

ECONOMIC OUTLOOK
and
GENERAL FUND FISCAL
PERFORMANCE REVIEW

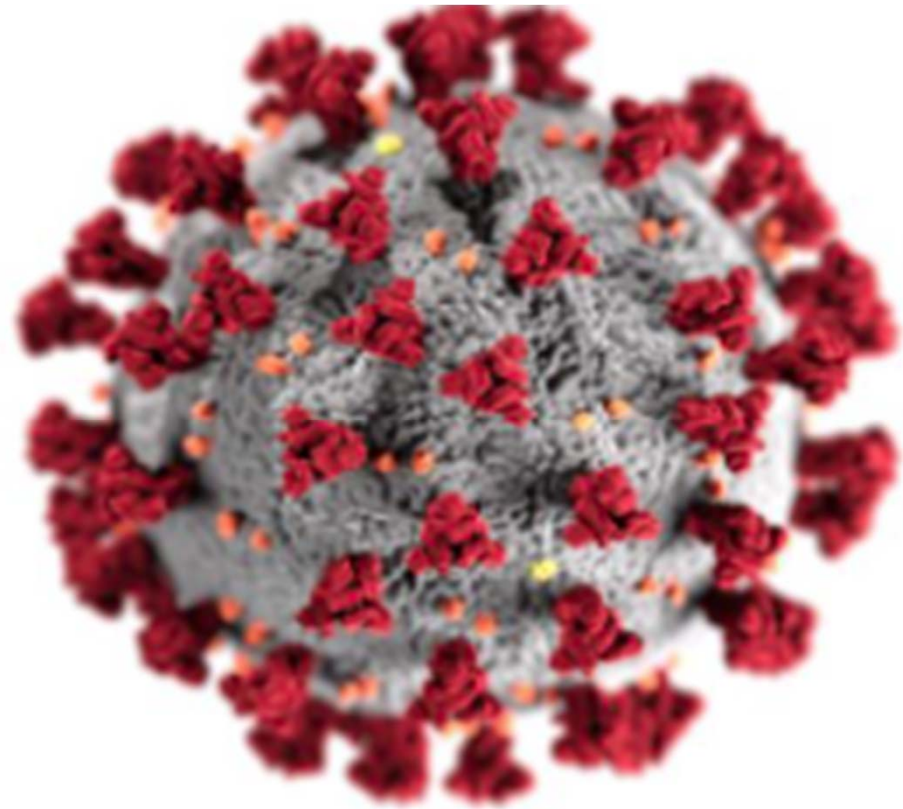
For the Fiscal Year Ended June 30, 2020

TODAY'S TOPICS

- Economic Indicators
 - National
 - State of California
 - Local
- GF Fiscal Performance – 2019/20
 - Budget to Actual
 - Revenue trends
 - Expenditure trends
- Status of GF Carryover balance and GF Reserves
- Request to move \$1 million to Economic Stabilization Reserve Fund

COVID – 19 (289 DAYS OF PANDEMIC)

Day 1	Jan. 26, 2020
Day 40	Mar. 4, 2020
Day 42	Mar. 6, 2020
Day 49	Mar. 13, 2020
Day 55	Mar. 19, 2020
Day 121	May 26, 2020
Day 138	June 12, 2020
Day 144	June 18, 2020
Day 169	July 13, 2020
Day 184	July 28, 2020
Day 215	Aug. 28, 2020
Day 289	Nov. 10, 2020



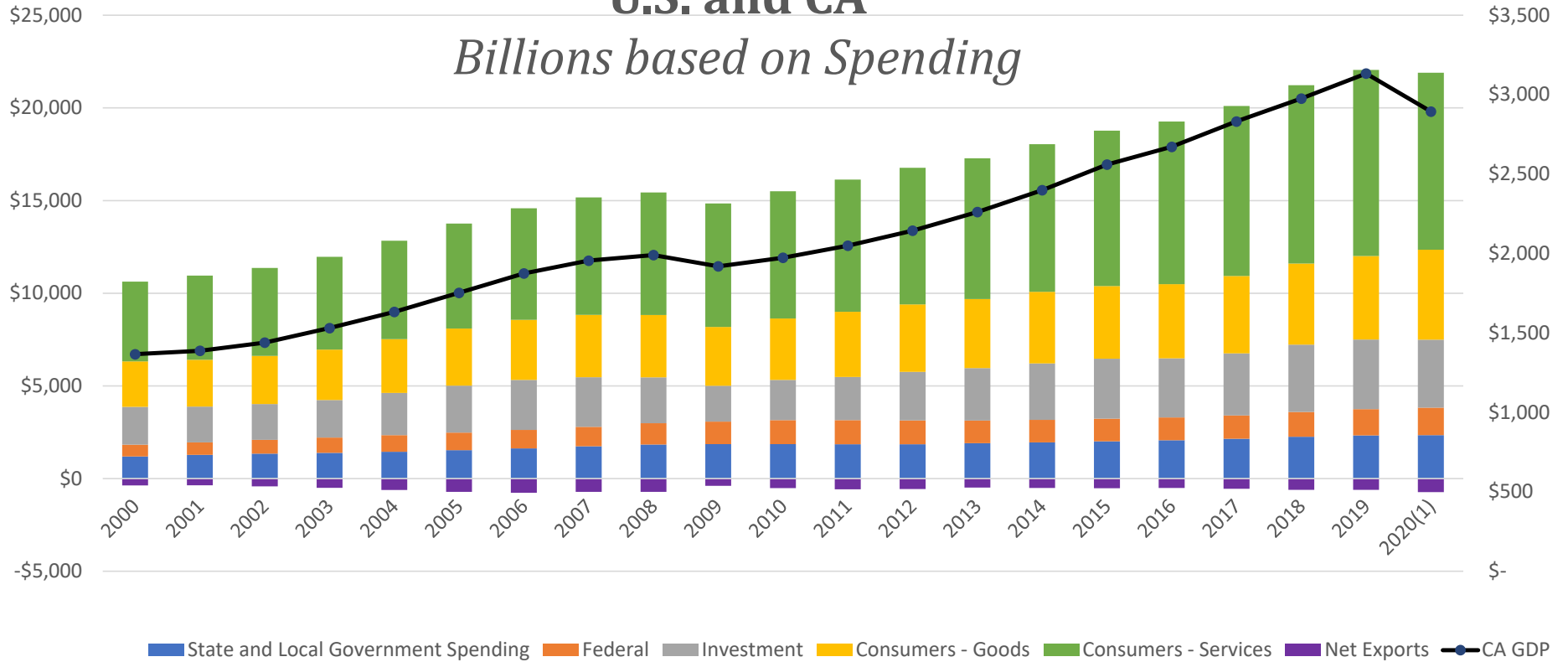


Economic Indicators *National and State*



ANNUAL GROSS DOMESTIC PRODUCT U.S. and CA

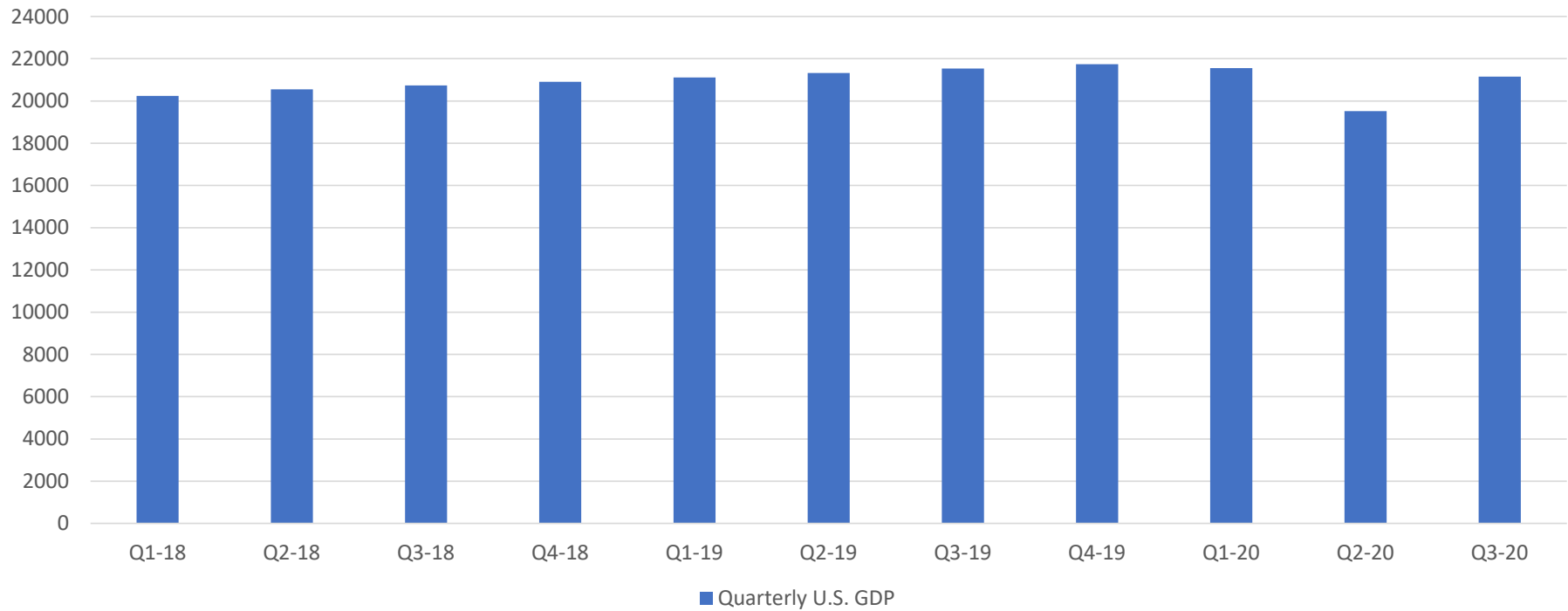
Billions based on Spending



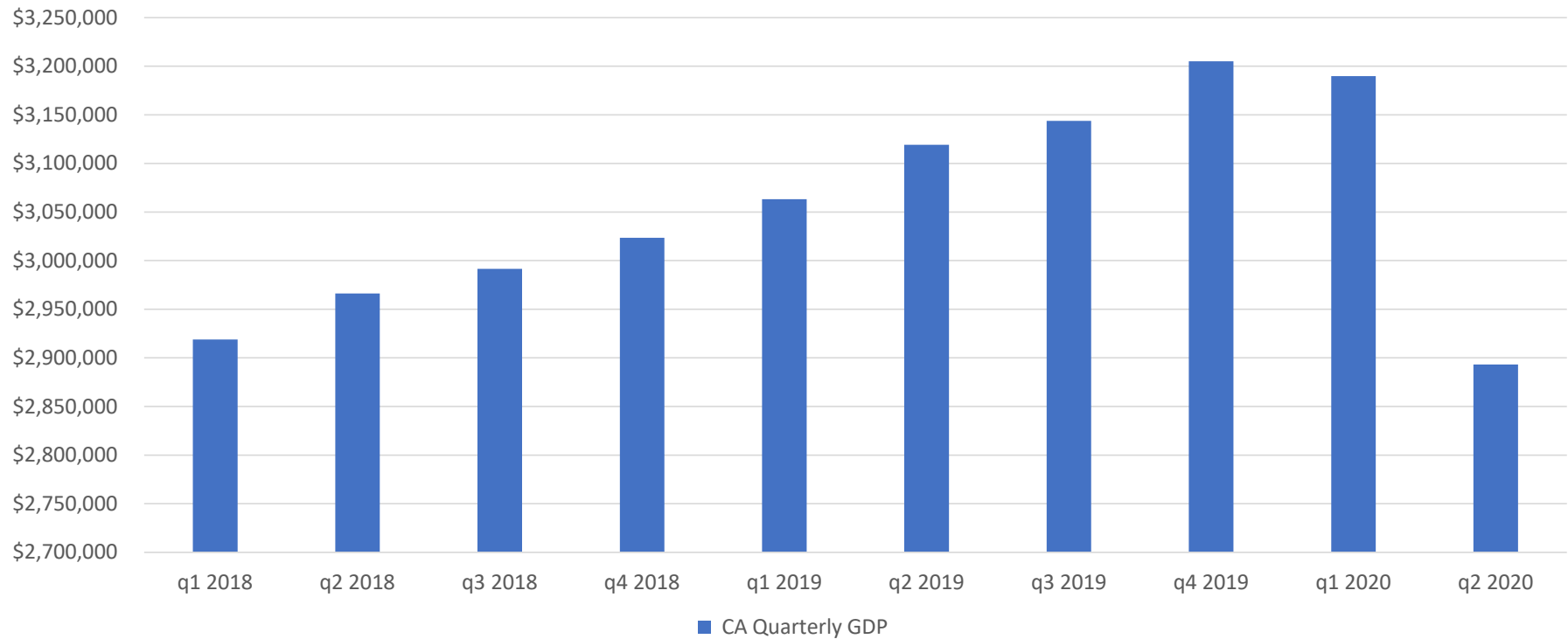
Source: U.S. Bureau of Economic Analysis
Adjusted to Current Dollars

(1) U.S. through 3rd quarter 2020, CA through 2nd quarter 2020

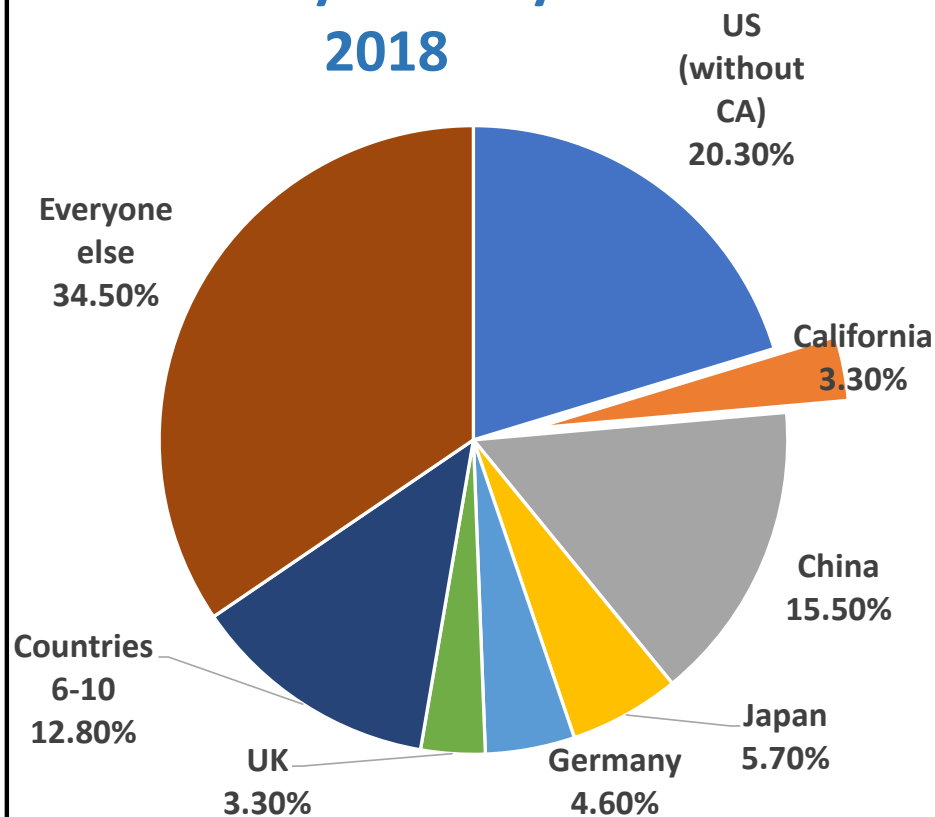
Quarterly U.S. GDP *(in Billions)*



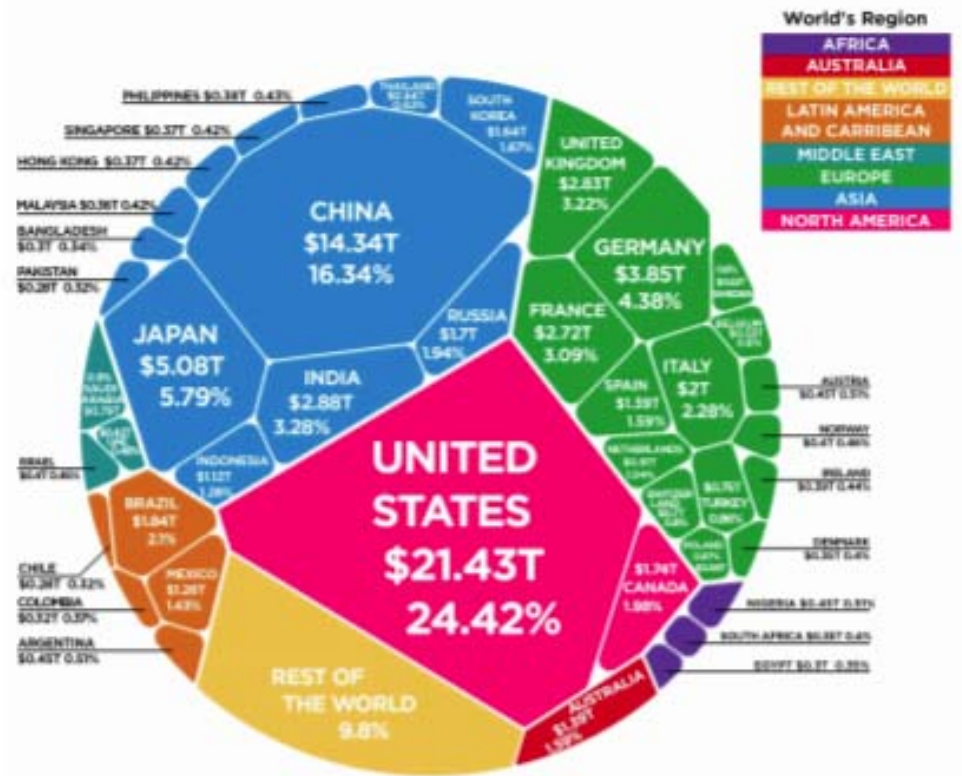
Quarterly CA GDP (In Thousands)



