

MARIPOSA COUNTY

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County Administrative Officer



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TO: Board of Supervisors

FROM: Mary Hodson, County Administrative Officer

SUBJECT: Fiscal Year 2016-17 Recommended Budget

Overview

Submitted for your review and consideration is the balanced Fiscal Year 2016-17 Recommended Budget for the operations of all County services and Special Districts under the Board of Supervisor's direction. The Recommended Budget provides a spending plan through June 30, 2017, and is based on reasonable revenue estimates and a projected General Fund beginning balance of \$4,700,000, which is slightly less than the fund balance last fiscal year. The Recommended Budget increases the General Reserve by \$260,000 as recommended by the Auditor to ensure that the Reserve is within the minimum requirements based on the size of the County's budget.

Departments were instructed to submit realistic budgets that included infrastructure and personnel needs. The Requested Budget also includes the estimated amount of funding to fulfill the proposed work plans of the Department Heads that were discussed during the recent performance reviews. The Department Heads and their support staff are to be commended for approaching this budget cycle with the same fiscal responsibility they have always exhibited. As is the case with most budgets, the new requests exceeded revenue estimates and a number of recommended adjustments were necessary to balance the Recommended Budget. Again, the Department Heads are to be commended for their willingness to work with Administration on adjusting their budgets to attain a balanced Recommended Budget.

Great strides have been made in adjusting the salaries of county employees to be competitive and employees are now paying all of the employee's retirement contribution, which in previous years had been a county expense. These salary and benefit adjustments have been accounted for in the Recommended Budget, with salary amounts typically increasing from the previous fiscal year and the benefit portion increasing slightly to account for revised pension estimates. Salary adjustments account for the largest increases in a majority of budgets, and it should be noted that no negotiations will occur until the fall of 2017. The County is paying a small percentage of the Retirement-Employee cost for Department Heads, and this may be adjusted by the Board this fall when Department Head salaries are reviewed.

General Fund Overview

Total appropriations in the General Fund Requested Budget were \$55,993,300 with revenue only totaling \$52,925,371, resulting in a little over \$3 million shortfall. The Recommended Budget was balanced by reducing several requests for additional appropriations, utilizing salary savings, reducing General Contingency, by increasing the estimated revenue anticipated to be received from Transient Occupancy Tax (TOT) and by increasing the estimated fund balance.

The projected fund balance in the Recommended Budget is increased to an amount similar to last fiscal year and this is due in large part to the performance of TOT. TOT collections are far exceeding budgeted estimates (again) and the final collection amount may be over \$14 million, making this another record-breaking year for TOT collections. A portion of this increase should, however, be considered one-time in nature, due to the celebration of National Park and Yosemite National Park (YNP) anniversaries. It is important to note that the concession contract for YNP also changed this year (March 2016) and along with this change came some national coverage over the controversy involving the trademark of National Park names. As YNP exposure returns to “normal” levels, collections may also drop to “normal” amounts around \$13.5 million.

Also contributing to the projected larger fund balance is a strong General Contingency remaining balance and departments not completely spending down all of their appropriations. Some of this is due to delays in the completion of some projects, unanticipated savings in some purchases, and salary savings from vacant positions. All of these should be considered one-time in nature.

The Human Services Department has requested and it is recommended to re-establish the Economic and Community Development budget (001-0528) and separate these functions from the Social Services budget. This request is to allow for greater efficiencies in tracking and accounting revenue/appropriations that are specifically tied to these functions. With key management positions now being filled, this change in budgeting will allow for greater oversight and accounting of the specific divisions of the Human Services department. There is no impact to the General Fund as these are both sub-vented budgets, but there is a significant decrease in the Social Services budget to recognize this separation of job duties and personnel.

The Technical Services department was able to complete all of their requested upgrades and new purchases in the previous fiscal year, with many of them coming under budget. The new telephone system should realize savings, but because it was installed later in the fiscal year, departments did not have sufficient time to fully analyze and account for the savings. These savings should be realized by Mid-Year and departments can recognize and update their budgets at that time.

Attachment I summarizes the adjustments that were used to balance the Recommended Budget.

Non-General Fund

The Road Fund requested a much larger General Fund contribution because of a reduction in revenue. The requested contribution is recommended to be reduced to last fiscal year’s contribution amount by increasing this fund’s estimated fund balance. If the

fund balance does not come in as anticipated, then a larger General Fund contribution may be necessary in order to maintain existing services.

