



**AMADOR COUNTY
ADMINISTRATIVE AGENCY**

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May 9, 2019

MEMORANDUM

TO: Amador County Board of Supervisors

FROM: Chuck Iley, County Administrative Officer
Karen Scaccianoce, Budget Director

RE: Budget Workshop on May 15, 2019

The goal of the Budget Workshop is to review the requests that have been made by the Department Heads and Elected Officials and to direct changes to the budget during the course of the review so that the balanced Recommended Budget can be finalized and brought back to the Board of Supervisors for approval on or before June 30, 2019, as required by section 29064 of the California Government Code. This budget will give the County spending authority for Fiscal Year 2019-20, which begins July 1, 2019.

The Amador County Requested Fiscal Year 2019-20 Budget presented to you today is comprised of \$45 million in General Fund, \$45 million in other governmental funds, \$4 million for Internal Service Funds and Enterprise Funds, and 4 million for Trust Funds, for an all-fund total budget request of \$98 million. This represents an overall increase in General Fund expenditures of \$950k over the fiscal year 2018-19 Adopted Budget.

At the time of the mid-year review in March of this year, we were looking at a \$1.6 million deficit. Since then, we have met with all departments regarding their budget needs for 2019-20 and have updated information on revenues and expenditures, both for this year and next. We are estimating that the budget carry-over will be about \$846k larger based on increases in this year's revenues, decreases in estimated expenditures, and a repayment of a loan from Public Works. We are also estimating an increase in 2019-20 general fund discretionary revenue of \$405k, and departmental revenue increases over expenditures of \$285k. With all of these changes the deficit has been reduced from \$1.6 million, to \$71,102. This does not include any transfer from reserves as had been suggested during the mid-year budget review.

In Fiscal Year 2018-19 we added 4 new budgets funded by the Buena Vista (Harrah's) Casino. For Fiscal Year 2019-20, these requested budgets total \$4.48 million. This revenue will go towards mitigating increased costs in public safety, road maintenance and other impacts as a result of the new casino, all funded by the casino

PERS costs to the County for all funds will be increasing by slightly more than \$1 million for 2019-20 over 18-19. We anticipate being able to take advantage of pre-paying our Miscellaneous Plan Unfunded Liability, which would save the saving the County about \$100k this fiscal year.

Budget instructions to departments were to keep their general fund requests to the base budget amount allocated to them. As we have been asking this for the past five years, some departments have requested increases for equipment and service costs. Many were able to increase department revenue or reduce other expenditure line items, but some have asked the general fund for increases, as you can see on the general fund requested budget summary. The elements of those requested increases can be found in each department's budget expenditure details. We appreciate each department's assistance in getting their budgets in timely and working with us to maximize their revenue potential.

The unique challenge to this year's budget has been the looming spectre of significant, costly improvements to the oldest portion of the landfill. The exact nature and cost of those improvements have yet to be nailed down, as the situation is still being evaluated. There are several different options, but most of them require improvements that will cost about \$1 million in the coming year, with the very distinct possibility that another \$1 million may be required in FY 20-21. As we discussed with the Board during the March presentation, we were going to include the \$1 million in the budget for Waste Management, with 1/3 of that cost to be incurred each year for the next three years and the remainder taken as a loan from reserves. As the budget came into focus, we have been able to minimize that deficit and have not yet included any transfers from reserves. Staff anticipates that a small loan from reserves would be utilized to balance the remaining deficit, with the loan to be paid back to reserves in FY 20-21.

Special Revenue funds, Internal Service Funds and Enterprise Funds all are required to submit balanced budgets using revenues within their own funds. This year Public Health is requesting a General Fund contribution of \$50,000 to balance their budget, in addition to transferring \$52,285 from other realignment accounts. Staff is recommending approval of this transfer from the general fund, and this transfer has been included in the budget being requested. In the past few years Health realignment has had a significant fund balance carry over to add to the following year's revenues. This year's wage increases, PERS and Health increases coupled with flat realignment revenue, have made it difficult to keep expenses within the available realignment revenue.

This budget includes all the requests from departments for new equipment, increases in service costs, staff reclassifications and new positions. During the Budget Workshop, the current deficit of \$71,102, plus any additional budget increases requested during the workshop will need to be addressed as to how they will be funded.

Staff is proud to present you with a nearly balanced budget at this stage and stands ready to answer any questions that you or the public might have about the numbers contained within this document.