US in the World Economy - % by Country 2018



The World Economy Gross Domestic Product (GDP) by Country 2019

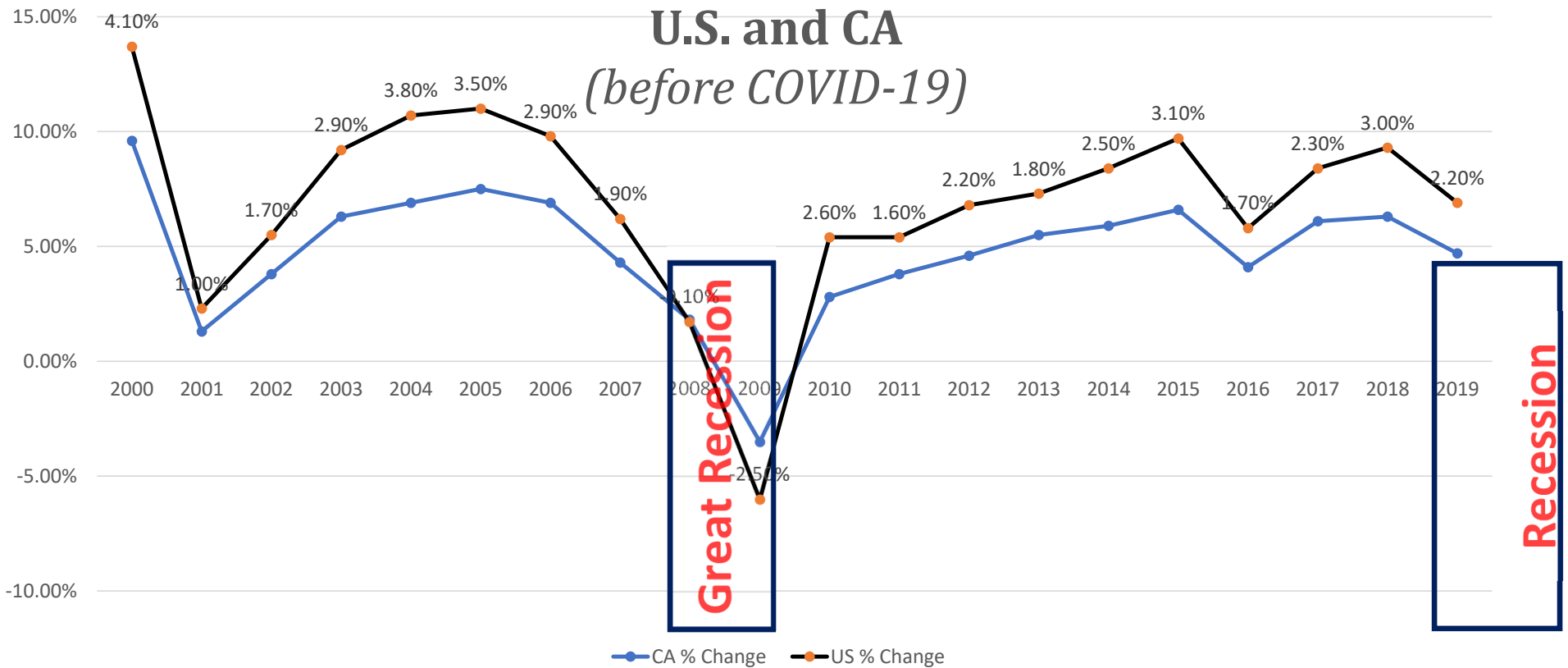


Article & Sources:
<https://howmuch.net/articles/the-world-economy-2019>
<https://databank.worldbank.org>

howmuch.net

% CHANGE IN ANNUAL GROSS DOMESTIC PRODUCT

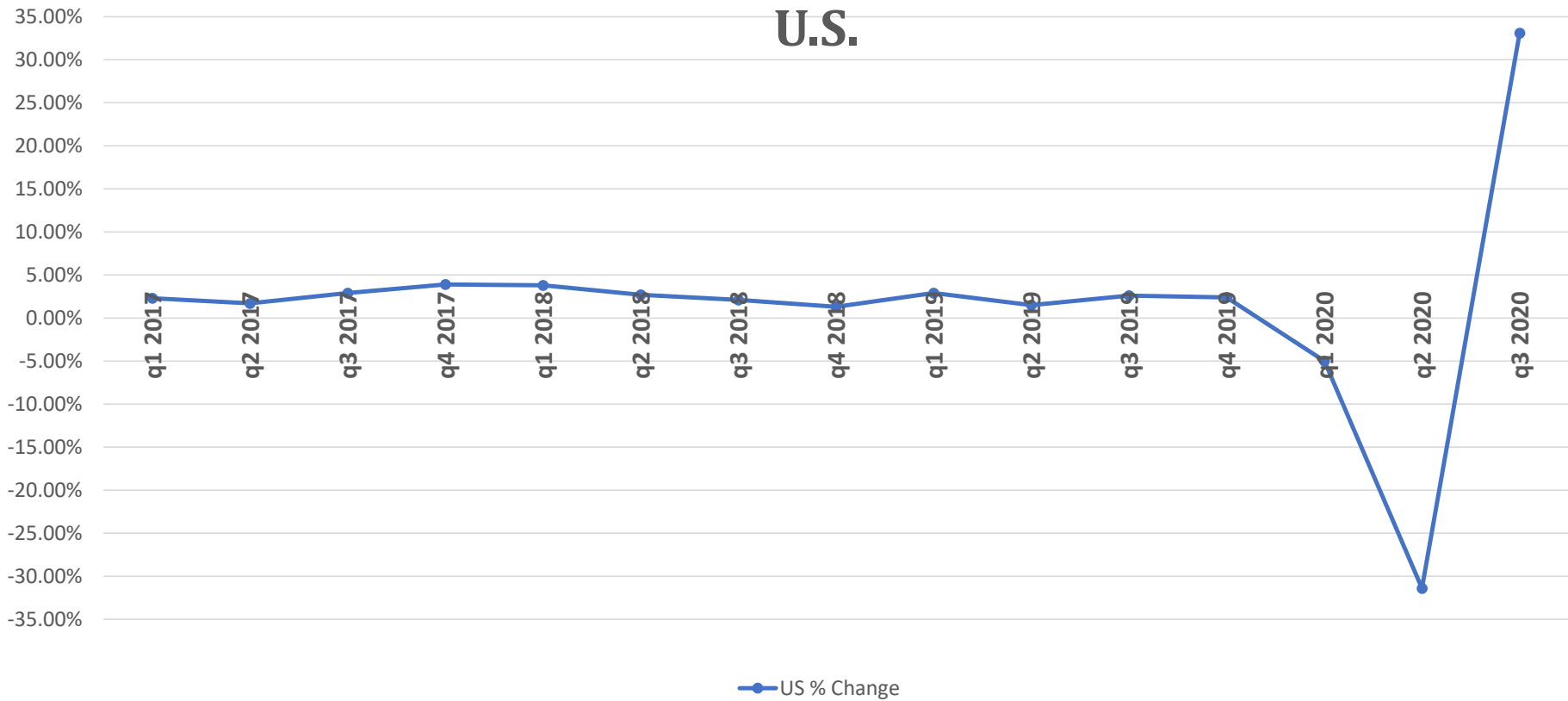
U.S. and CA *(before COVID-19)*



Source: Bureau of Economic Analysis
And CA Department of Finance

(1) Through 2nd quarter 2020

% CHANGE IN QUARTERLY GROSS DOMESTIC PRODUCT U.S.



Source: Bureau of Economic Analysis

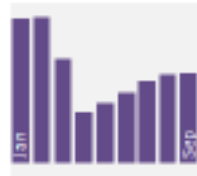
Seasonally adjusted at annual rates

ANNUAL ECONOMIC GROWTH												
Percent change in inflation-adjusted Gross Domestic Product (real GDP).												
2019 Ranking (high to low)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 (thru 2nd qtr)	2019 Ranking (high to low)
Texas	2.4	3.2	5.0	4.3	3.5	4.8	0.2	2.9	4.0	4.4	-29.0	1
Washington	2.3	1.7	3.4	2.6	3.6	4.4	3.5	5.2	5.8	3.8	-25.5	2
Nevada	1.2	0.7	-1.3	0.2	1.3	4.2	2.9	3.2	4.2	2.9	-42.2	9
CALIFORNIA	1.6	1.6	2.5	3.6	4.1	5.0	3.0	4.4	4.3	2.6	-7.8	15
UNITED STATES	2.6	1.6	2.2	1.8	2.5	2.9	1.6	2.4	2.9	2.3	-31.4	
New York	3.8	0.0	4.2	-0.2	2.3	1.7	1.3	2.1	1.2	1.8	-36.3	31
Source: U.S. Bureau of Economic Analysis												
Department of Finance												
Economic Research												
(916) 322-2263												

California Economy

Jan 2020 to Sep 2020

Measured by 10 key variables



The graph on the left shows a composite of the 10 variables. Individual data shown below.

Jobs



Payrolls



New Unemployment



Restaurant Spending



Total Unemployment



Entertainment Spending



Home Building (August)



Total Consumer Spending



Stock Market



New Business Formations

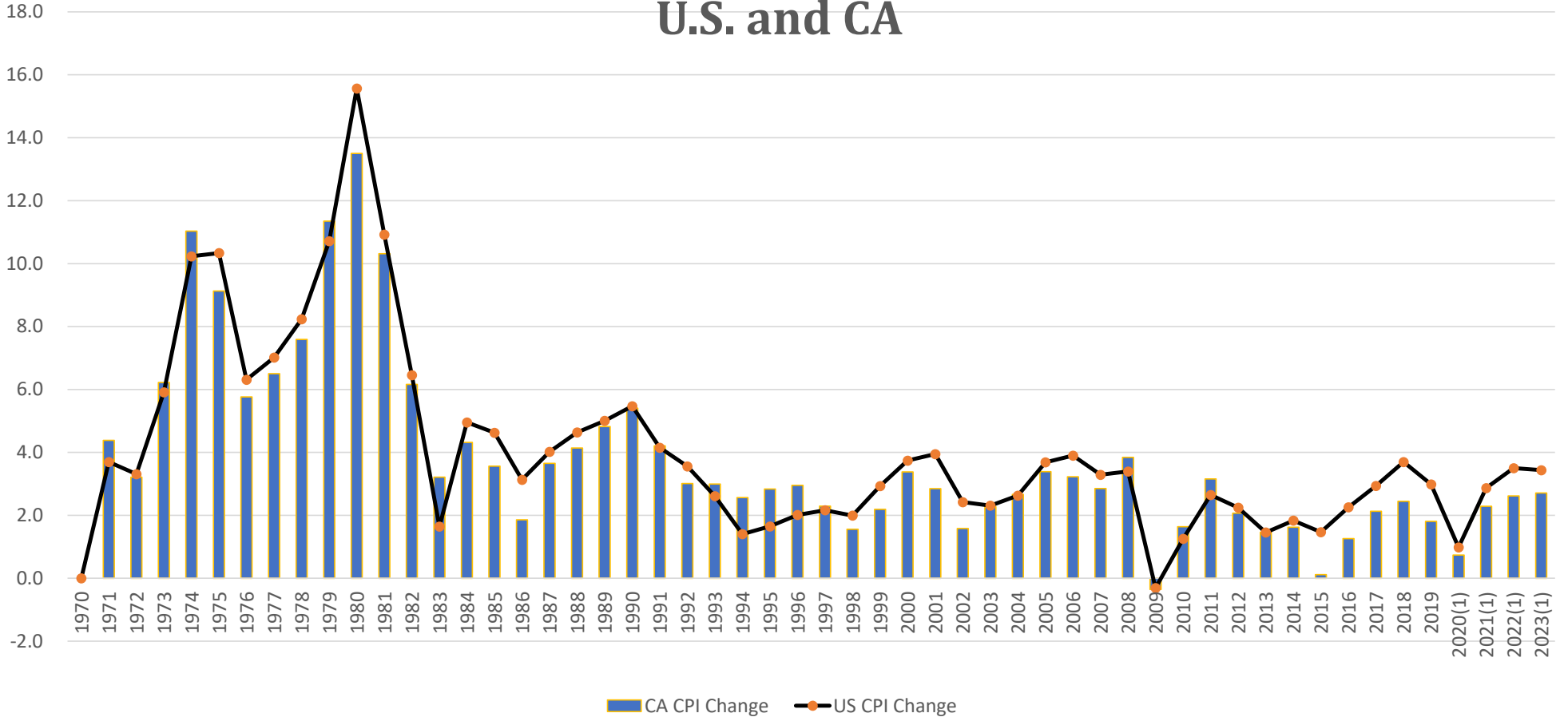


SNAPSHOT CALIFORNIA ECONOMY January to September 2020

Legislative Analyst's Office, 23 October 2020

CONSUMER PRICE INDEX

U.S. and CA

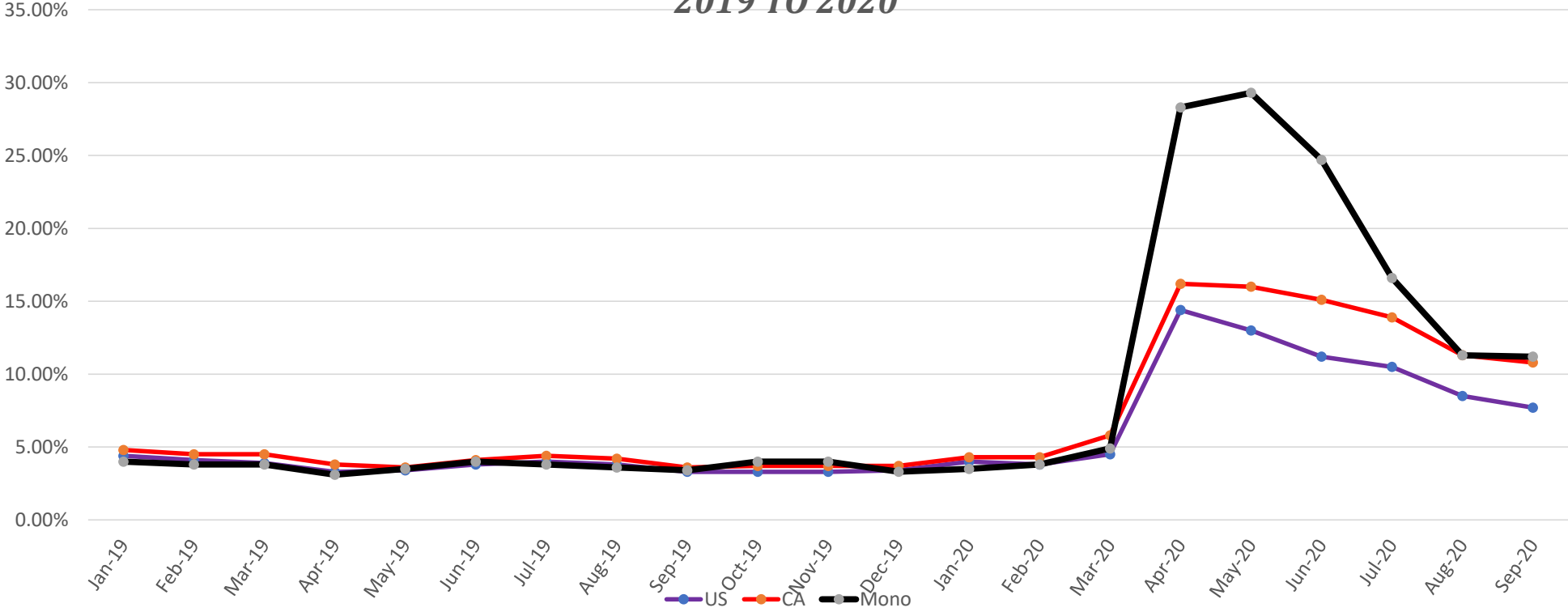


SOURCE: Bureau of Labor Statistics
And CA Department of Finance

(1) forecasted
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MONTHLY RATE OF UNEMPLOYMENT

2019 TO 2020



Monthly rate reported by underlying source
 SOURCE: U.S. Bureau of Labor Statistics
 Not seasonally adjusted,

Month-to-Month Change in Personal Income in a COVID-19 Pandemic

SOURCE: U.S. Bureau of Economic Analysis

Personal Income and Outlays, August 2020

August 2020	-2.7%
July 2020	0.5%

Personal income decreased 2.7 percent while consumer spending increased 1.0 percent in August, according to estimates released today by the Bureau of Economic Analysis.

