

Budget Update

Board of Supervisors

June 2, 2020

Discussion Topics

- Forecast – General Fund (GF) FY 2019-20
- GF Carryover Balance
- FY 2020-21 Rate Development
 - Insurance
 - Motor Pool
 - A87
 - Tech Refresh
 - Rent
 - Pension
 - Health care
 - Retiree health
- Base Budget
- Future Key Budget Dates

IT IS IMPERATIVE THAT MONO COUNTY ADOPT A STRUCTURALLY BALANCED GENERAL FUND BUDGET

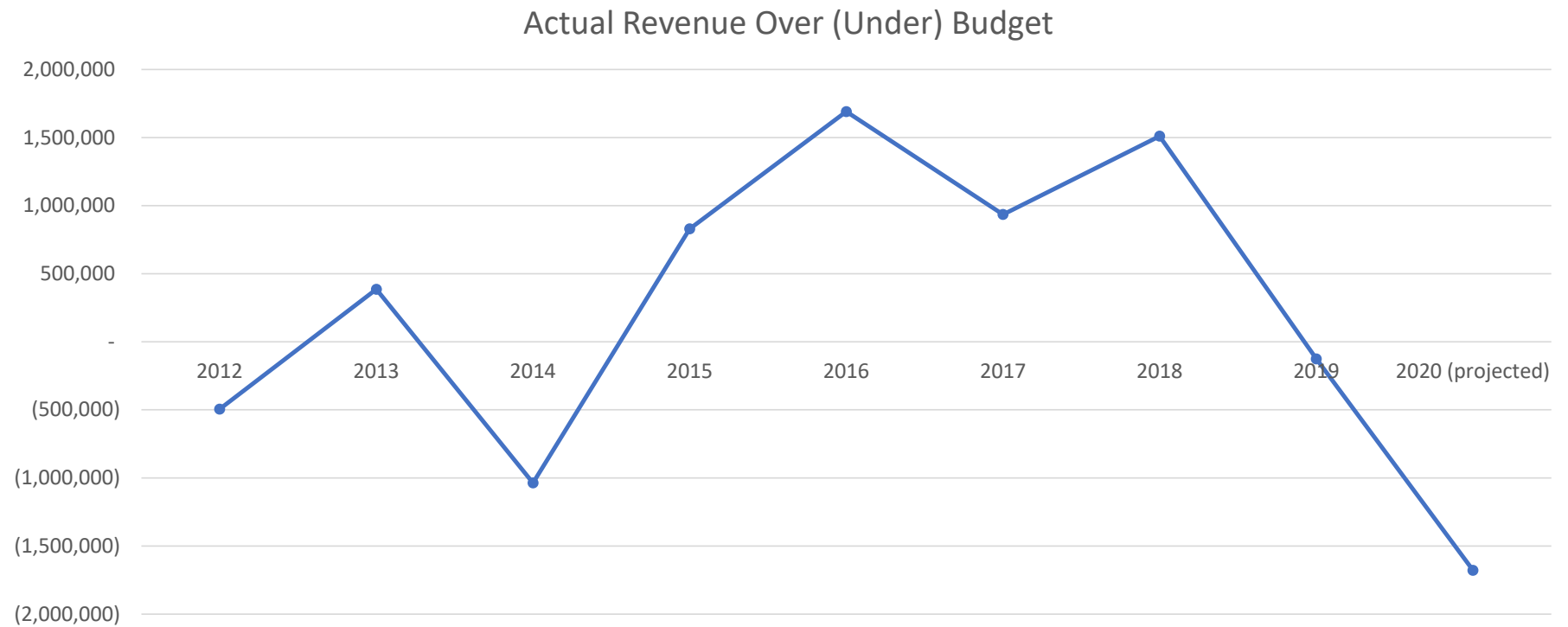
The fiscal modeling we present today predicts the General Fund carryover is ZERO by June 30, 2021. Future budget deficits, if they continue, must be financed from economic stabilization and general reserve balances, or other sources.