The Coulterville Service Area and the Yosemite West Maintenance District are requesting a General Fund contribution in order to continue with necessary maintenance activities to their respective water and sewer systems and to offset the charges incurred for the services provided by staff in the Plant Operations budget. Revenues being collected for services are not sufficient to continue with these activities and rates will need to be reviewed once the contracted rate study has been completed. Both of these requests for General Fund support were reduced by recommended adjustments to revenue and a reduction to certain appropriations. The contribution to the Coulterville Service Area is recommended to be considered a non-interest loan from the General Fund, while the contribution to Yosemite West Maintenance is recommended as a contribution to partially satisfy audit findings contained in the Yosemite West audit.

A General Fund contribution is requested in the Solid Waste & Recycling budget due to revenues not keeping pace with the cost of providing services, as well as a correction to past account receivables being recognized in the previous fiscal year. The request for General Fund support was eliminated by adjusting this budget's estimated fund balance and revenue collections, as well as recognizing salary savings and minor reductions to certain appropriation line items. Should this budget require General Fund support, it is recommended that this contribution be a no-interest loan, with direction to review rates and analyze services to ensure best practices are being followed.

Plant Operations is again requesting a General Fund contribution and in a greater amount. This is due in part to now being fully staffed with the appropriate number and type of personnel, and with the need to fully equip the division with the necessary tools to maintain the Special District's water and sewer systems. The requested contribution is reduced through a recommended adjustment to fund balance and reductions to certain appropriations. It is anticipated that once the Special District rate study has been completed and implemented, that this budget will no longer need a General Fund contribution.

Because of revenue estimates not meeting anticipated collection levels in the previous fiscal year, the Fleet Maintenance budget requested a General Fund contribution. This request is recommended to be reduced by adjustments to revenue and the estimated fund balance. After the actual year-end fund balance is known, should a General Fund contribution still be necessary, it is recommended that the contribution be considered a no-interest loan, and that direction be given to review current rate charges and analyze services to ensure best practices are being followed.

Additional Positions

The Public Works Department continues to evolve and take shape under the new Director. The Board approved several reorganizations last fiscal year, and the department is requesting some position adjustments this fiscal year to add more efficiencies to the management of Public Works. The Accounting Technician in the Fleet budget is requested and recommended to be reallocated to the Public Works Administration budget for better coordination with existing accounting staff and to provide additional accounting support for the entire department. A Transportation Planner position is requested and also recommended in the Public Works Administration budget. This position will be offset by funding from the Transportation Planning budget.

as well as salary savings from a vacant Engineer Technician position (an employee in this classification has been performing these duties and an internal promotion is being considered).

To complete the management and financial oversight of Public Works, the department is requesting two positions: an Administrative Analyst and an Administrative Technician in Public Works Administration. It is recommended that these positions be considered, but not effective until January 1, 2017, to allow the department time to finish some internal reallocation of job duties. No funding has been included, which is not typical, however the department believes that additional savings will be able to be realized prior to January 1, 2017, which will provide the necessary funding. A separate Board item will be prepared incorporating the necessary budget adjustments for the Board to consider in late November or early December. This will also provide the necessary time for the department to work with Human Resources staff on determining if these are the appropriate staffing levels for the proposed job responsibilities.

The District Attorney is requesting that an existing 0.8 Permanent Part-Time (PPT) Victim Witness Advocate be increased to full time, and an additional 0.80 PPT Victim Witness Advocate be allocated. These increase in allocations are offset by grant funding provided for the Victim Witness and the Vertical Prosecution grants. There is no impact to the General Fund.

The Farm Advisor has requested that the Extra-Help Master Gardener Coordinator position be made a 0.70 PPT position, to allow additional staff working hours for this program. The Human Resources/Risk Management Department is requesting that the existing 0.60 PPT Senior Office Assistant be increased to 0.80 PPT to assist the department with recruitment and clerical duties. Both of these increases in allocation are not recommended at this time, due to concerns regarding increasing on-going costs without a guaranteed increase in on-going revenue to support these positions. That being said, both of these positions would prove valuable to county operations, and should funding be identified, the Board may wish to give these allocations consideration.

Conclusion

The Recommended Budget includes a handful of funding enhancements, based on department requests or for items that have already received Board approval. These are listed on Attachment II. Of equal importance are items or areas of concern that are not included in either the Requested or Recommended Budget, but deserve to be mentioned for possible funding consideration. A majority of these were not included because exact funding is not yet known. These are listed on Attachment III.