 Current Release

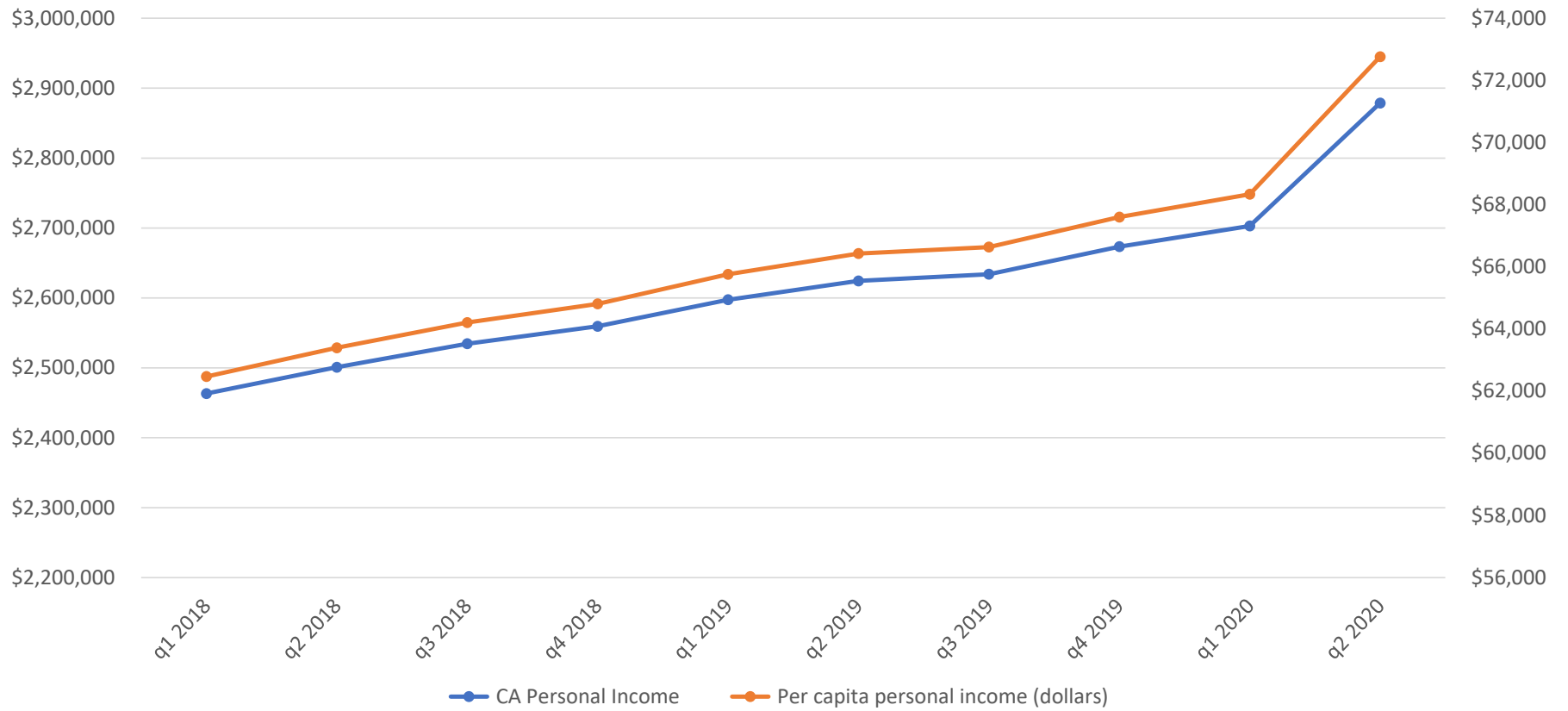
[Quick Guide: Personal Income and Outlays Releases](#)

Current release: October 1, 2020

Next release: October 30, 2020



CA PERSONAL INCOME

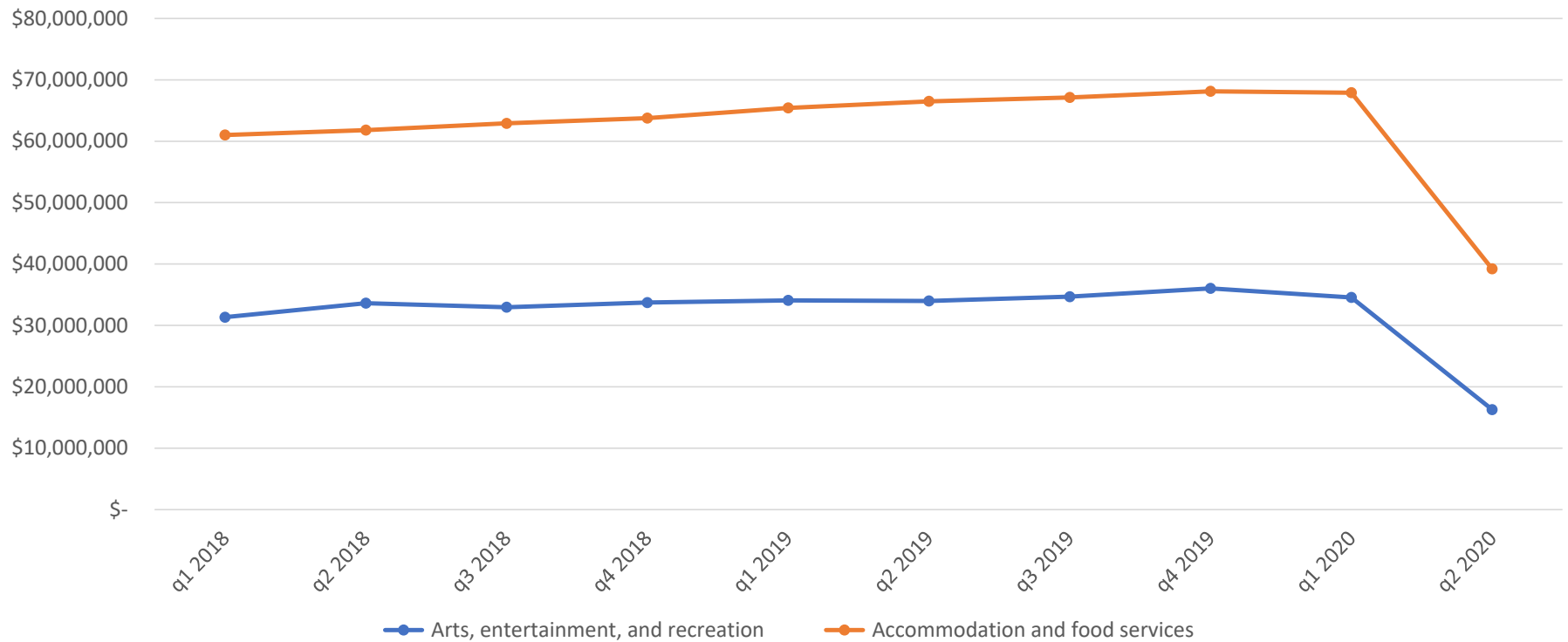


SOURCE: Bureau of Economic Analysis
Millions of dollars, seasonally adjusted

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CA EARNINGS BY INDUSTRY

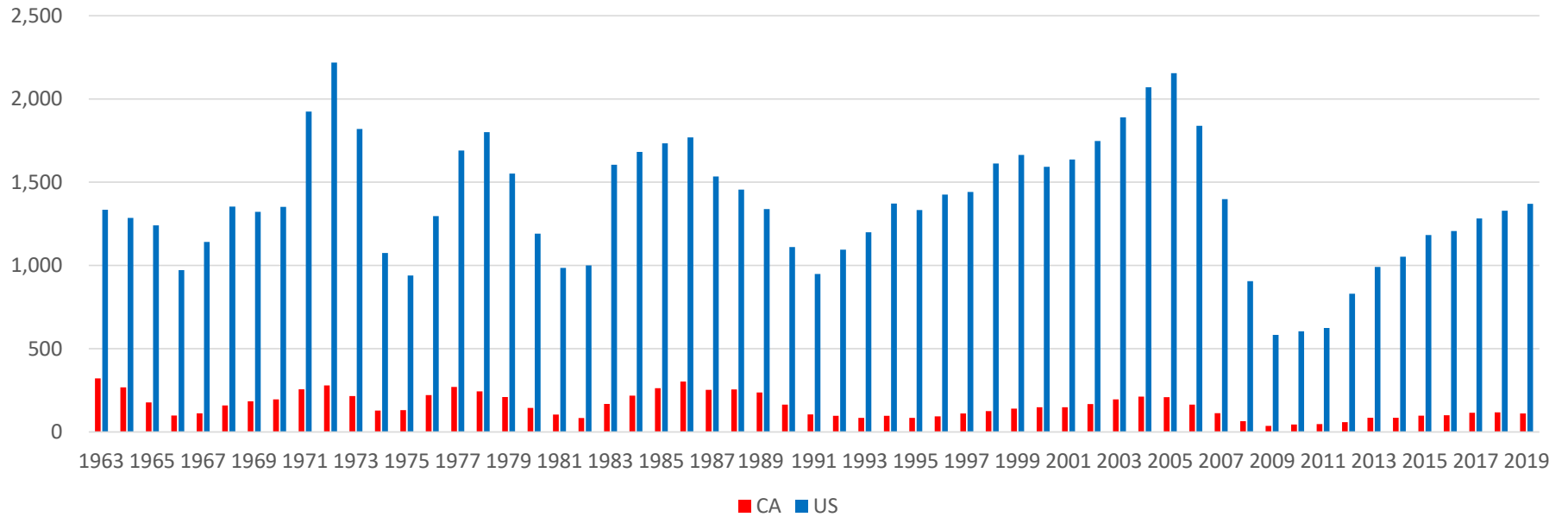
Select Industries



SOURCE: Bureau of Economic Analysis
Thousands of dollars, seasonally adjusted

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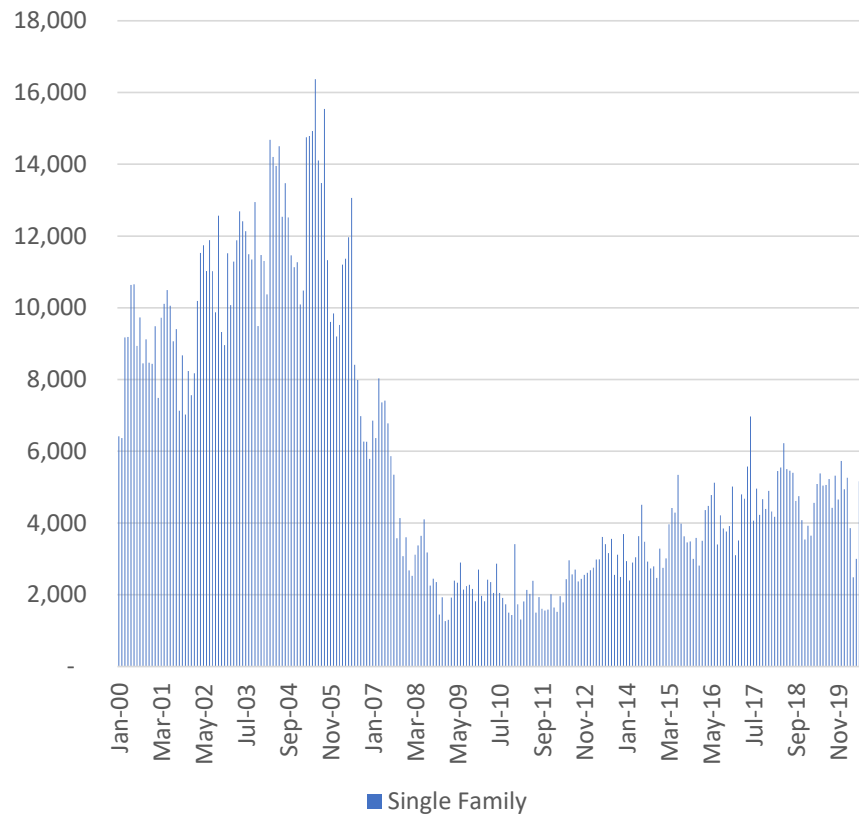
HOUSING ACTIVITY CA and US *Permits Issued (in thousands)*