GF FORECAST – FY 2019-20

GF PROJECTION FY 2019-20 (CURRENT YEAR)	Amended Budget	Actuals (April 2020)	Projected	Variance (Projected vs Budget)
Property Taxes	\$20,080,000	\$20,746,000	\$20,931,000	\$851,000
TOT	3,309,000	2,245,000	2,245,000	(1,064,000)
Sales Taxes	690,000	519,000	534,000	(171,000)
All other Revenues	13,672,000	10,044,000	12,363,000	(1,309,000)
TOTAL REVENUES	37,751,000	33,554,000	36,073,000	(1,678,000)
Salaries & Benefits	26,092,000	19,803,000	25,328,000	764,000
Services and Supplies	10,981,000	7,710,000	9,022,000	1,959,000
Other	3,976,000	3,604,000	3,642,000	334,000
TOTAL EXPENDITURES	41,049,000	31,117,000	37,992,000	3,057,000
NET SURPLUS (DEFICIT)	(\$3,298,000)	\$2,437,000	(\$1,919,000)	\$1,379,000

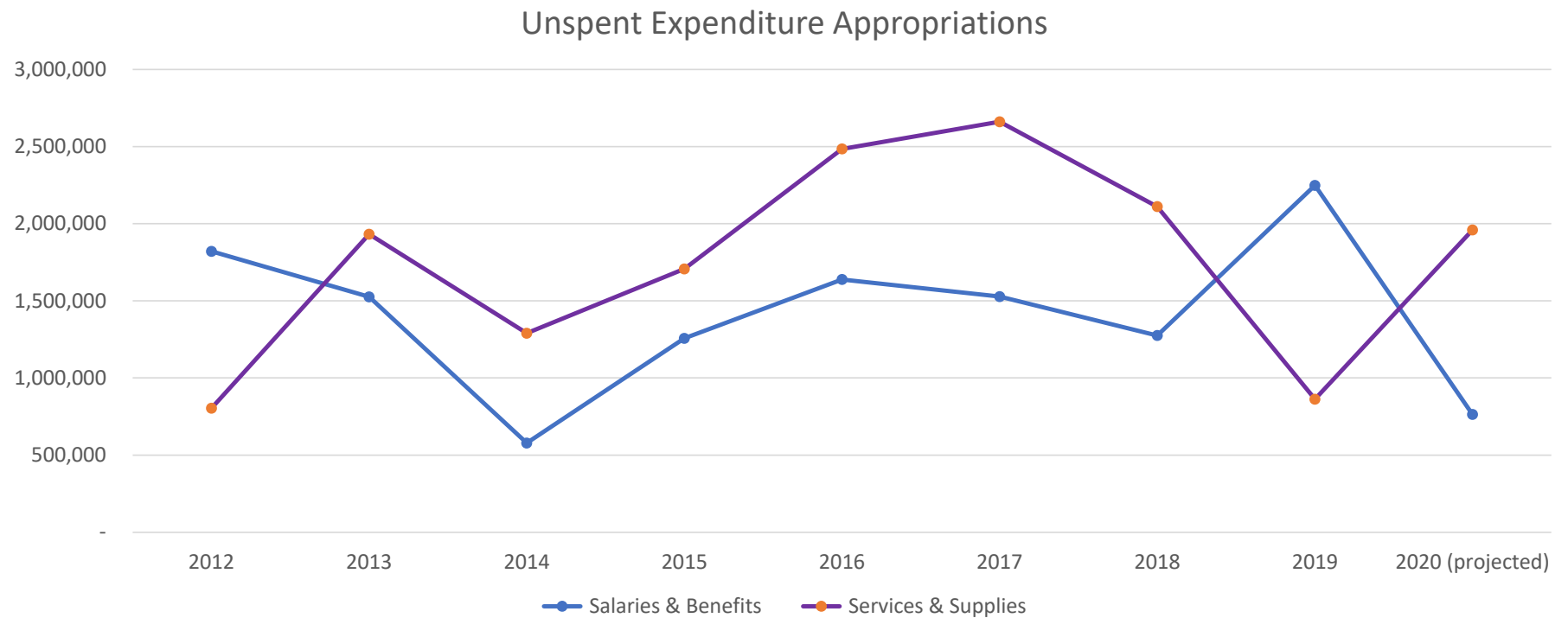
Historical Trend

Revenue gaps between Budget and Actual



Historical Trend

Spending Gaps between Budget and Actual



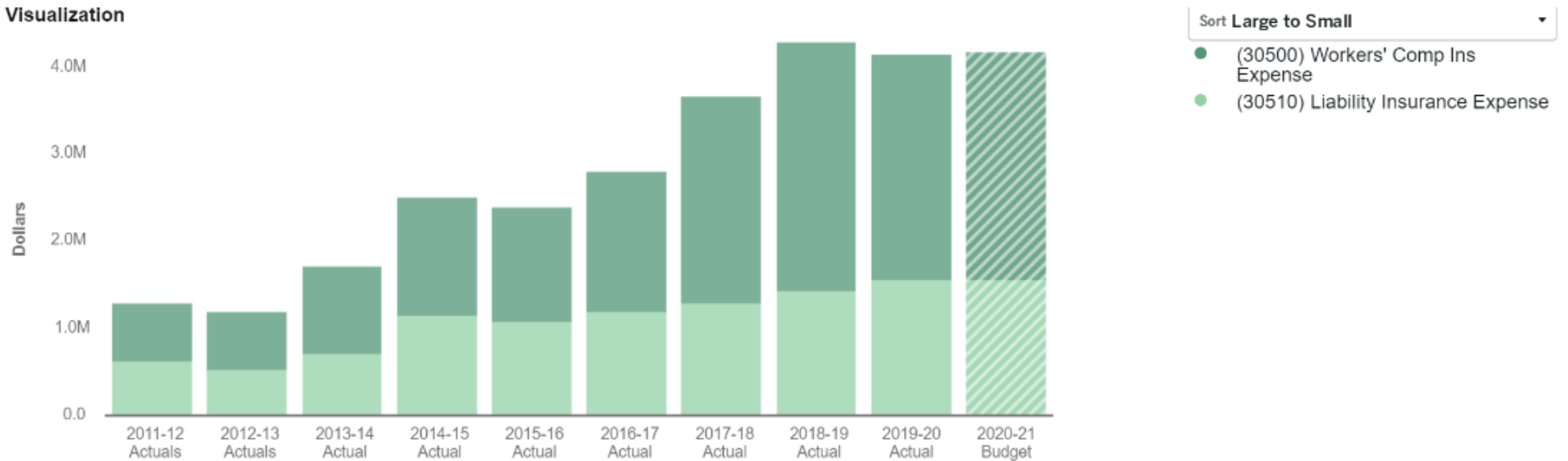
Projected GF Carryover through June 30, 2021

FUND BALANCE AT BEGINNING OF YEAR (July 1, 2019)	\$6,481,000
NOT AVAILABLE FOR SPENDING	
Advances to Solid Waste fund	(369,000)
CDBG/HOME Loans	(887,000)
Prepays and Inventory	(72,000)
Jail Project – Local Match	(810,000)
FY 2019-20 FORECASTED SURPLUS (DEFICIT)	(1,919,000)
PROPOSED FY 2020-21 BASE BUDGET	(2,424,000)
GF CARRYOVER PROJECTED AT JUNE 30, 2021	\$--