The Board may make adjustments to the Recommended Budget during Final Budget Hearings keeping in mind that the Final Budget must be balanced – financing resources must equal financing needs. As stated previously, the Recommended Budget is balanced using estimated fund balances as will be the case with the Final Budget. Adjustments to balance the Final Budget with the actual year-end fund balances will need to be approved by the Board in late September. If the final fund balance for the General Fund is less than \$4.7 million, then additional reductions will be required. If the final fund balance is larger than anticipated, then additional resources will be available for unfunded requests, General Contingency, the General Reserve, or the POB Designation.

It is recommended that by the conclusion of the Final Budget Hearings, the Board should compile a list of their funding priorities for consideration during Balancing Adjustments should the fund balance come in greater than estimated. Strong consideration should be given to only funding one-time costs rather than increasing on-going costs. The fund balance next year should be less if the recommended increase in TOT is approved, because revenue estimates will be much closer to actual collections. What this means is that if the fund balance is greater than estimated, that this should be considered a one-time increase in available funding. Increasing the amount in the POB Designation if possible is encouraged to allow a “safety-net” for future years, should revenue be unable to keep pace with appropriations.

I would like to thank the Department Heads and county employees for their support and assistance in developing this Recommended Budget. Getting to a balanced budget requires a collaborative effort and I appreciate their willingness in working with me and my staff. Special thanks to the Auditor, Debbie Isaacs and Assistant Auditor, Luis Mercado for their assistance with budget projections. And a very special thank you to our recently hired Deputy County Administrative Officer, Dallin Kimble, for his assistance with the budgeting process and compiling the Recommended Budget. This was no easy task given that he just joined the County in May and had to learn “Mariposa Budgeting” in such a short time-frame.

ATTACHMENT I: RECOMMENDED BALANCING ADJUSTMENTS - FISCAL YEAR 2016-2017

**REQUESTED BUDGET DEFICIT = \$3,067,929
FOLLOWING ADJUSTMENTS RECOMMENDED TO BALANCE THE BUDGET**

GENERAL PURPOSE REVENUE - 001-0000

Account	Account Title	Increase	Decrease	Notes
001-0000-301.09-02	Transient Occupancy Tax	(\$1,000,000)		Less conservative estimate; still \$1 M lower than some projections
001-0000-399.99-99	Fund Balance	(\$600,000)		\$4.9 M fund balance
		(\$1,600,000)	\$0	

ADMINISTRATION - 001-0102

Account	Account Title	Increase	Decrease	Notes
001-0102-412.02-46	Acting Assignment Pay		\$1,000	CAO no longer acting health officer
001-0102-412.04-80	Equipment (Laptop)	\$1,000		CAO laptop needs CPR to boot up for Board meetings
		\$1,000	\$1,000	

CONTINGENCY - 001-0104

Account	Account Title	Increase	Decrease	Notes
001-0104-414.10-90	General Fund Contingency		\$188,898	Reduced to balance Fund
		\$0	\$188,898	

COMMUNITY / CULTURAL SERVICES - 001-0147

Account	Account Title	Increase	Decrease	Notes
001-0147-493.04-41	County Fair		\$50,000	Leaves contribution of \$100,000
		\$0	\$50,000	

SURVEYOR AND ENGINEERING - 001-0150

Account	Account Title	Increase	Decrease	Notes
001-0150-508	Engineering Tech II Salary & Benefits		\$53,321	Salary savings / position moved to Public Works Administration
		\$0	\$53,321	

TECHNICAL SERVICES - 001-0151

Account	Account Title	Increase	Decrease	Notes
001-0151-506.04-19	Professional Svcs - Programming		\$14,336	Delay website refresh to a future year
001-0151-506.06-50	Central File Server		\$21,680	Delay server replacement
001-0151-506.04-80	Equipment	\$280		Server memory upgrade
001-0151-506.04-81	Software	\$9,250		Server software upgrade
		\$9,530	\$36,016	

INTRAFUND TRANSFERS - 001-0161

Account	Account Title	Increase	Decrease	Notes
001-0161-427.07-03	Yosemite West		\$120,642	Per adjustments made in the fund
001-0161-427.07-07	Fleet		\$150,750	Per adjustments made in the fund
001-0161-427.07-22	Solid Waste		\$113,350	Per adjustments made in the fund
001-0161-427.07-36	Coulterville CSA Maintenance		\$30,000	Per adjustments made in the fund
001-0161-427.07-38	Forest Reserve		\$30,000	Grant funding that was not expected is now likely to be received
001-0161-427.07-66	Plant Operations		\$106,935	Per adjustments made in the fund
001-0161-427.07-80	Roads		\$350,000	Per adjustments made in the fund
		\$0	\$901,677	