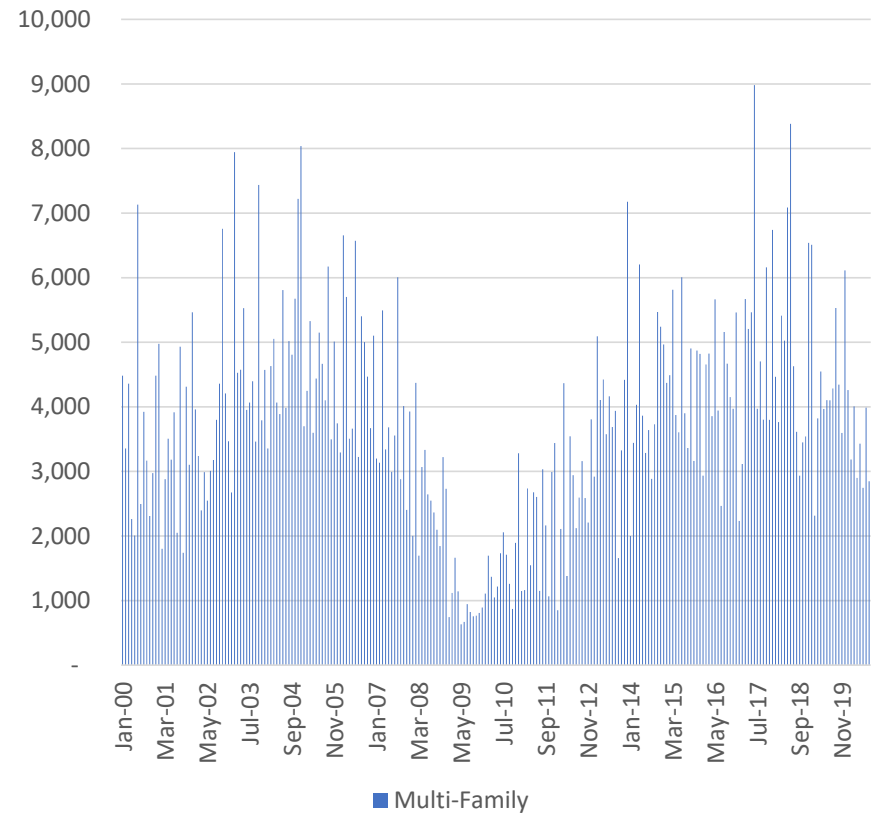
SOURCE: CA Department of Finance

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CA Single Family Permits



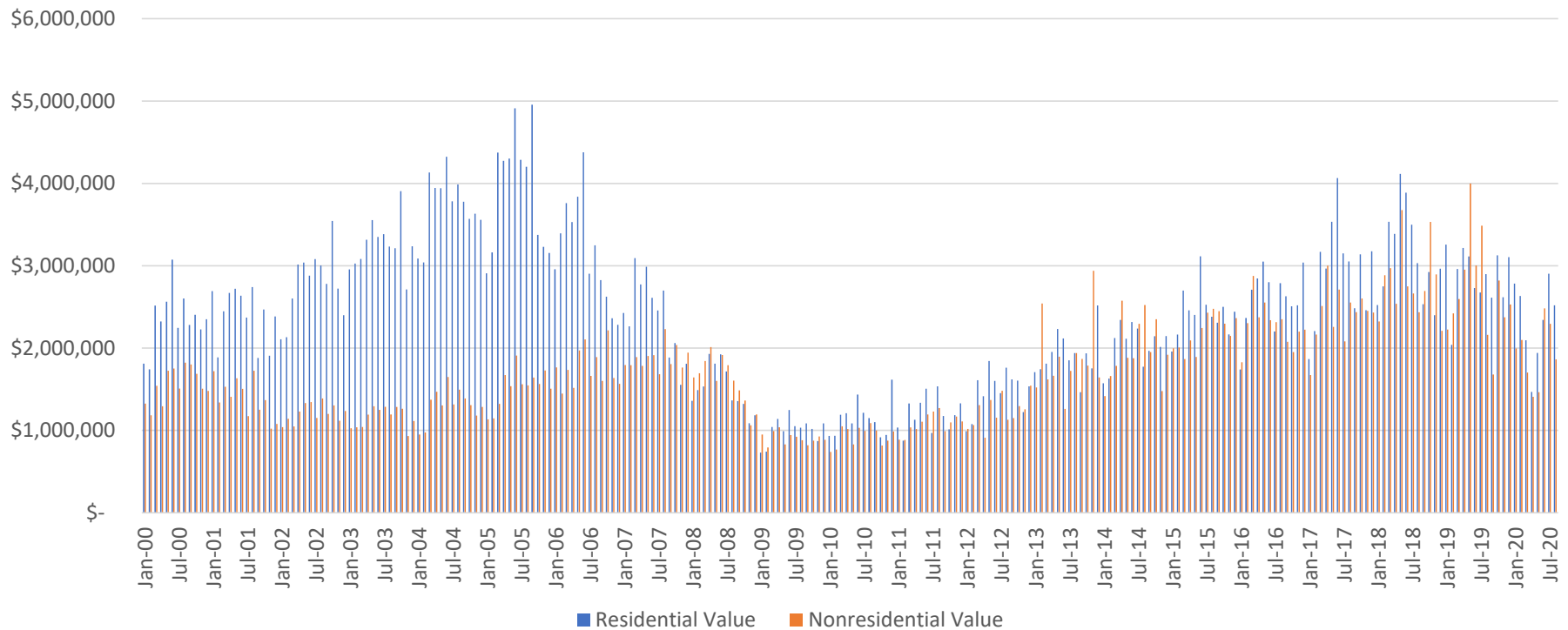
CA Multi-Family Permits



SOURCE: CA Department of Finance

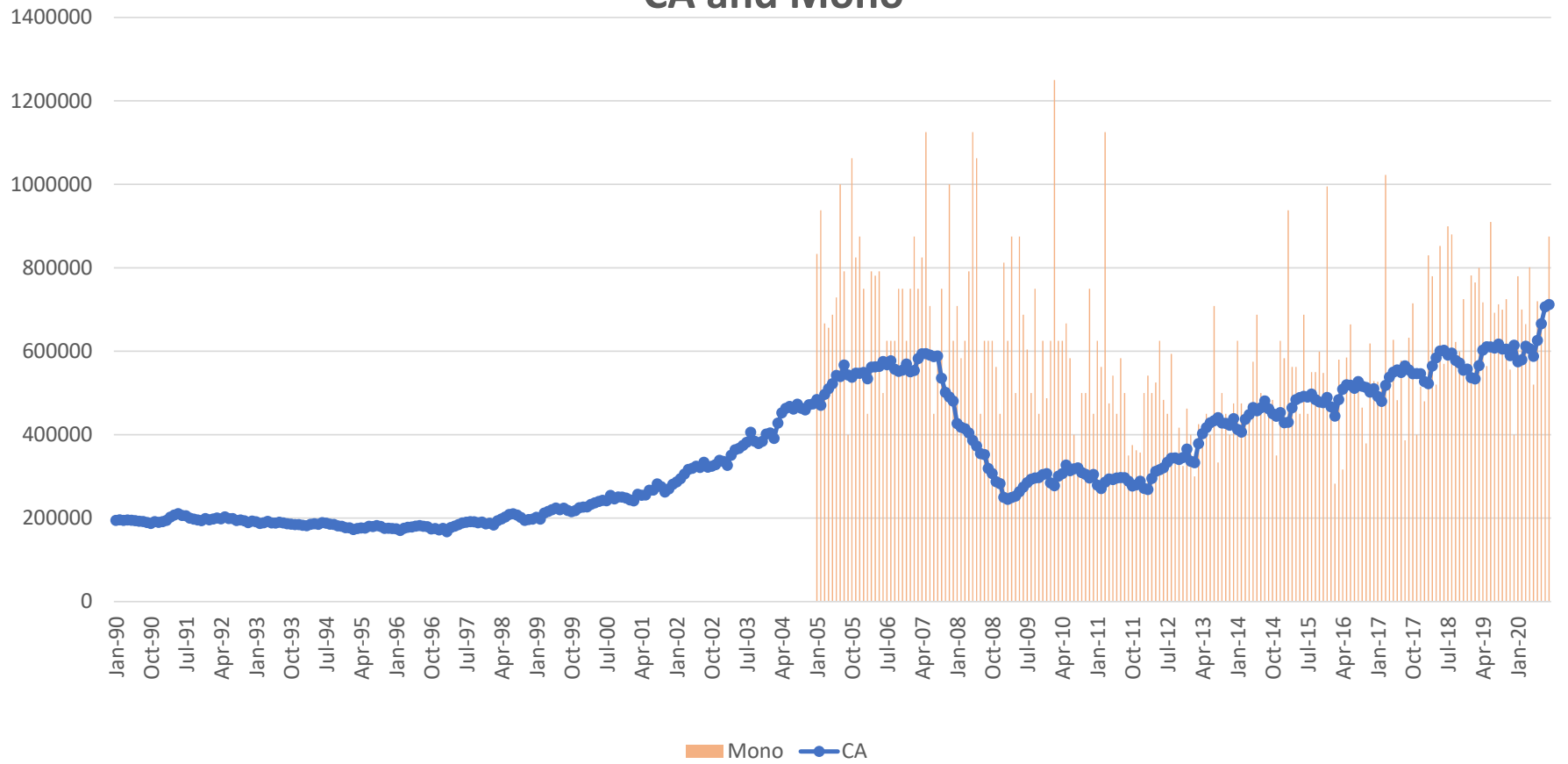
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CA Construction – Permit Value



SOURCE: CA Department of Finance
In Thousands

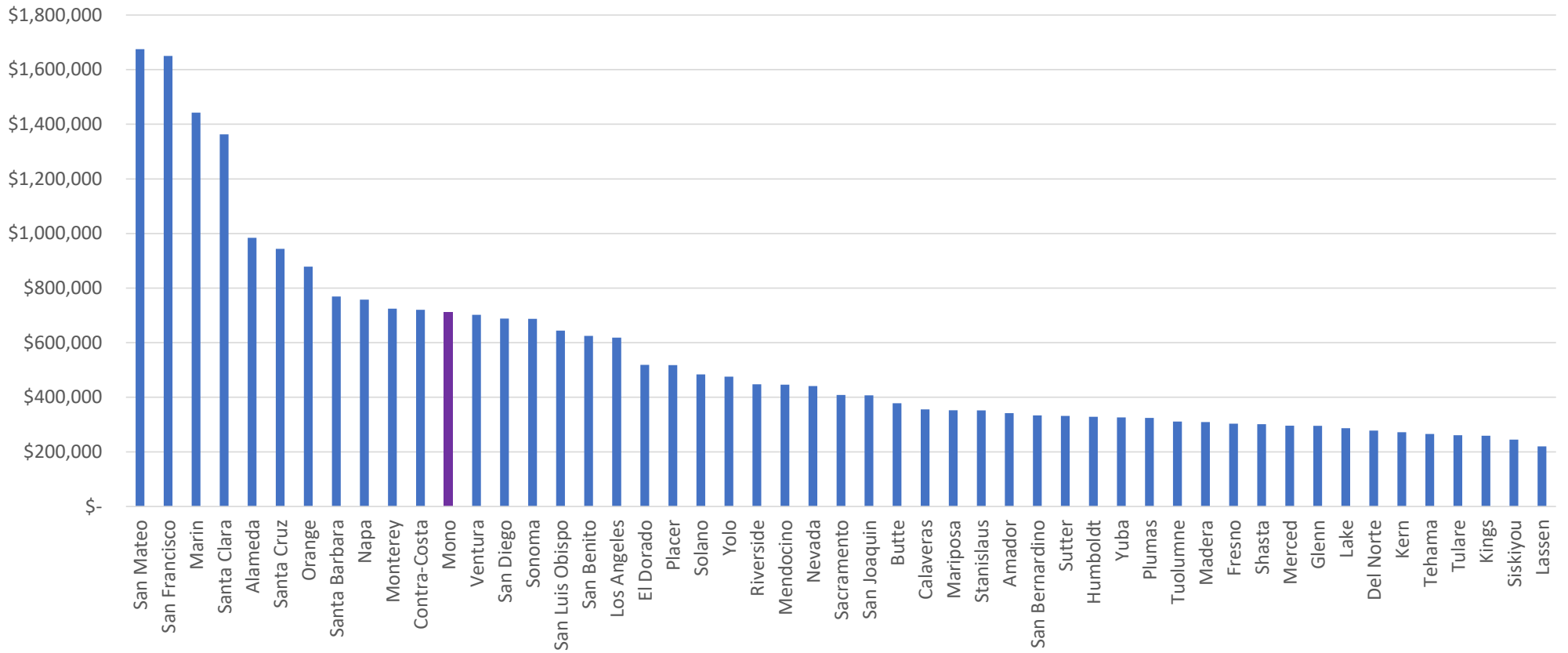
Median Price of Existing Single Family Homes CA and Mono



SOURCE: CA Association of Realtors

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2020 Average Median Price of Existing Single Family Homes By County



HOW LONG WILL THIS RECESSION LAST

- State Controller Betty Yee – 2022 or 2023
 - State 2020/21 deficit = \$54B
 - State 2021/22 deficit = \$8.7B
 - State rainy day fund depleted 2022/23
- UCLA Anderson School of Economics – 2 years
- CA DOF – gradual, measured and restrained

Long Term Revenue Forecast – Three Largest Sources
(General Fund Revenue – Dollars in Billions)

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Average Year-Over-Year Growth
Personal Income Tax	\$99.2	\$94.8	\$76.8	\$76.8	\$81.4	\$87.7	-1.9%
Sales and Use Tax	\$26.1	\$24.9	\$20.6	\$23.7	\$24.6	\$25.4	0.0%
Corporation Tax	\$14.1	\$13.9	\$16.6	\$15.9	\$16.0	\$14.9	1.6%
Total	\$139.4	\$133.6	\$114.0	\$116.4	\$122.0	\$128.0	-1.4%
Growth	6.4%	-4.2%	-14.6%	2.1%	4.8%	4.9%	

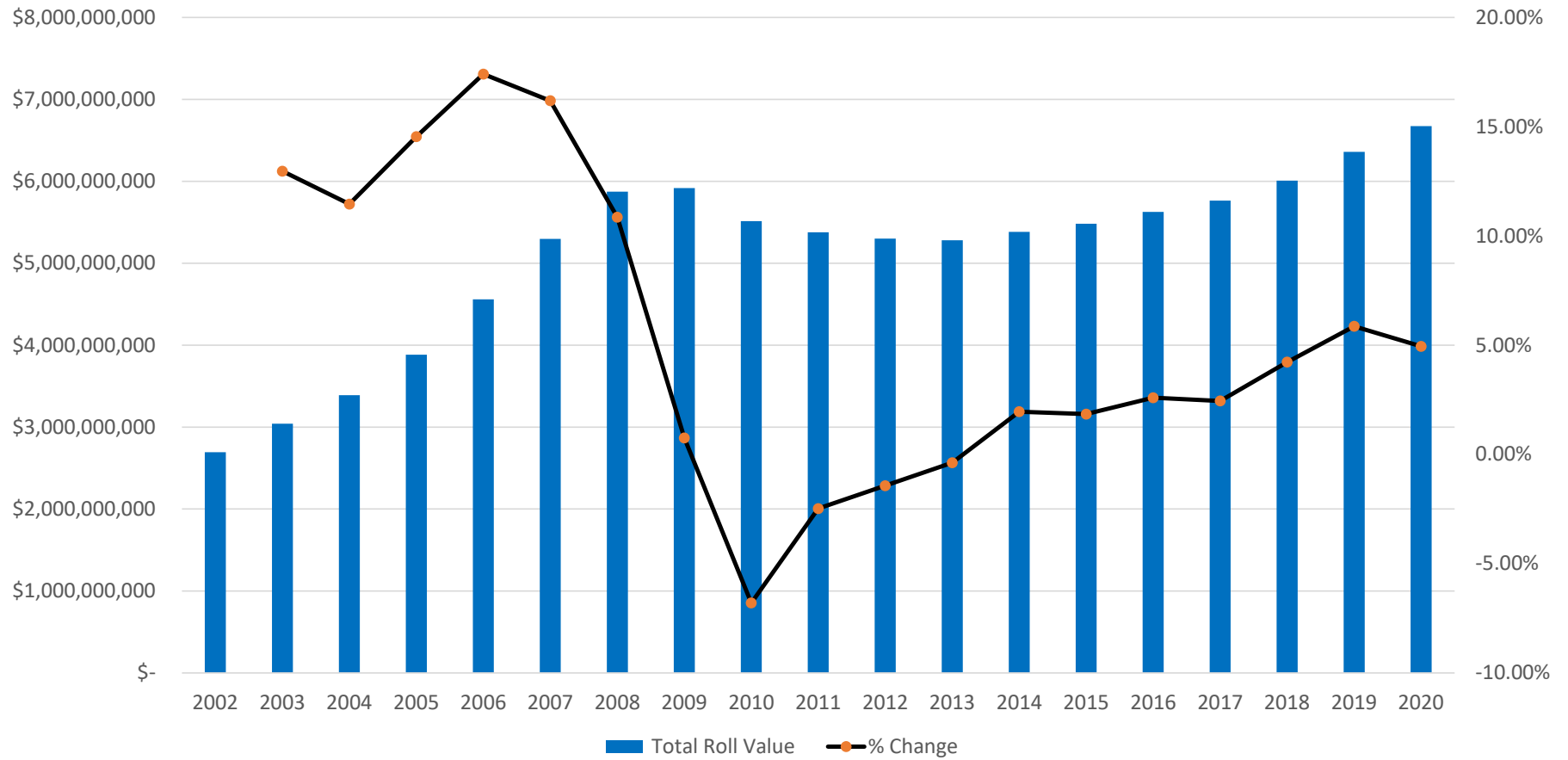
Note: Numbers may not add due to rounding.
Source: California Department of Finance, May Revision Forecast

MONO COUNTY - Local Economy



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TOTAL PROPERTY TAX ROLL VALUE

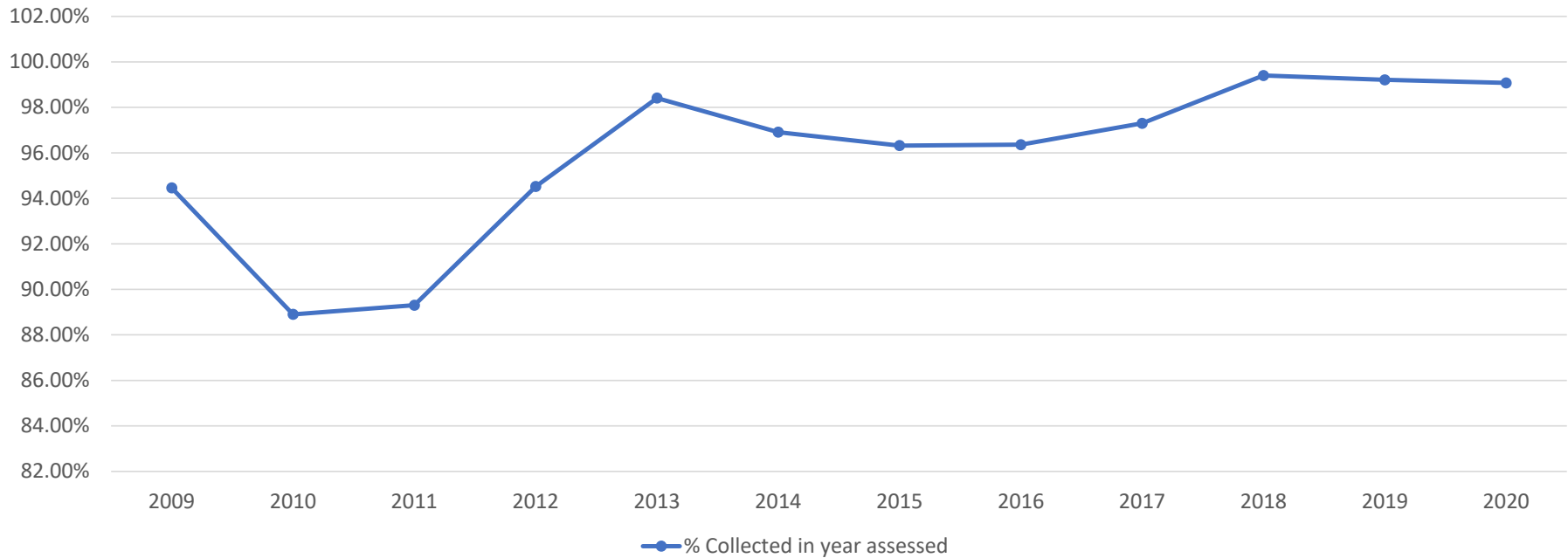


Data based on actuals, includes current secured, and unsecured values. Excludes unitary values