Status of Operating Reserves	June 30, 2019	June 30, 2020	June 30, 2021
General Reserve	\$2,766,000	\$2,677,000	\$2,677,000
Economic Stabilization	2,870,000	2,709,000	2,709,000
General Fund carryover	4,343,000	2,424,000	--
ESTIMATED RESERVES REMAINING	\$9,979,000	\$7,810,000	\$5,375,000
Months in Reserves	2.77	2.28	1.66
GFOA Recommendation <i>(2 to 3 months of expenditures)</i>	\$7,199,000 to \$10,799,000	\$6,841,000 to \$10,262,000	\$6,458,000 to \$9,687,000
Reserve SHORTFALL	\$820,000	\$2,452,000	\$4,312,000
When do we run out of money?	4.1 years	3.2 years	2.2 years

FY 2020-21 RATE DEVELOPMENT

Visualization



INSURANCE

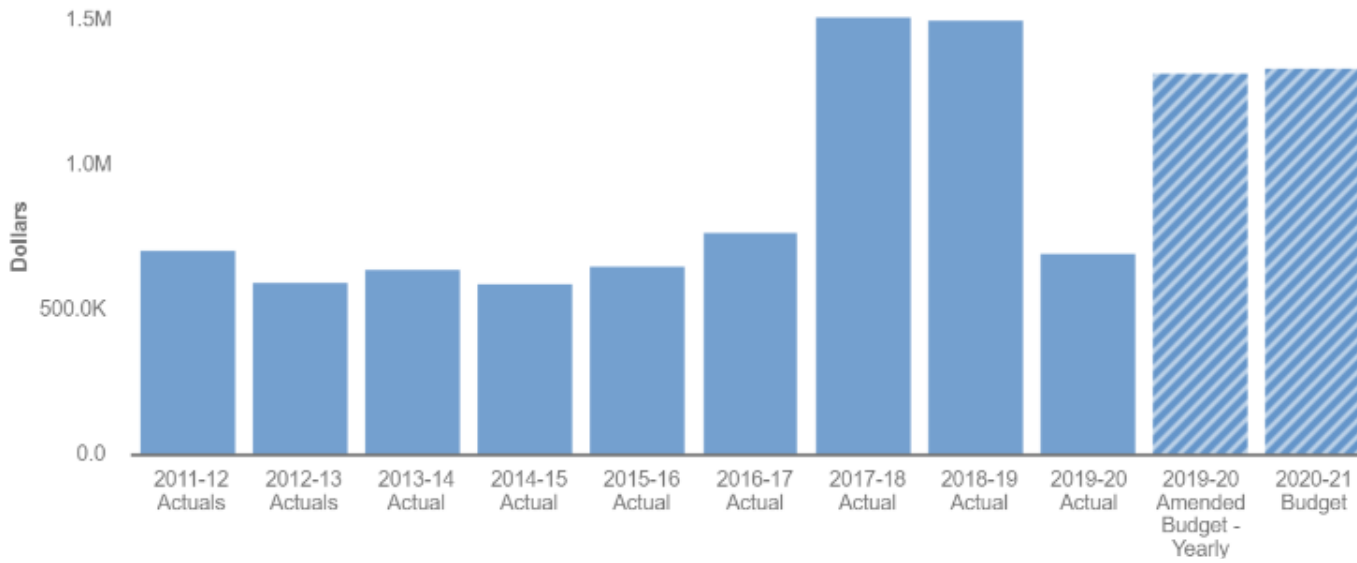
Insurance includes:

- Workers compensation
- General Liability
- Property

Workers compensation and general liability are allocated 70% based on 7 years of claims expense and 30% based on FTEs

Property insurance is allocated the square footage of space occupied

Visualization



Sort **Large to Small**

● (33360) Motor Pool Expense

Motor Pool

Costed by Public Works using:

- Historical mileage usage
- Vehicle replacement costs
- FY 2018-19 actual operating costs

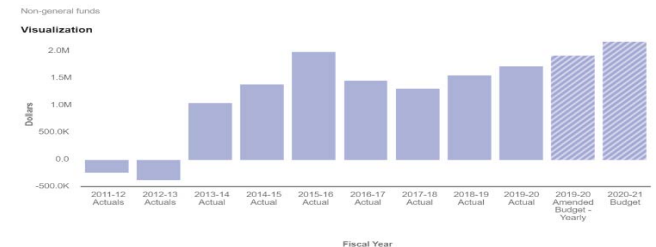
A-87 Indirect Cost Allocation

Apportions the indirect cost incurred by central processing (or support) departments who provide internal services to other operating units, in a manner that is reasonable and equitable to reflect the approximate use of services.