SHERIFF - 001-0216

Account	Account Title	Increase	Decrease	Notes
001-0216-305.62-68	Public Safety Sales Tax (Prop 172)	(\$40,000)		Requested \$880,000; 2016 Actual \$998,000
001-0216-521.04-88	Fuel Expense		\$15,000	Requested \$236,500; 2016 Actual \$145,000
		(\$40,000)	\$15,000	

ADULT DETENTION - 001-0220

Account	Account Title	Increase	Decrease	Notes
001-0220-531.04-13	Maintenance of Buildings		\$50,000	Requested \$110,000; 2016 Actual \$28,660
001-0220-531.04-14	Medical & Laboratory		\$25,000	Requested \$300,000; 2016 Actual \$229,250
		\$0	\$75,000	

AGRICULTURE - 001-0235

Account	Account Title	Increase	Decrease	Notes
001-0235-561.01-04	Deputy Agriculture Commissioner		\$41,000	Salary savings
		\$0	\$41,000	

PLANNING - 001-0249

Account	Account Title	Increase	Decrease	Notes
001-0249-575.01-47	Technician		\$22,500	Salary savings
001-0249-579.04-18	Professional Services		\$75,000	Spread General Plan Update cost over 2 years
		\$0	\$97,500	

PUBLIC WORKS ADMINISTRATION - 001-0304

Account	Account Title	Increase	Decrease	Notes
001-0301-583.01-	Transportation Planner	\$59,953		Position moved from engineering and reclassified
		\$59,953	\$0	

HEALTH - 001-0401

Account	Account Title	Increase	Decrease	Notes
001-0401-307.97-07	Air Pollution Fees	(\$6,000)		Requested \$30,000; 2016 Actual \$47,600
001-0401-621.02-03	Clinic Extra Help		\$20,000	Per Dr. Sergienko / anticipated medical staff
001-0401-621.04-19	Medical Professional Services		\$5,000	Per Dr. Sergienko on staff
		(\$6,000)	\$25,000	

PARKS AND RECREATION - 001-0701

Account	Account Title	Increase	Decrease	Notes
001-0701-307.06-03	Day Camp Fees	(\$8,000)		Requested \$12,500; 2016 Actual \$22,400
		(\$8,000)	\$0	

ROADS - 300

Account	Account Title	Increase	Decrease	Notes
300-0301-309.16-55	General Fund Contribution		\$350,000	Requested \$792,500; 2016 Actual \$482,400
300-0301-399.99-99	Fund Balance	(\$350,000)		Requested \$340,720; Current cash \$890,700
		(\$350,000)	\$350,000	

COULTERVILLE SERVICE AREA - 314

Account	Account Title	Increase	Decrease	Notes
314-0903-852.04-18	Professional Services		\$20,000	Delay environmental cost estimate to future year
314-0903-853.04-12	Maintenance of Equipment		\$10,000	Requested \$69,074; 2016 Actual \$2,063
314-0903-309.16-00	General Fund Loan		(\$30,000)	Requested \$91,324 loan; second loan on acct
		\$0	\$0	

YOSEMITE WEST MAINTENANCE DISTRICT - 322

Account	Account Title	Increase	Decrease	Notes
322-0912-307.01-00	Property Taxes	(\$20,000)		Requested \$160,000; 2016 Actual \$182,600
322-0912-309.16-00	General Fund Contribution		(\$120,642)	Requested \$185,642; GF owes YW \$65,000
322-0912-399.99-99	Fund Balance	(\$100,642)		Requested \$62,736; Current cash \$175,900
		(\$120,642)	(\$120,642)	

FOREST RESERVE - 345

Account	Account Title	Increase	Decrease	Notes
345-0152-309.16-00	General Fund Contribution		(\$30,000)	Decrease per grant funding expected
345-0152-306.68-01	Forest Reserve HR2389	(\$41,000)		Staff has been notified that we are likely to receive this grant funding
345-0152-507.04-18	Professional Services	\$11,000		Adjustment to balance the fund
		(\$30,000)	(\$30,000)	