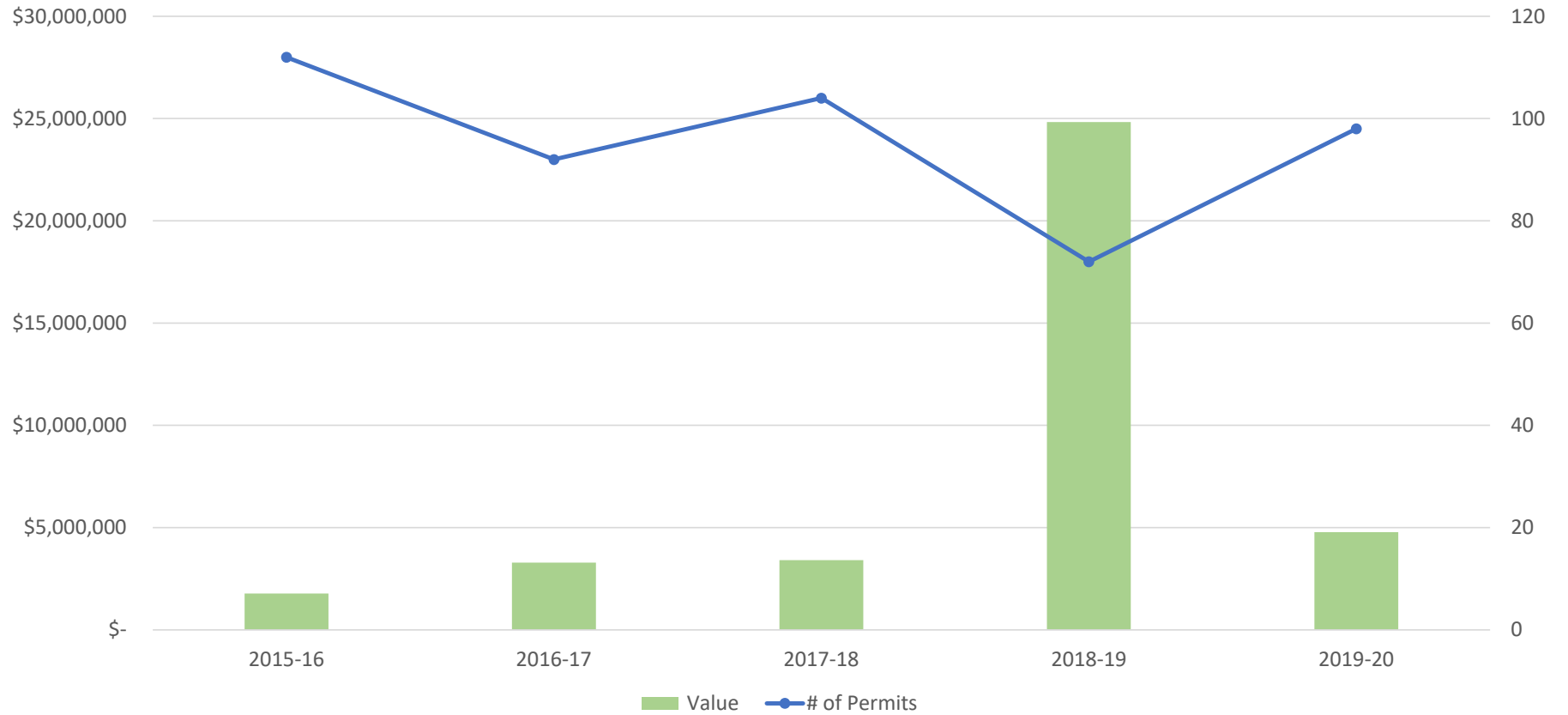
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PT Collection Rate is Increasing?

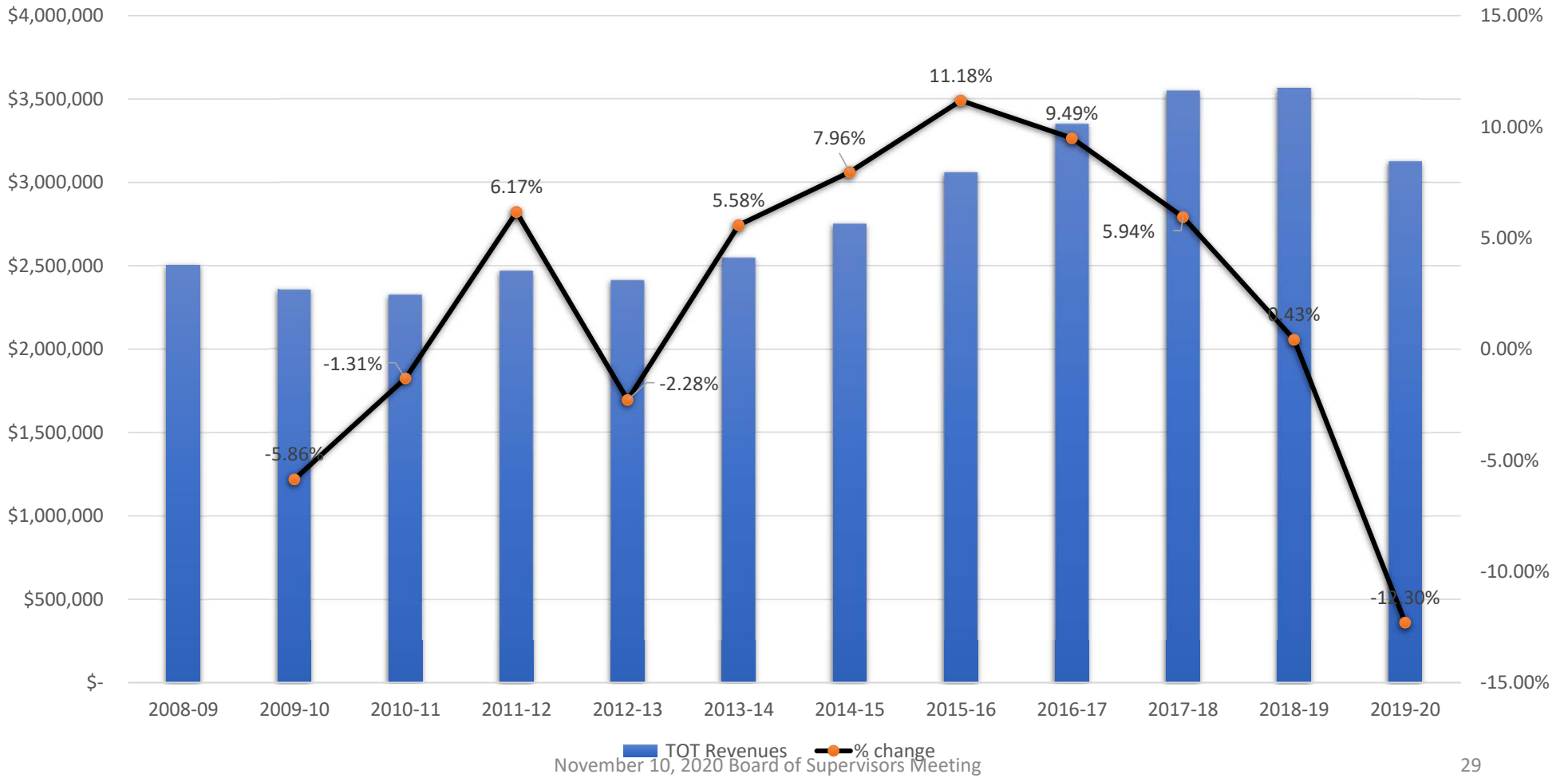
Property Taxes Collected in Year of Levy