Allocation bases include Square Feet, Size of Budget, FTE's, time studies, and number of transactions or contracts

The FY 2020-21 Cost Plan is based on actual costs from FY 2018-19. A carry forward correction adjusts prior year costs to actual. A large carry forward correction indicates a period of change

A87 Indirect Cost Allocation

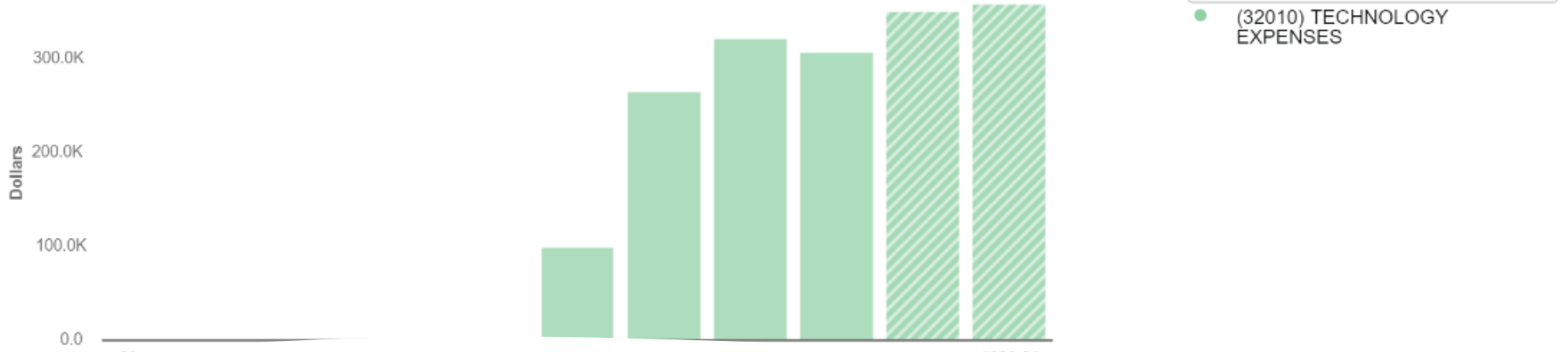


Data filtered by A-87 Indirect Costs, Funds, No Project and exported on May 27, 2020. Created with OpenGov

	FY 2020-21	FY 2019-20	Change
Non-GF Departments	2,169,412	1,731,376	438,036
Service Providers:			
Depreciation	9,959	9,959	-
CAO	353,734	340,223	13,511
Finance	456,914	444,900	12,014
County Counsel	286,557	134,378	152,179
Facilities	199,984	220,338	(20,354)
IT	534,977	447,815	87,162
Carry forward	327,287	133,611	193,676
Total Billed A87	2,169,412	1,731,224	438,188

Technology Charges to Departments

Visualization



Technology Charges

IT costs associated with desktop/laptops, office 365, network server and storage, communications equipment, and enterprise software.

