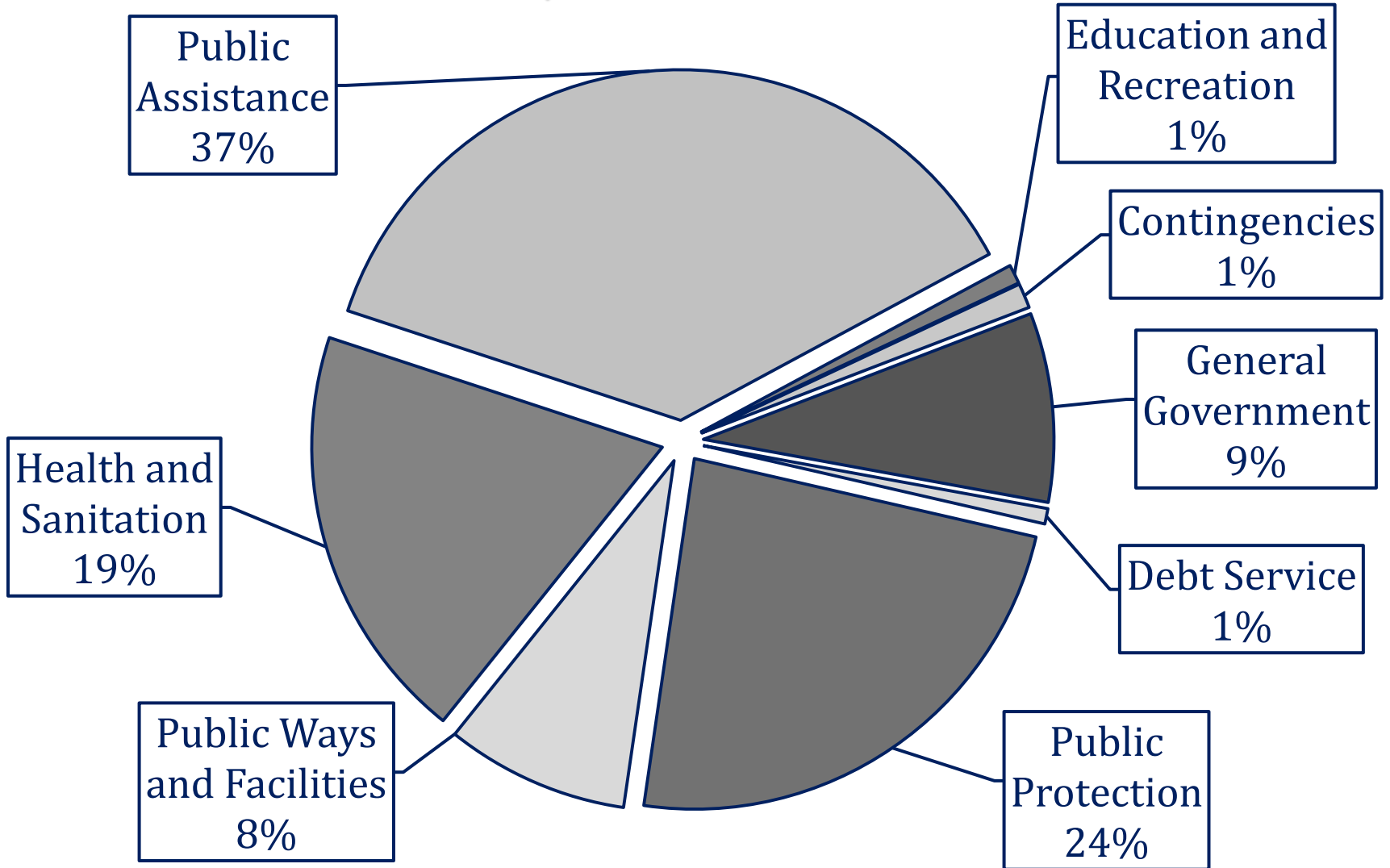


General Purpose Revenue

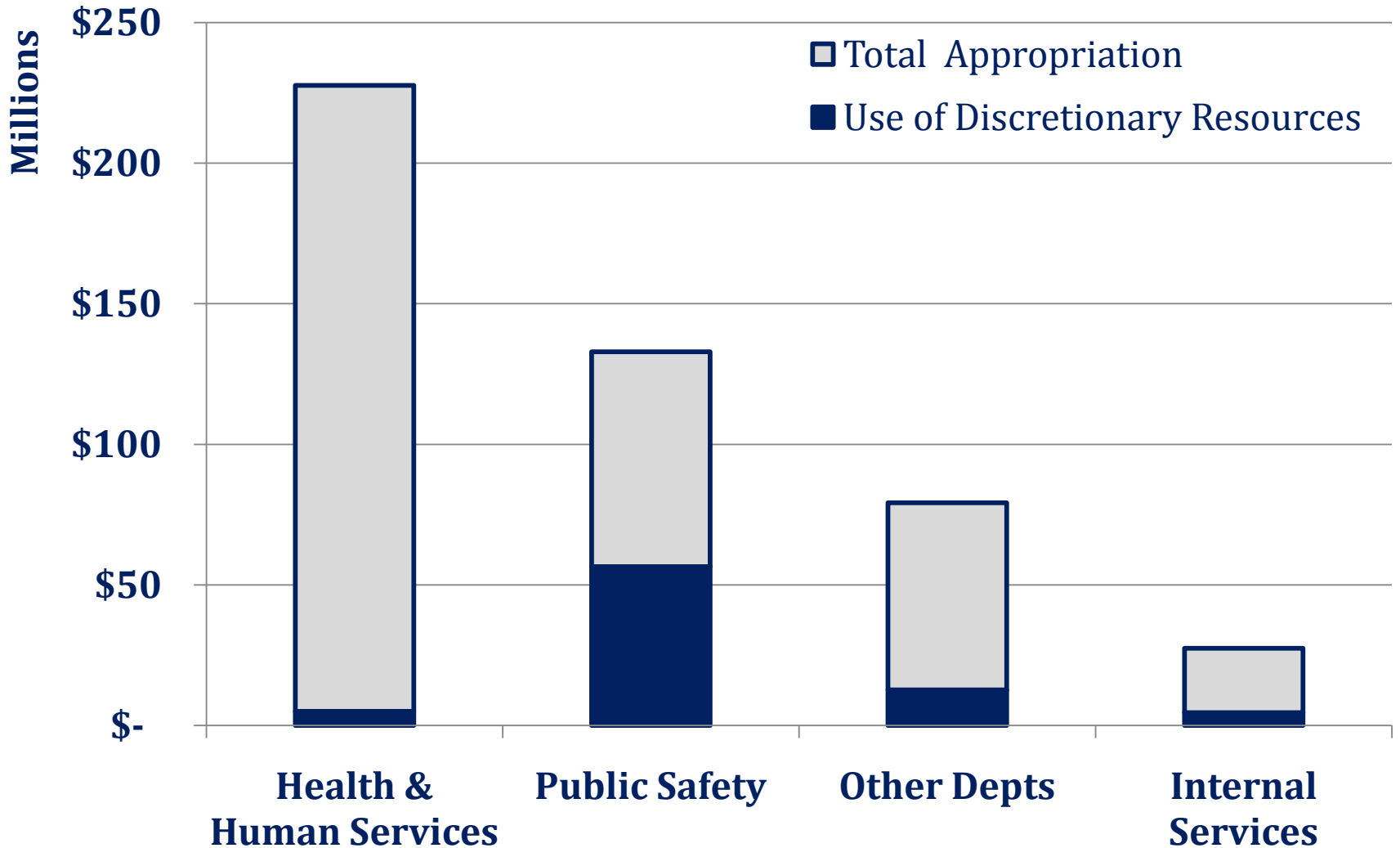
REVENUE SOURCE	AMOUNT
Property Tax	44.8 million
Public Safety Sales Tax (Prop 172)	13.0 million
Chico RDA Pass Through	4.6 million
Local Sales Tax	3.6 million
Other Discretionary Revenues	9.0 million
TOTAL	\$ 75.0 million

Recommended Appropriation

\$394 million



Departmental Appropriation



Department Budgets

Board of Supervisors (Page 71):

- Maintains staffing and services.