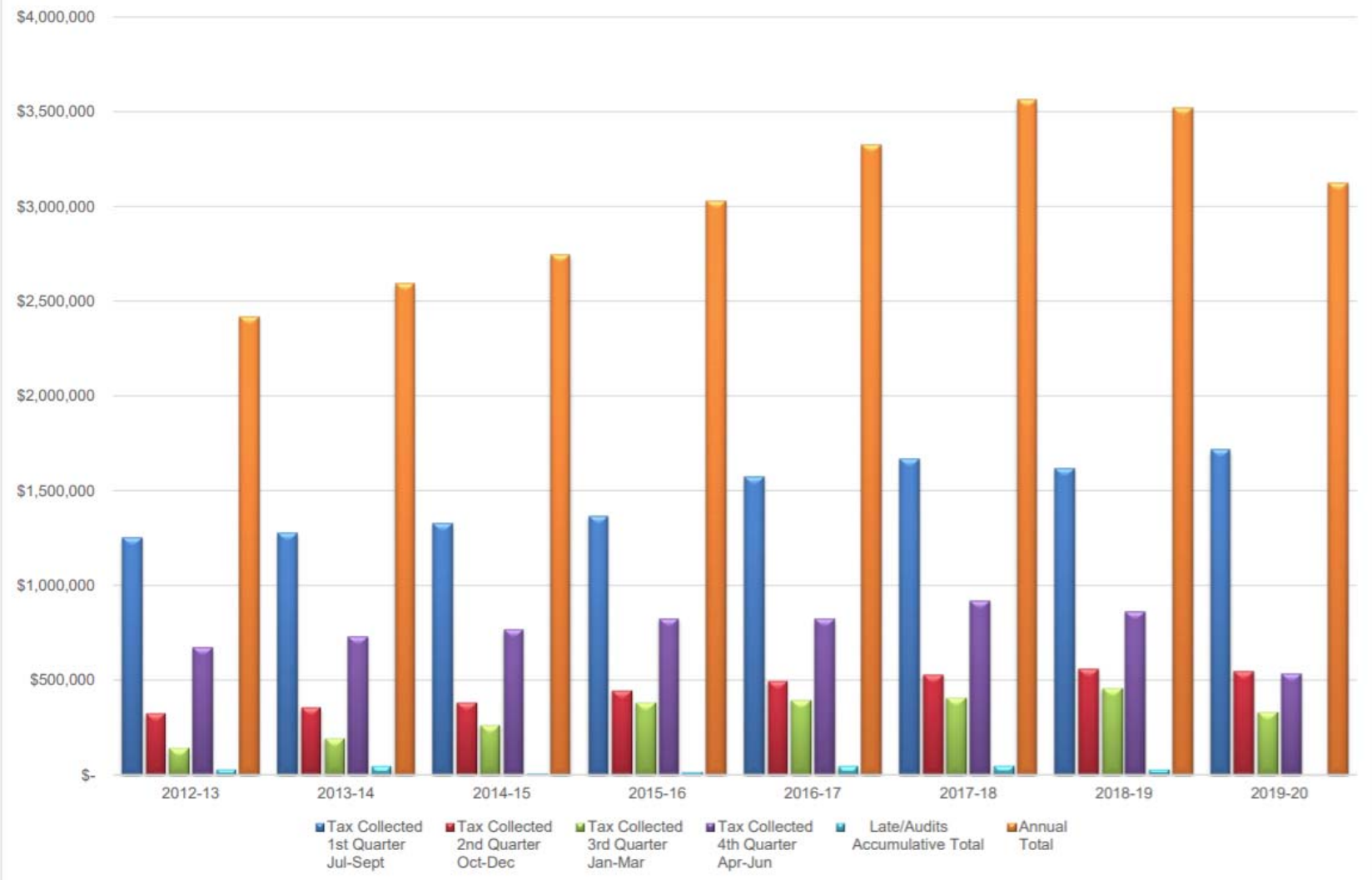
Mono County Building Permits



TRANSIENT OCCUPANCY TAX REVENUES

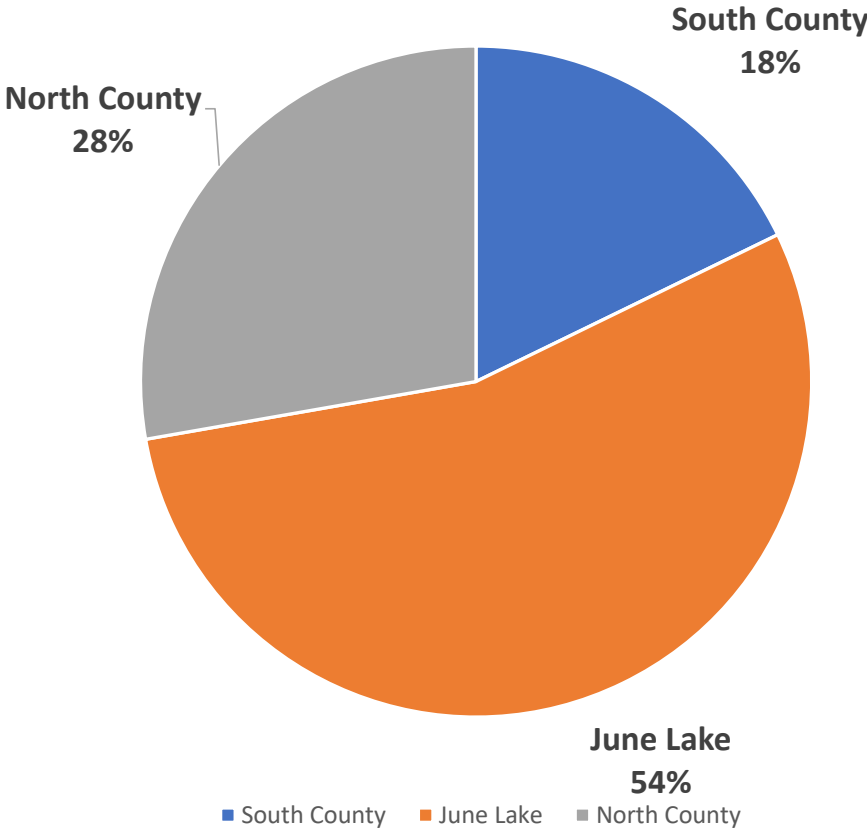


HISTORICAL TRANSIENT OCCUPANCY TAX

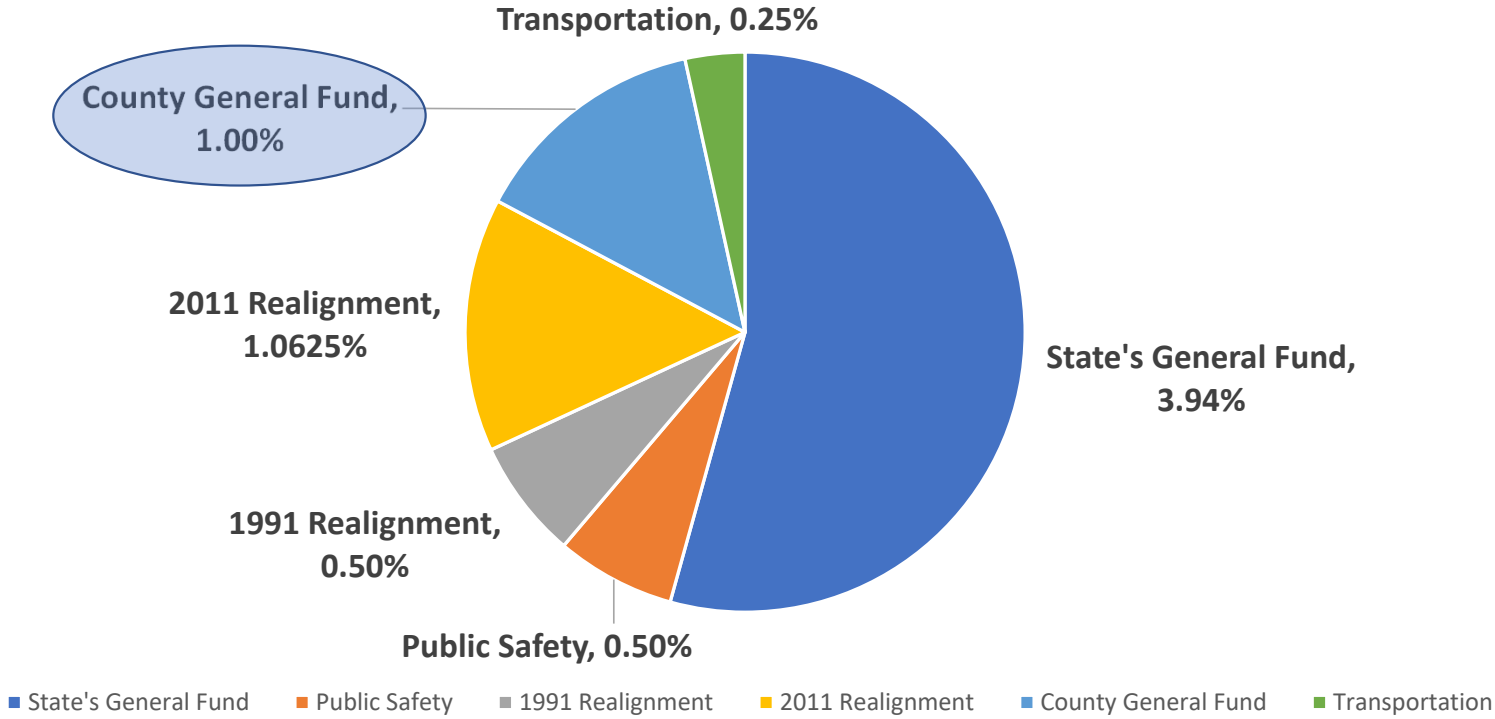


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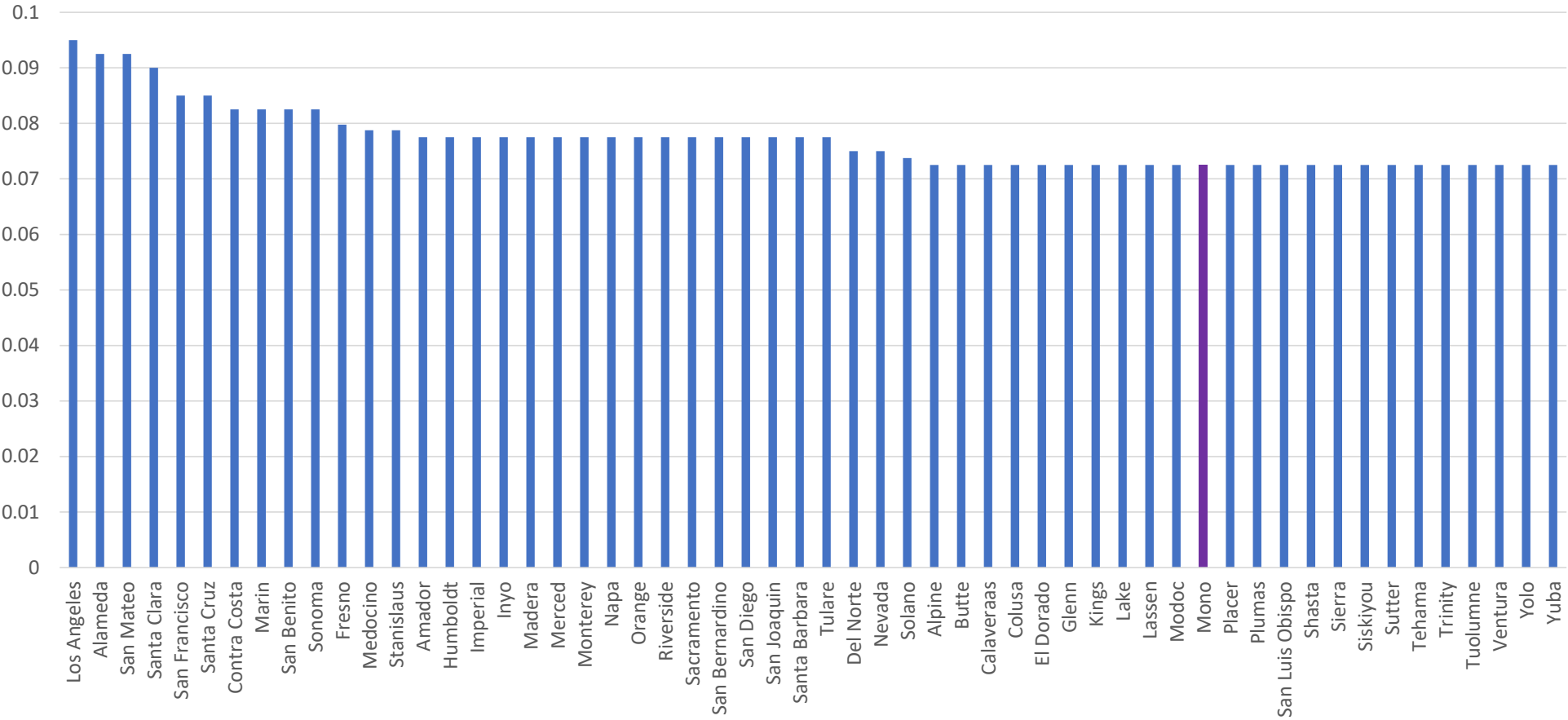
2019-20 District TOT Collections



Mono County Sales Tax Rate: 7.25% (lowest)

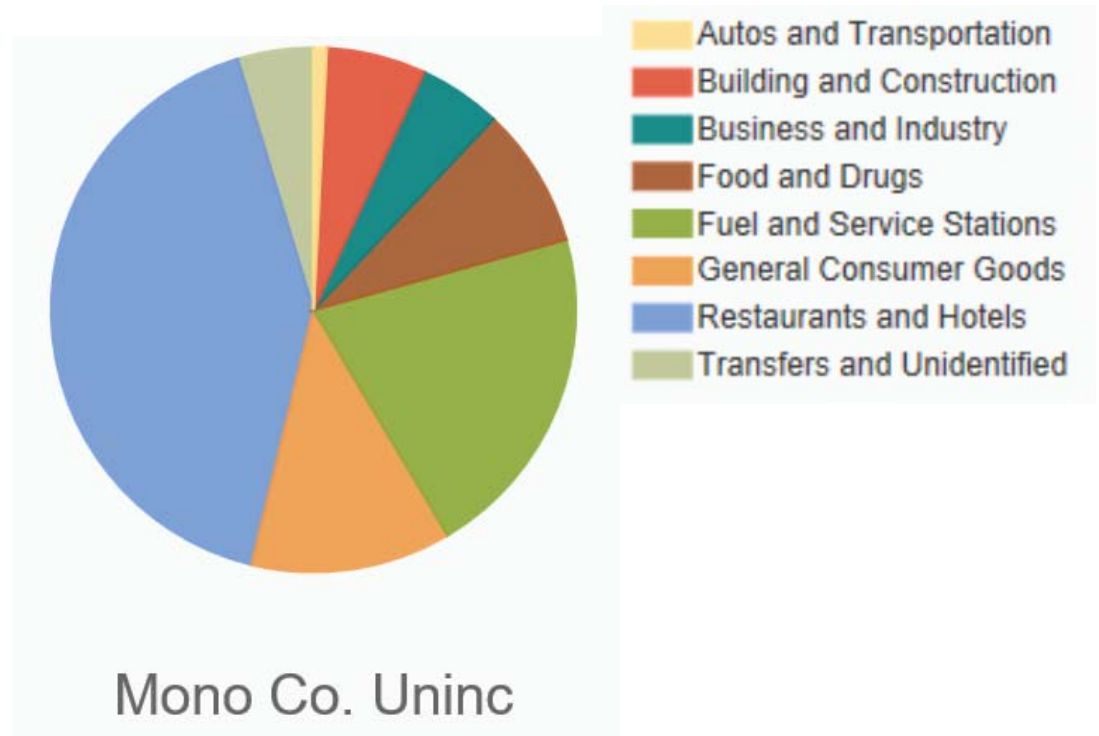
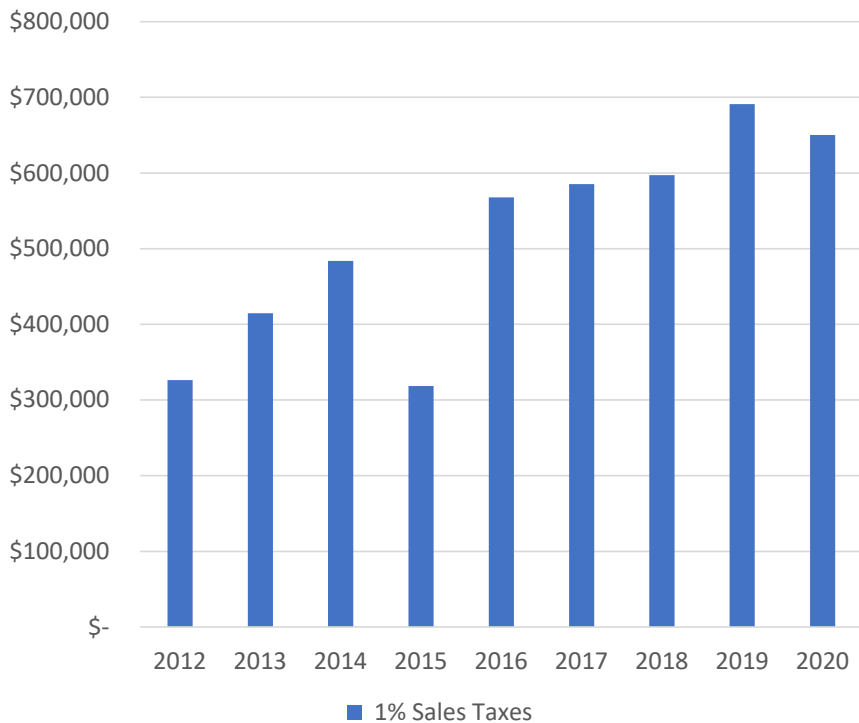