Excludes the cost of labor to manage and deploy IT services (see cost plan)

Rent – Civic Center

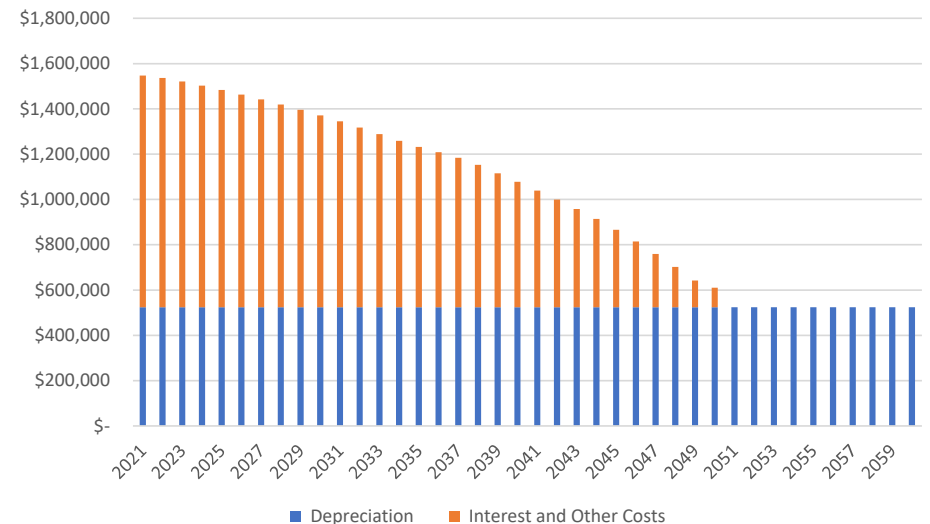
As of June 30, 2020, the County ceased renting facilities in Mammoth.

On July 1, 2020, the County occupies space as an owner.

Costs are allocated by calculating a rental charge based on depreciation, interest, and amortized financing costs.

Note that principal is excluded

Interest expense on debt service	\$ 936,675
Depreciation	524,215
Amortized issuance costs	10,803
Amortized net premium	75,537
Total claimable costs	\$ 1,547,229



Renting vs Owning

Year 1

Department	2019-20							2020-21		Sq Ft Diff	Rent Diff	
	Sq Ft	Sierra Center	Sq Ft	TOML	Sq Ft	Minaret Mall	Sq Ft Total	19/20 Total	Sq Ft			Civic Center
Board of Supervisors	43	1,900	174	3,472	-	-	217	5,373	874	56,938	657	51,565
CAO	1,044	46,136	-	-	-	-	1,044	46,136	1,311	85,562	267	39,426
County Counsel	1,564	69,116	-	-	-	-	1,564	69,116	1,221	79,682	(343)	10,566
IT	68	3,005	1,618	13,272	-	-	1,686	16,277	1,324	86,335	(362)	70,058
Public Works	-	-	140	2,778	-	-	140	2,778	250	16,246	110	13,468
Economic Development	367	16,219	-	-	-	-	367	16,219	669	43,632	302	27,413
District Attorney	3,439	153,522	-	-	-	-	3,439	153,522	2,699	176,075	(740)	22,554
Probation	1,720	76,011	-	-	-	-	1,720	76,011	2,271	148,070	551	72,059
Community Development	-	-	3,175	63,198	-	-	3,175	63,198	2,001	130,586	(1,174)	67,388
Social Services	6,177	272,974	-	-	-	-	6,177	272,974	3,788	247,093	(2,389)	(25,881)
Behavioral health	5,256	232,273	-	-	-	-	5,256	232,273	3,363	219,397	(1,893)	(12,876)
Public Health	-	-	3,488	69,449	2,080	55,432	5,568	124,880	3,950	257,614	(1,618)	132,734
TOTALS	19,678	871,156	8,595	152,169	2,080	55,432	30,353	1,078,757	23,721	1,547,230	(6,632)	468,473