Administration (Page 75):

- Maintains staffing and services.

Agriculture (Page 81):

- Maintains staffing and services.
- Replacement of five inspector vehicles with one-time revenue and one-time savings.



Department Budgets

Assessor (Page 85):

- Maintains staffing and services.

Auditor-Controller (Page 91):

- Maintains staffing and services.

Behavioral Health (Page 95):

- Eliminates four vacant positions due to lower revenues.



Department Budgets

Child Support Services (Page 103):

- Maintains staffing and services.

Clerk-Recorder (Page 109):

- Reduction of three positions to complete the department's reorganization started in current fiscal year.

County Counsel (Page 115):

- Maintains staffing and services.



Department Budgets

Development Services (Page 119):

- Eliminates one vacant position, increases another from 80% to full-time and includes seasonal help to increase public hours.
- EIRs for General Plan and zoning ordinance.

District Attorney (Page 125):

- Eliminates one position and changes two other positions.



Department Budgets

Employment and Social Services (Page 135):

- Adds four positions funded within State and Federal allocations.
- Replaces five vehicles and adds a server.

Farm, Home & 4-H (Page 151):

- Maintains allocated positions, but adds temporary help to implement technology improvements.
- Replaces three vehicles.



Department Budgets

Fire (Page 155):

- Maintains staffing and services.
- Replaces two fire engines and four other vehicles from the equipment replacement fund.



Department Budgets

General Services (Page 167):

- Adds a new position of Architect to reduce the reliance on contract architects.
- Replaces two cargo vans.
- Several major facility maintenance projects.

Human Resources (Page 177):

- Maintains staffing and services.



Department Budgets

Information Services (Page 183):

- Maintains staffing and services.
- Replaces one vehicle and a variety of network equipment.

Library (Page 189):

- Reflects the department's service expansion approved by the Board on May 24, 2011.



Department Budgets

Probation (Page 199):

- Eliminates three vacant positions due to a loss of grant funds.

Public Health (Page 211):

- Eliminates four vacant, adds two new and reclassifies six positions due to changes in grant funds and operational necessity.
- Replaces two vehicles and two computer systems.



Department Budgets

Public Works (Page 219):

- Maintains staffing and services.
- Continues Neal Road facility improvements and replaces a variety of road equipment.

Sheriff-Coroner (Page 231):

- Adds two sunset positions with grant funding.
- Replaces seven vehicles and jail kitchen equipment.



Department Budgets

Treasurer-Tax Collector (Page 247):

- Maintains staffing and services.

Water & Resource Conservation (Page 251):

- Increases a half-time position to full-time with offsetting revenue.



Non - Department Budgets

Non-Departmental (Page 257):

- Sufficient funding to meet mandates.

Miscellaneous Budgets (Page 263):

- General Fund contingency.
- Sufficient funding for debt service payments.
- Continues implementation of CIP.
- Maintains equipment replacement funds.



Recommended Adjustments (Schedule A)

- Recommended Budget - entered in May
- New information received in last six weeks
 - Property tax estimate
 - Fund transfers to Employment & Social Services
 - Position changes in District Attorney, Sheriff, Clerk-Recorder, Public Health & Dev. Services
 - Facility modification, computer server, software



Recommended Action

1. Accept adjustments (Schedule A).
2. Open a Public Hearing on the Budget.
3. Provide direction for final budget resolution.
4. Direct that any actual fund balance exceeding \$11 million will be committed to a General Reserve, up to \$5 million, and any remainder above that appropriated to Contingency.
5. Open a Public Hearing on the Realignment transfer.



Conclusion

Recommended Budget is balanced, but we face uncertainty in FY 2011-12

- Economic uncertainty
- State Budget
- Further realignment of programs from the State to counties



Conclusion (continued)

Uncertainty brings opportunities to lead

- Look at new models of delivery
- Look for new efficiencies
- Developing 2011-12 work plan with County department heads