County Sales Tax Rates



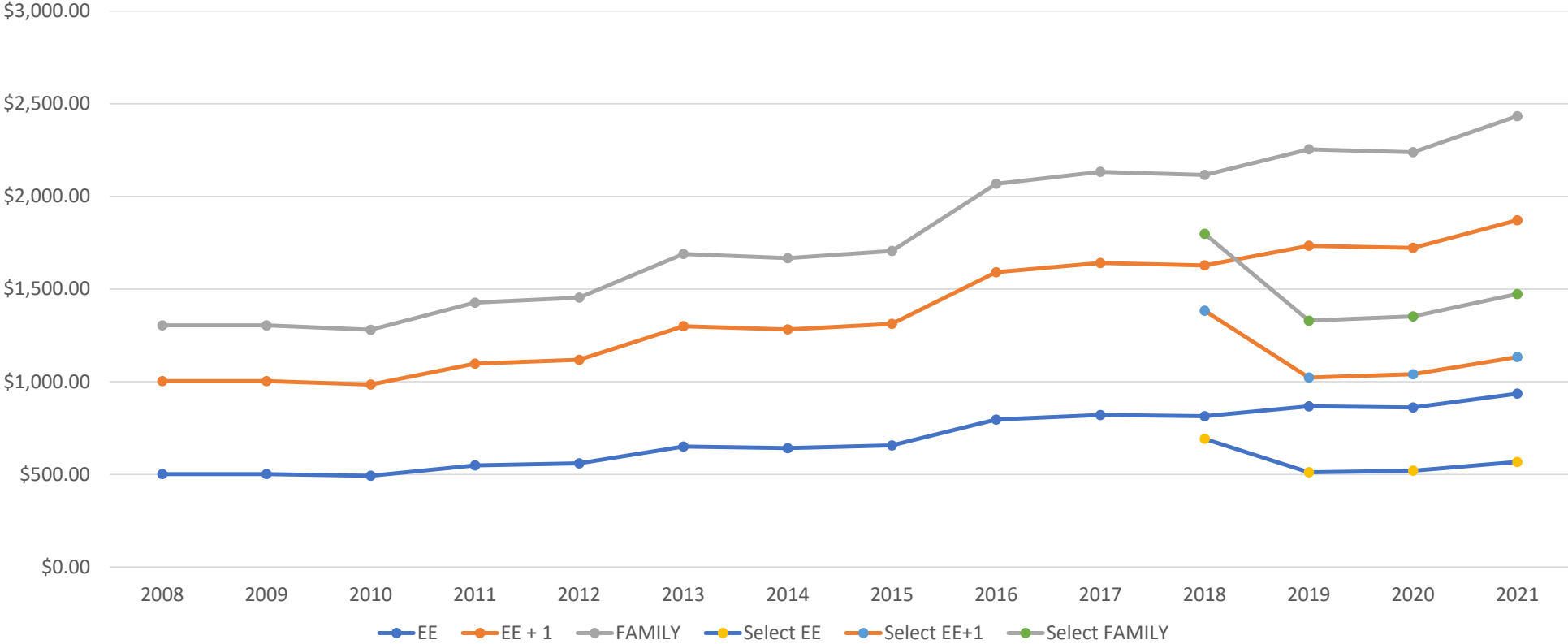
Mono County Sales Taxes – 1%

½% add on District Tax generates approximately \$345,000 additional revenues

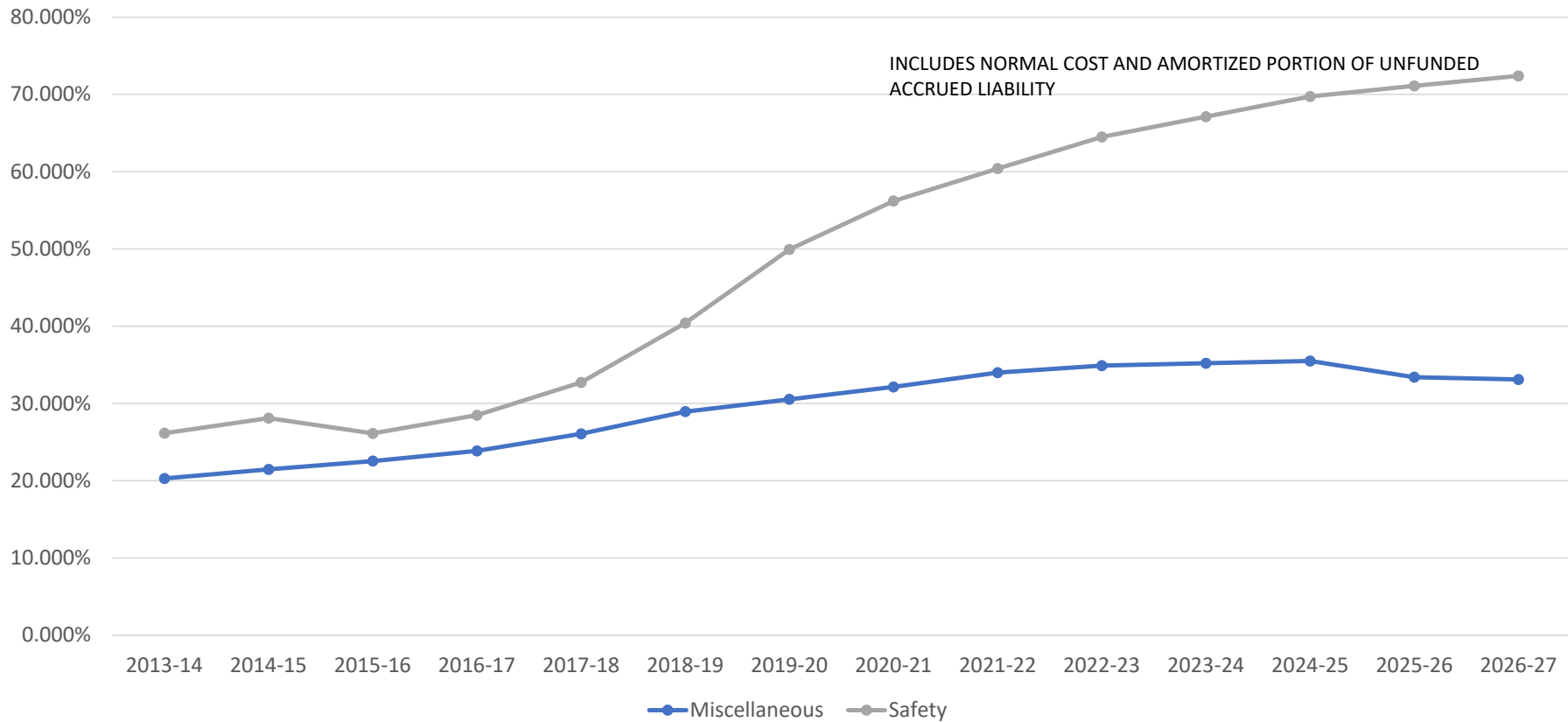


ECONOMIC INDICATOR: HEALTH CARE

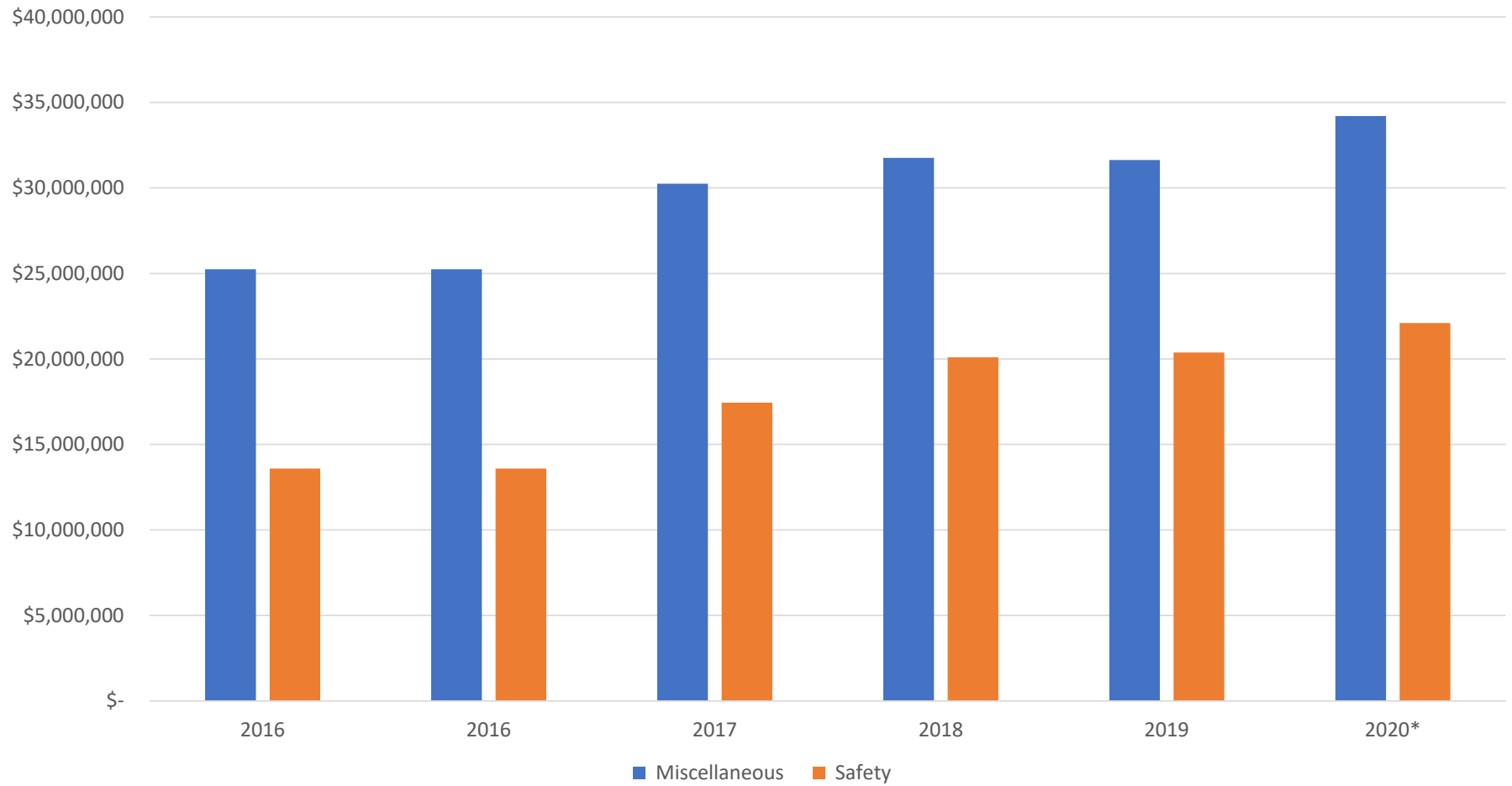
PERS CHOICE AND SELECT – RATES PER MONTH PER COVERAGE TIER



PERS CONTRIBUTION RATES – Pre COVID-19



NET UNFUNDED PENSION LIABILITY



* Estimate

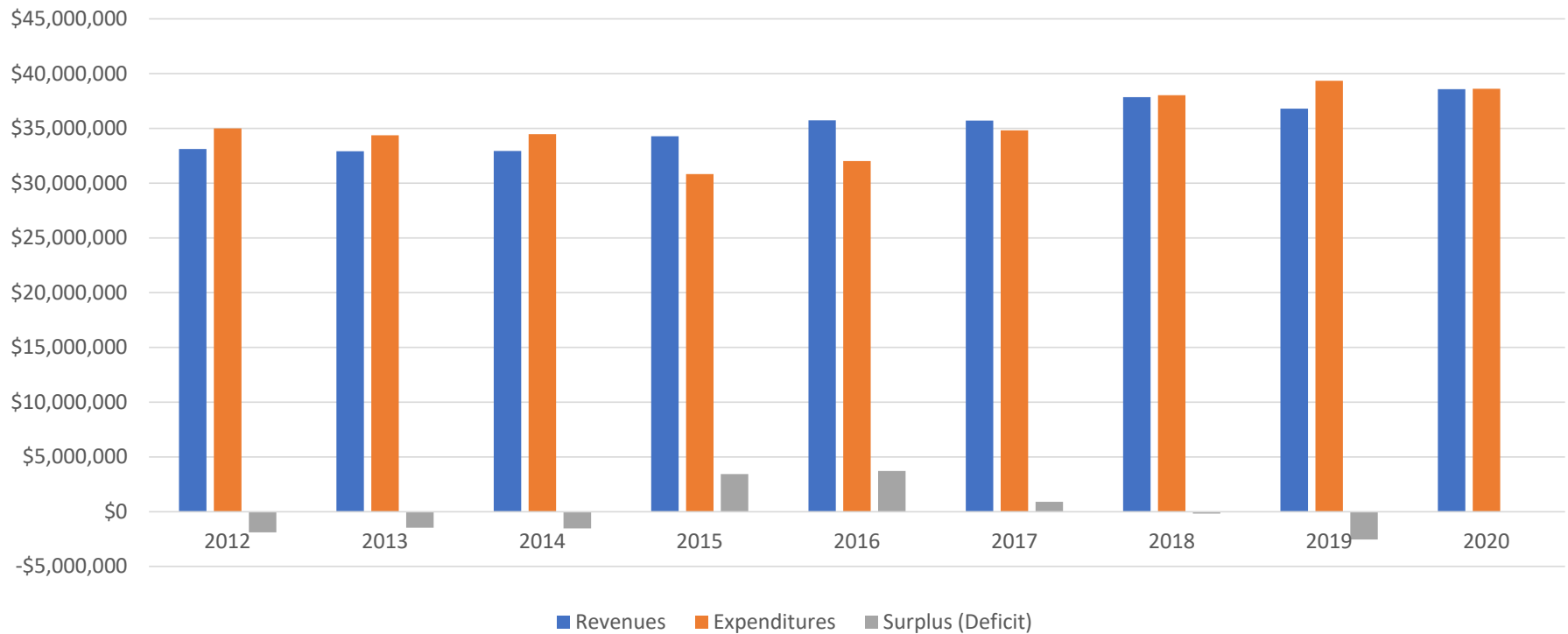
Mono County

General Fund Fiscal Analysis



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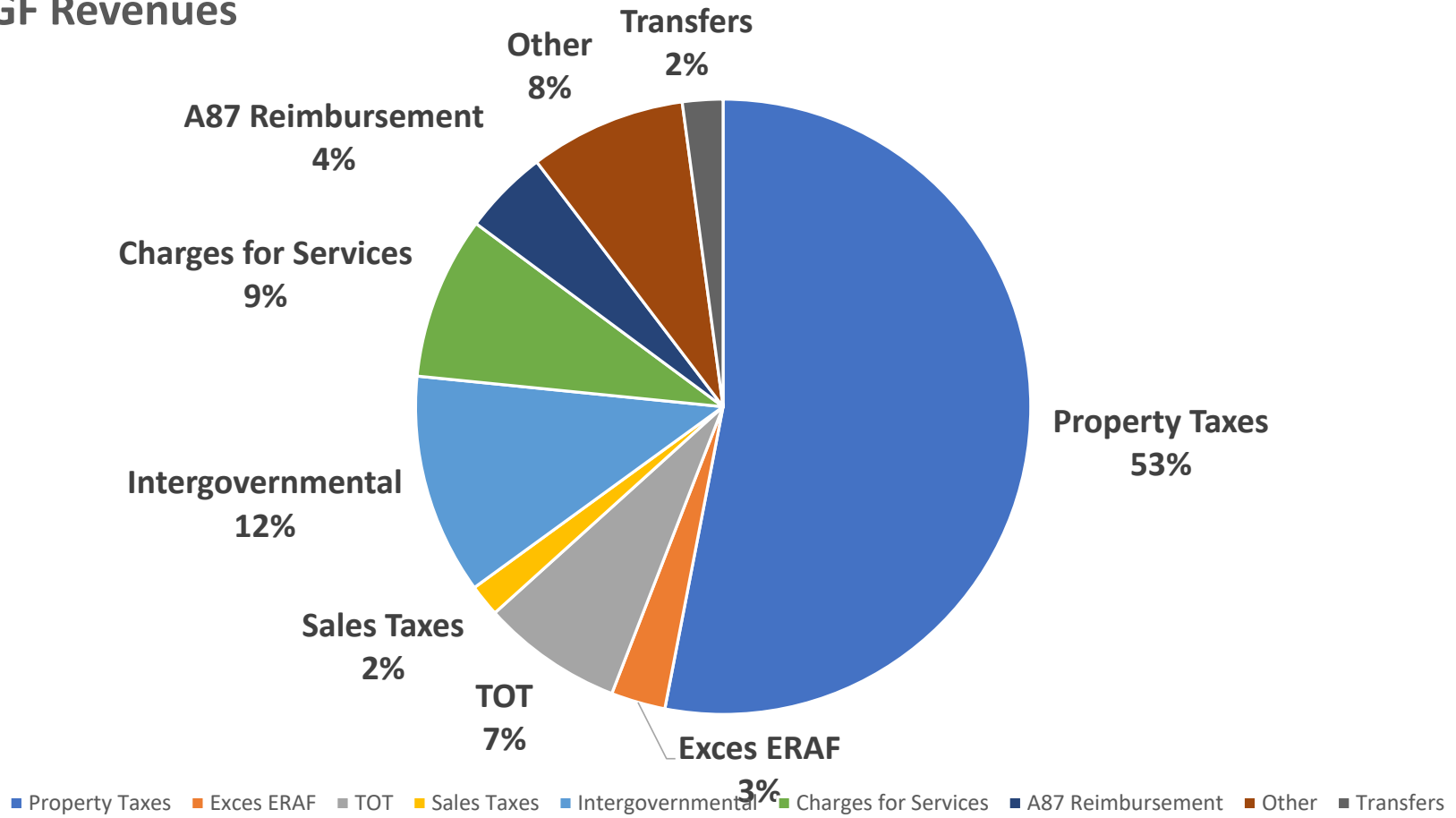
GF FISCAL PERFORMANCE – 9 YEARS



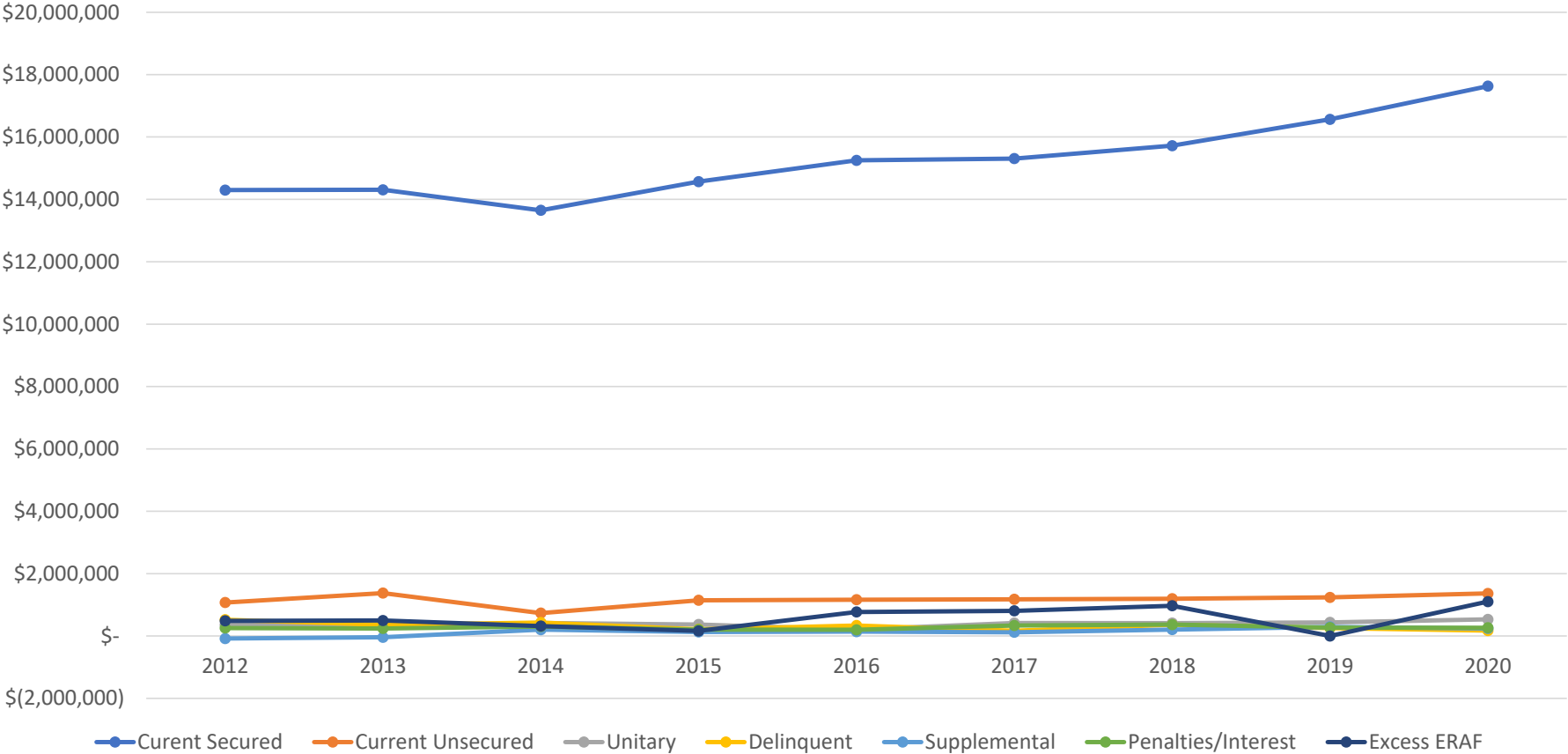
GF FISCAL PERFORMANCE 2016 – 2020 (Actuals)	2016	2017	2018	2019	2020
Discretionary Revenue	\$25,816,000	\$26,315,000	\$28,530,000	\$28,584,000	\$30,593,000
Program Revenue	9,926,000	9,409,000	9,332,000	8,219,000	7,996,000
TOTAL REVENUES	35,742,000	35,723,000	37,862,000	36,803,000	38,589,000
Salaries and Benefits	22,020,000	22,432,000	24,285,000	24,852,000	25,468,000
Services and Supplies	8,044,000	8,494,000	9,820,000	10,033,000	9,383,000
Capital outlay and Debt Service	280,000	668,000	393,000	208,000	165,000
Contributions and Transfers	1,636,000	1,850,000	2,627,000	2,724,000	3,269,000
TOTAL EXPENDITURES	31,980,000	33,444,000	37,125,000	37,817,000	38,285,000
NET CHANGE IN FUND BALANCE	3,762,000	2,279,000	737,000	(1,014,000)	304,000
Transfers to Reserves	(39,000)	(1,374,000)	(910,000)	(1,524,000)	(343,000)
FUND BALANCE, Beginning of Year	4,565,000	8,287,000	9,192,000	9,019,000	6,481,000
FUND BALANCE, End of Year	\$8,287,000	\$9,192,000	\$9,019,000	\$6,481,000	\$6,442,000