PENSION COSTING

CONTRIBUTION FORMULA

NORMAL
COST

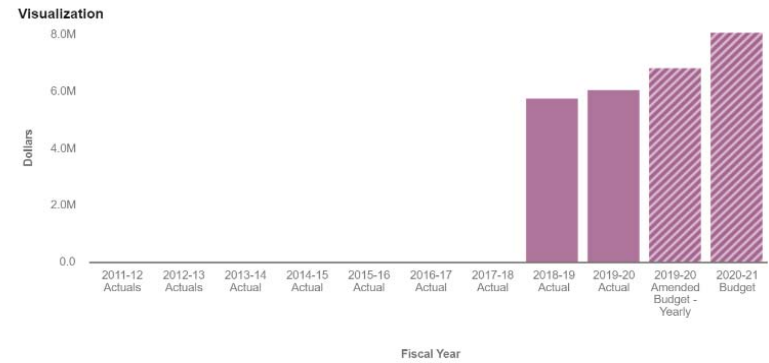
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AMORTIZATION
OF UNFUNDED
ACCRUED
LIABILITY (UAL)

NORMAL COSTS – change in rates

MEMBER CATEGORY	FY 2019-20 RATES	FY 2020-21 RATES	CHANGE	FISCAL IMPACT
MISCELLANEOUS	11.099%	11.173%	0.074%	\$11,026
PUBLIC SAFETY	21.927%	23.674%	1.747%	92,518
				\$103,544

Retirement Costs



Data filtered by Employee Benefits - PERS (ER Portion), Funds, No Project and exported on May 27, 2020. Created with OpenGov

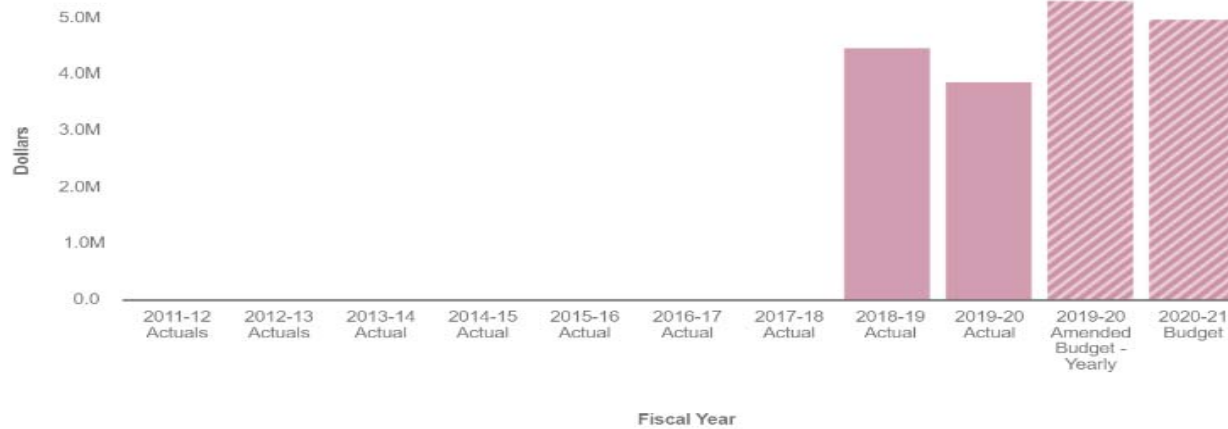
AMORTIZATION OF UAL – change in amounts

MEMBER CATEGORY	FY 2019-20 Amortization	FY 2020-21 Amortization	FISCAL IMPACT	% INCREASE
MISCELLANEOUS*	\$2,699,077	\$2,959,139	\$260,062	9.64%
PUBLIC SAFETY	1,345,373	1,539,160	193,787	14.40%
* INCLUDES SUPERIOR COURT'S SHARE	\$4,044,450	\$4,498,299	\$453,849	11.22%