SOLID WASTE & RECYCLING - 601

Account	Account Title	Increase	Decrease	Notes
601-0404-307.01-06	Residential Fees	(\$30,000)		Requested \$500,600; 2016 Actual \$533,500
601-0404-651.01-27	Solid Waste Coordinator		\$35,000	Salary savings
601-0404-651.04-18	Professional Services		\$20,000	Renegotiated Golder contract
601-0404-651.04-88	Fuel Expense		\$15,000	Requested \$60,000; 2016 Actual \$41,500
601-0404-399.99-99	Fund Balance	(\$13,350)		Requested \$56,925; Auditor expecting approximately \$128,000
601-0404-309.16-00	General Fund Loan		(\$113,350)	Reduced to zero per other adjustments
		(\$43,350)	(\$43,350)	

PLANT OPERATIONS - 616

Account	Account Title	Increase	Decrease	Notes
616-0308-399.99-99	Fund Balance	(\$45,000)		Requested \$21,500; Current balance \$85,600
616-0308-307.11-16	Plant Operation Services	(\$2,000)		Requested \$9,000; Prior actuals exceed \$11,000
616-0308-580.02-01	Extra Help		\$15,983	Requested \$15,983; 2016 Actual \$0
616-0308-580.04-51	Major Vehicle Repair		\$3,952	Requested \$3,952; 2016 Actual \$0
616-0308-580.04-80	Equipment		\$40,000	Delay purchase of high-pressure sewer cleaner
616-0308-309.16-00	General Fund Loan		(\$106,935)	Requested \$326,925; Reduced per above adjustments
		(\$47,000)	(\$47,000)	

FLEET MAINTENANCE - 700

Account	Account Title	Increase	Decrease	Notes
700-0305-307.07-09	Fire Equipment Maintenance	(\$90,750)		Requested \$30,000; 2016 Actual \$119,600
700-0305-399.99-99	Fund Balance	(\$60,000)		Requested \$26,400; Current cash \$55,900
700-0305-309.16-00	General Fund Loan		(\$150,750)	Requested \$201,899; Reduced per above adjustments
		(\$150,750)	(\$150,750)	

ATTACHMENT II

Summary of Funding Requests Included in the Recommended Budget:

- Mariposa Chamber of Commerce for the operation of the Mariposa Visitors' Center, which takes into account the increase in minimum wage effective January, 2017.
- Completion of the fixed asset survey equipment.
- Continued preservation of historical, Board of Supervisors minutes.
- Governmental Accounting Standards Board (GASB) 68 and OPEB accounting information on properly accounting for these liabilities.
- Equipment in the Treasurer/Tax Collector for more efficient operations.
- Outside legal counsel for assistance with guardian/conservatorship cases.
- Clerical position compensation/classification review.
- Funding contribution to the Mariposa County Fair.
- Memory and software upgrade to the County's existing server.
- Funding to begin the 10-year General Plan review.
- Electronic Medical Records System.
- Re-establishment of the Employment & Community Development budget.
- Public Address system and computer for Parks & Recreation.
- New SUV Vehicle in Transit.
- Portable compressor, hoist, and truck tool boxes for Plant Operations.
- Lump sum payment of the Unfunded Liability associated with safety members.

Board Approved Programs or Funding Included in the Recommended Budget:

- Performance evaluation software.
- Updating the County's Economic Vitality Strategy (EVS).
- Funding to the Mariposa County Resource Conservation District (MCRCD) for their Integrated Regional Watershed Management Program (IRWMP).
- Temporary over-hires in the Sheriff's Department due to injuries.
- Amador contract with CALFIRE.
- Re-budgeting of costs associated with the new HVAC for the Jail.
- Employee Assistance Program (EAP).
- Yosemite Area Regional Transit Services (YARTS) Agreement.
- Major repairs to County Fire Stations.
- Airport consulting services for airport improvement projects.

ATTACHMENT III

Additional Funding Concerns for Future Consideration

- Tree Mortality Manager and possible-but-yet-unknown costs related to this disaster.
- Government Center vault remodel.
- Government Center air conditioning replacement.
- Economic Development program enhancements.
- Implementation of Department Head compensation plan.
- Possible sewer plant repairs.
- GASB 68 reporting impacts with regards to pension liability.
- Upgrading to a new financial system.
- Pre-funding Other Post-Employment Benefits (OPEB).
- MCRCD funding request.
- Additional reserves.