GF BUDGET TO ACTUAL PERFORMANCE FY 2019-20	BUDGET	ACTUAL	VARIANCE Positive (Negative)
Discretionary Revenue	\$29,587,000	\$30,593,000	\$1,006,000
Program Revenue	8,228,000	7,996,000	(232,000)
TOTAL REVENUES	37,815,000	38,589,000	774,000
Salaries and Benefits	26,252,000	25,468,000	784,000
Services and Supplies	10,981,000	9,383,000	1,598,000
Capital outlay and Debt Service	221,000	165,000	56,000
Contributions and Transfers	3,185,000	3,269,000	(84,000)
Contingency	127,000	--	127,000
TOTAL EXPENDITURES	40,766,000	38,285,000	2,481,000
NET CHANGE IN FUND BALANCE	(2,951,000)	304,000	3,255,000
Transfers to Reserves	(343,000)	(343,000)	--
FUND BALANCE, Beginning of Year	6,481,000	6,481,000	--
FUND BALANCE, End of Year	\$3,187,000	\$6,442,000	\$3,255,000

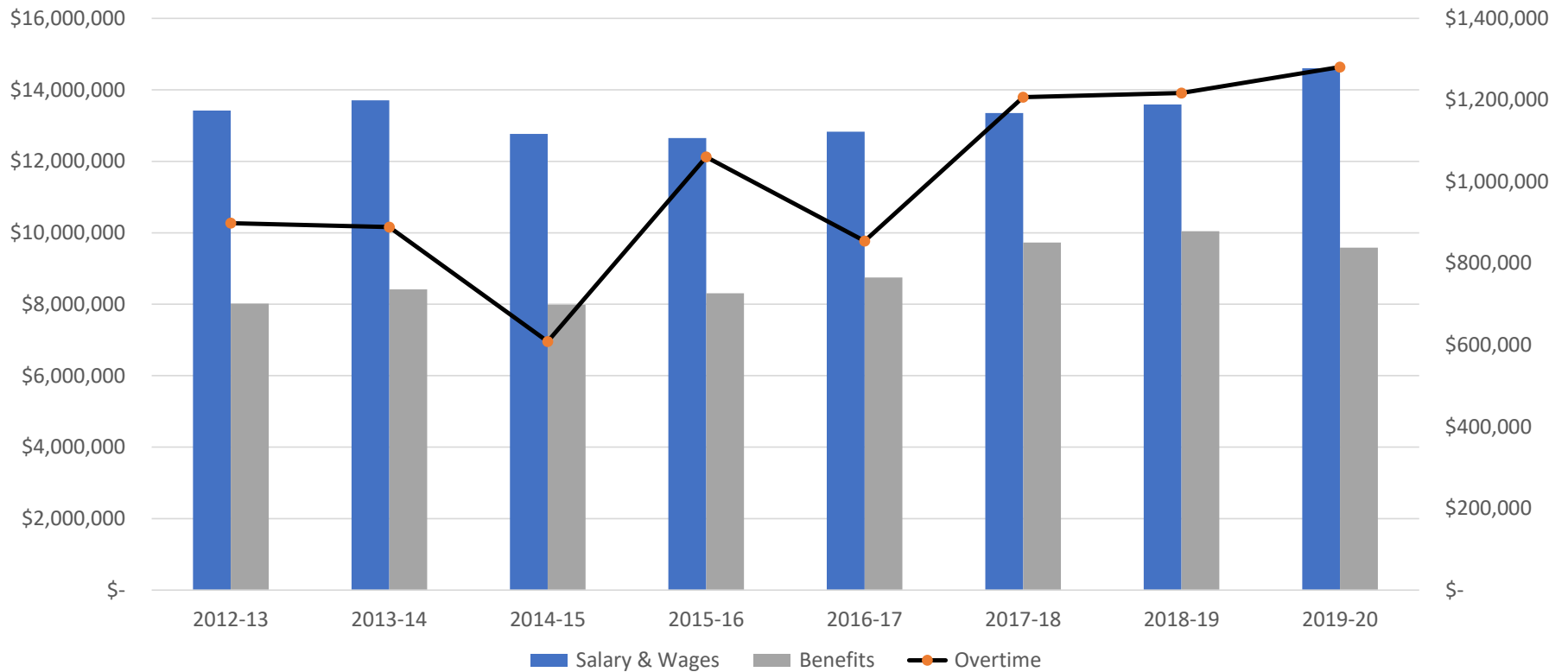
GF Revenues



COMPONENTS OF PROPERTY TAX REVENUES

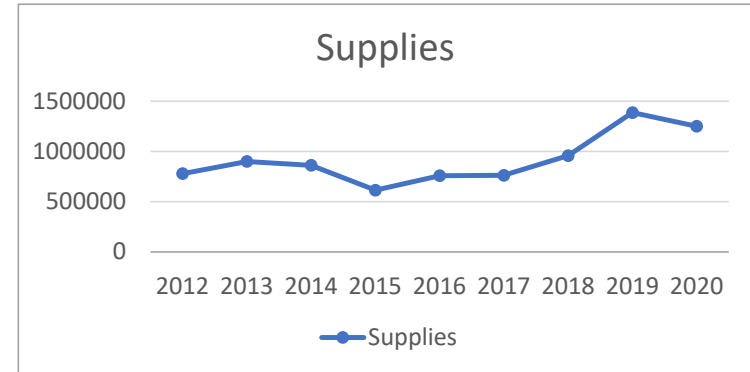
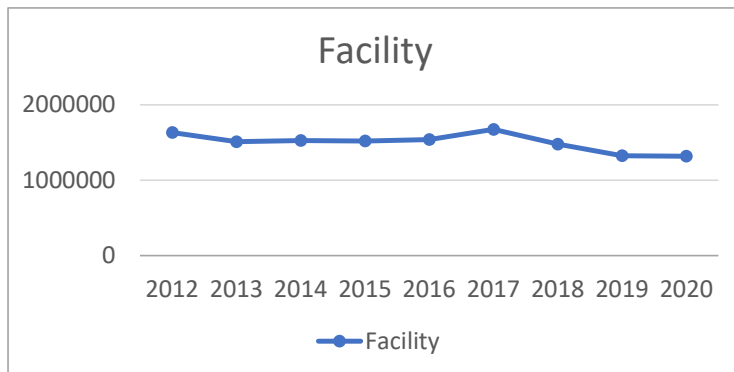
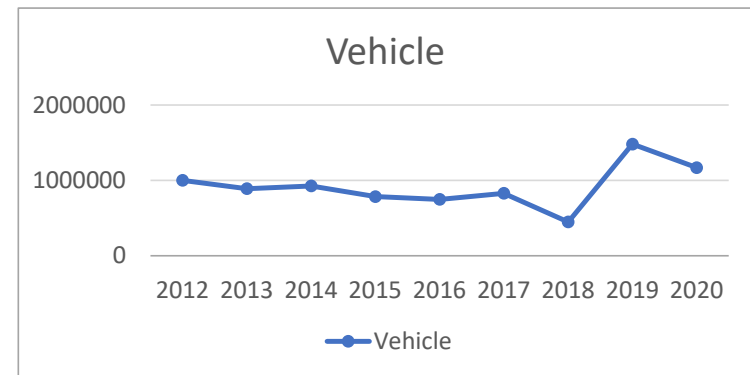
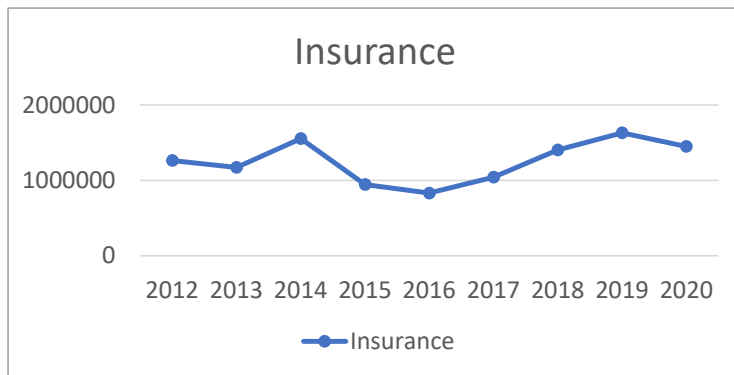


Salary & Benefit Trends



KEY EXENDITURE TRENDS

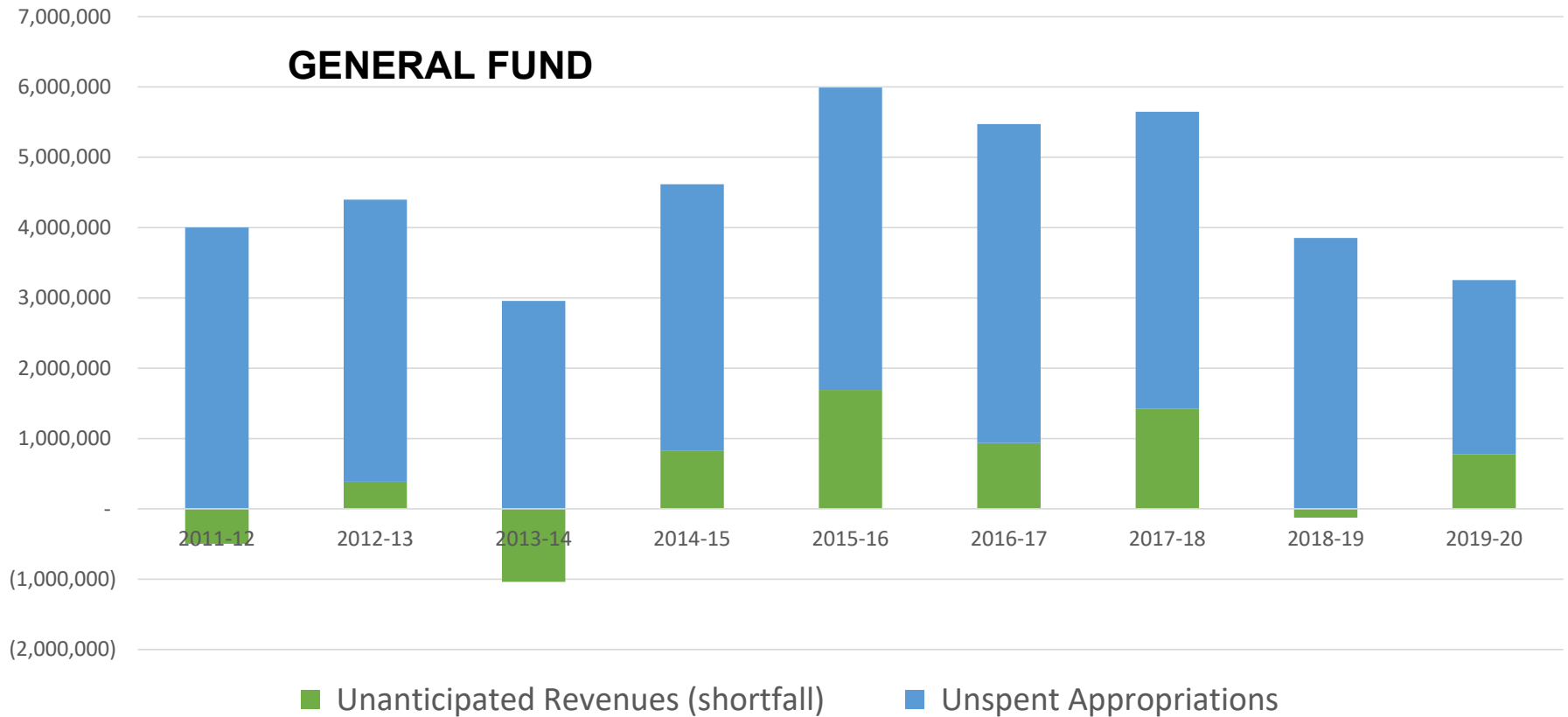
Non-Salary & Benefits



Estimated
Spendable
Resources
for
FY 2021-22
Budget Process

GENERAL FUND CARRYOVER

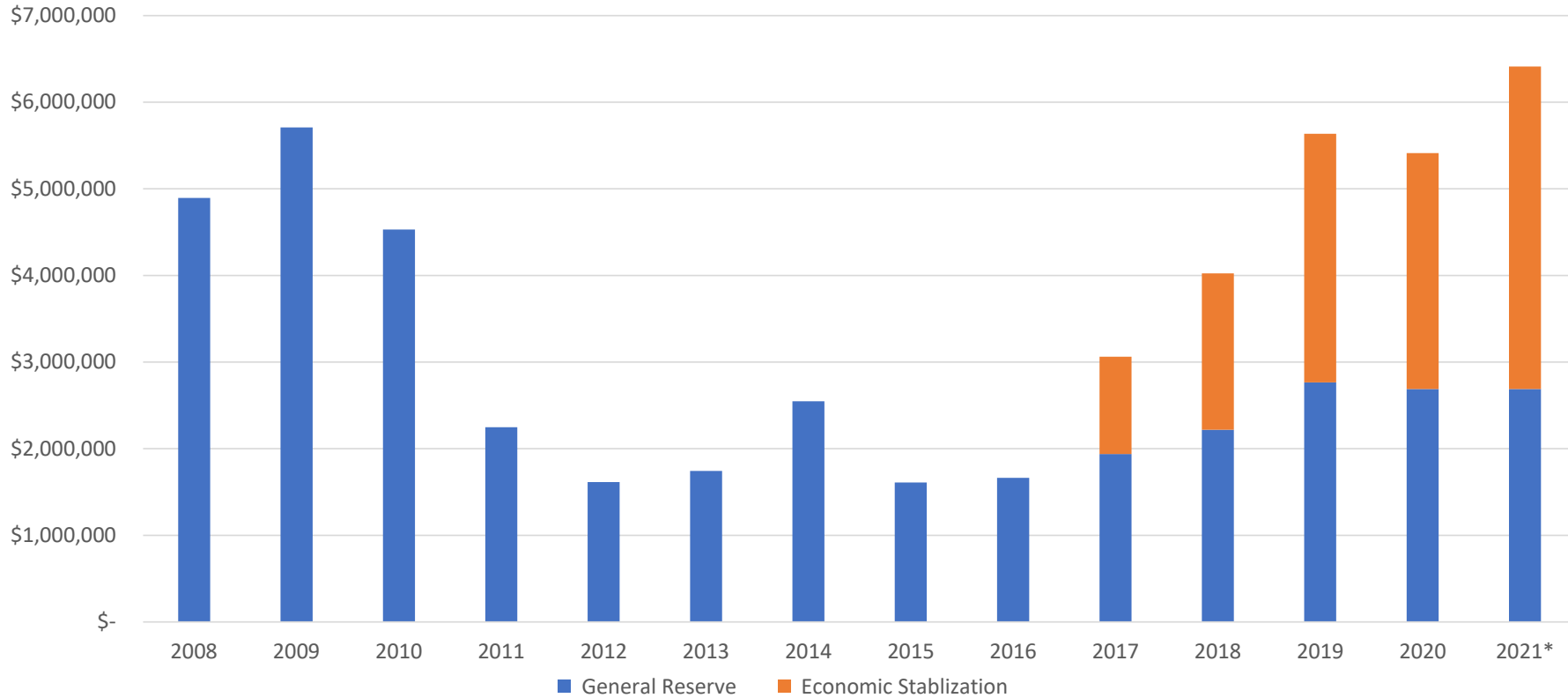
Budgetary Perspective of Carryover Fund Balance



GF RESERVE BALANCES

Economic Stabilization:
 \$2,723,348 at 2020
 \$3,723,348 projected

General Reserve:
 \$2,689,364 at 2020
 \$2,689,364 projected



GFOA Recommended balances: 17% to 25% (\$6.6 to \$9.7 million)

County policy for general reserve: 5% to 15% (\$2.0 to \$5.8 million)

** Projected*

GF Carryover Balance at June 30, 2020

Assets	\$8,475,000
Liabilities	(2,033,000)
Carryover balance at June 30, 2020	\$6,442,000

FY 2018-19 Net Unspent Appropriations	\$3,187,000
FY 2019-20 Net Unspent Appropriations	3,255,000
Carryover balance at June 30, 2020	\$6,442,000

GF Fund Balance Carryover As of June 30, 2020

GF FUND BALANCE CARRYOVER AVAILABLE FOR SPENDING	
FUND BALANCE AT JUNE 30, 2020	\$6,442,000
SET-ASIDES (not available for spending):	
• Solid Waste advance receivable	174,000
• CDBG and HOME Notes Receivable	887,000
• Prepaid expenses and inventory	113,000
FY 2020-21 Adopted Budget Deficit	3,126,000
Proposed transfer to Economic Stabilization Reserve Fund	1,000,000
REMAINING FUND BALANCE TO BALANCE FUTURE BUDGETS	\$1,142,000

Budget Appropriations Request

Move \$1,000,000 from GF Carryover
To the Economic Stabilization
Reserve Fund