Pension Costs

Health Care Costs

Visualization



Sort **Large to Small**

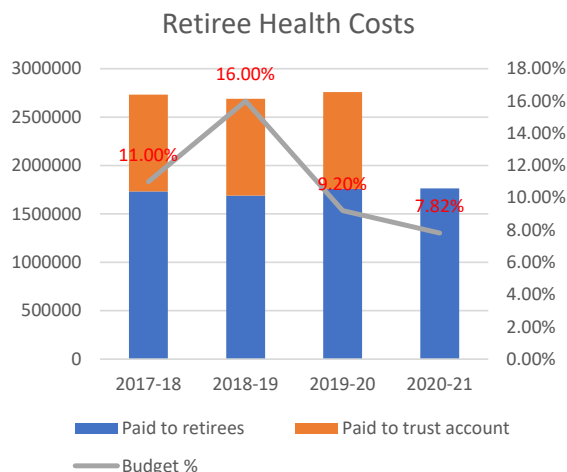
(22110) Employee Benefits - Health (Medical-Dental-Vision)

Data filtered by Employee Benefits - Health (Medical-Dental-Vision), Funds, No Project and exported on May 27, 2020. Created with OpenGov

Health Care Costs

Mono County health care plan incentivizes the selection of less expensive plans while maintaining similar benefit levels, resulting in an estimated \$305,191, or 5.7%, savings in next year's budget.

Retiree Health (Post-employment)



Certain current employees (hired before 2002) and retirees are eligible for County-paid health care (called enhanced benefits) during their retirement years.

Mono County collects funding as a percentage of each labor dollar.

Funding is used:

- Pay current cost of premiums (pay as you go)
- Contribute to trust, accumulates resources for cost of future premiums

Balance in trust at February 2020 = \$22.3 million, almost sufficient to pay all future costs of the program

GF Target Base Budget

- GF Departments are allocated a base (beginning) budget, including:
 - Costed salaries and benefits
 - Fixed costs
 - Insurance
 - Technology charges
 - Motor pool and fuel
 - Rents
 - GF allocation for all other line items

Estimated GF carryover does not allow for a base budget deficit of more than approximately \$2,425,000, unless GF reserves are spent down!

Proposed GF Base Budget

FY 2019-20 vs. FY 2020-21

	FY 2019-20 Adopted Budget	FY 2020-21 Proposed Base Budget	Change
Discretionary revenues	\$29,586,951	\$28,989,632	(\$597,319)
Department revenues	6,196,928	5,944,073	(252,855)
Total current resources	35,783,879	34,933,705	(850,174)
Non-departmental costs	(5,563,077)	(3,825,488)	1,737,589
Department salaries and benefits	(24,115,728)	(25,737,205)	(1,621,477)
Other department fixed costs	(3,359,275)	(3,858,936)	(499,661)
Residual allocation to departments	(5,745,799)	(3,935,269)	1,810,530
Budget Deficit	(\$3,000,000)	(\$2,423,193)	\$576,807

Proposed GF Transfers and Contributions	FY 2019-20 BUDGET	FY 2020-21 BASE
Road Fund	\$622,033	\$522,033
Reserves (economic stabilization and housing)	543,000	--
CARB Compliance	730,600	--
Civic Center	65,000	--
Tourism	10,000	--
Community support programs	84,000	--
Fish Enhancement	103,737	100,000
Conway Ranch, Cemeteries, Senior Services	277,163	248,583
Social Services and BHS MOE	375,149	375,149
Owens Valley Groundwater Management Agency	111,000	68,067
First Responder Support	150,000	150,000
Property tax costs – refunds to special districts	20,000	20,000
First Five visiting program	150,000	--
Other (ESCOG, LAFCO, MLFSC)	50,415	28,790
TOTALS	\$3,292,097	\$1,512,622

Budgetary Needs

Not addressed in the Base Budget



Road Fund shortfall



Public Health
shortfall



Jail Replacement
Project, if cost
estimates increase




Radio Infrastructure
Financing



CARB Compliance



Tourism and
Community Support
contributions



FY 2020-21 Key Budget Dates

June 3

Budget kick-off and training

June 3 – 19

Departments propose their budgets

June 22 – July 17

One-on-One meetings

August 10 & 13

Budget Workshop