



# **First Quarter Financial Report July — September 2015**

## **BOARD OF SUPERVISORS**

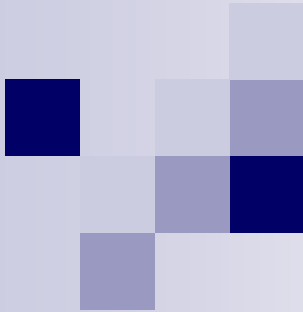
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**Submitted by  
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## **INTRODUCTION**

This is the First Quarter Financial Report for Stanislaus County submitted by the Chief Executive Office for the period of July 1, 2015 to September 30, 2015, for Fiscal Year 2015-2016. It has been prepared to inform the Board of Supervisors, County leadership, and the public of the County's fiscal status. The report provides revenue and expenditure summaries for County programs by each Board of Supervisors' Priority and highlights adjustments to County budgets since the adoption of the Final Budget in September 2015.

## **BACKGROUND**

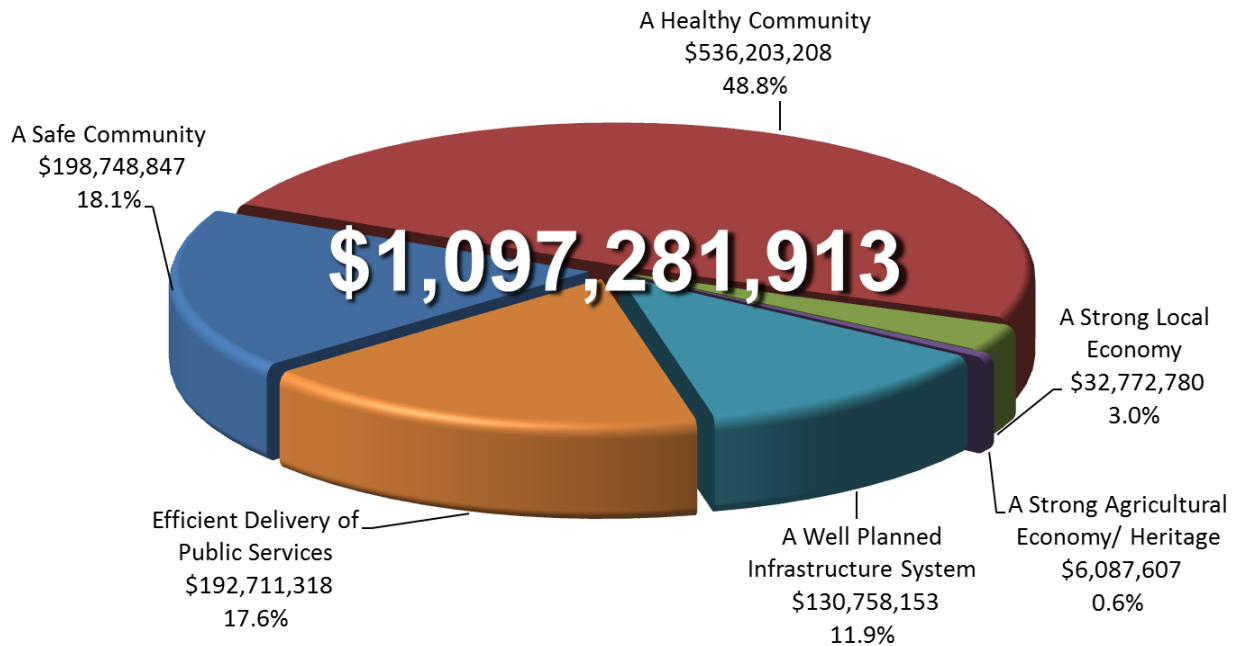
On September 15, 2015, the Board of Supervisors adopted the Fiscal Year 2015-2016 Final Budget for Stanislaus County. This spending plan of \$1.1 billion for all funds reflected an increase of \$15.4 million, or a 1.4% increase for all funds as compared to the 2015-2016 Adopted Proposed Budget and just \$4.6 million, or a .4% increase over the 2014-2015 Adopted Final Budget. Almost half of the increase over the 2015-2016 Adopted Proposed Budget, or \$7.3 million, was reflective of one-time investments in infrastructure, community support and reserves to maintain the financial health of the organization. Funds were included for automation, an increase in the base level of Appropriations for Contingencies to equal 2% of total projected General Fund Revenue, future labor opportunities and employee compensation strategies, various facility improvements, and a recharge to the Community Development fund.

Adjustments of \$5.3 million for departments that achieved savings in appropriations as part of the Net County Cost Savings Program were also included in the Adopted Final Budget. The remainder of the 2015-2016 Adopted Final Budget adjustments reflected approved department requests for equipment and new technologies to support business efficiencies, safety improvements for the benefit of employees and the public along with technical adjustments to recognize current department operations. The 2015-2016 Adopted Final Budget was balanced using a combination of \$1 billion in revenue and \$45.2 million in fund balance and one-time funding sources. This Budget also included funding for 4,152 allocated full-time positions, an increase of 174 positions above the 2014-2015 Adopted Final Budget.

**BUDGET OVERVIEW**

The following chart reflects the total Final Budget by the Board of Supervisors priorities:

**Fiscal Year 2015-2016**  
**Adopted Final Budget Expenditures**  
**By Board Priority**  
**\$1,097,281,913**



**Comparison of Adopted Final Budget by Fund**

Fund Type	Adopted Final Budget 2014-2015	Adopted Proposed Budget 2015-2016	Adopted Final Budget 2015-2016	Difference 2014-2015 Final to 2015-2016 Final	% Change from 2014-2015 Final to 2015-2016 Final
General	\$271,083,644	\$264,685,156	\$278,921,910	\$7,838,266	2.9%
Special Revenue	\$643,308,609	\$647,847,253	\$648,779,448	\$5,470,839	0.9%
Capital Projects	\$1,215,510	\$1,540,510	\$1,540,510	\$325,000	26.7%
Enterprise	\$79,199,819	\$72,492,549	\$72,492,549	-\$6,707,270	-8.5%
Internal Service	\$97,850,529	\$95,311,996	\$95,547,496	-\$2,303,033	-2.4%
<b>Total</b>	<b>\$1,092,658,111</b>	<b>\$1,081,877,464</b>	<b>\$1,097,281,913</b>	<b>\$4,623,802</b>	<b>0.4%</b>

## Funding Sources of Adopted Final Budget by Fund

Fund Type	FY 2015-2016 Final Budget Appropriations	Funding Sources		
		Department Revenue	Department Fund Balance	General Fund Contribution
General	\$ 278,921,910	\$ 80,855,835	\$ -	\$ 198,066,075
Special Revenue	648,779,448	616,121,411	16,258,471	16,399,566
Capital Projects	1,540,510	1,006,000	534,510	\$ -
Enterprise	72,492,549	60,549,637	7,423,474	4,519,438
Internal Service	95,547,496	93,866,308	1,681,188	\$ -
<b>Total</b>	<b>\$ 1,097,281,913</b>	<b>\$ 852,399,191</b>	<b>\$ 25,897,643</b>	<b>\$ 218,985,079</b>

The net county cost for General Fund budgets consists of \$178.8 million in discretionary revenue and \$19.3 million of assigned fund balance.

General Fund departments were allocated approximately \$5.3 million in net county cost savings from Fiscal Year 2014-2015. The Net County Cost Savings Program provides an opportunity for departments to carry over budget savings into the future year based on the following criteria:

- **Net county cost carryover savings Phase I Departments** - departments that achieved savings in appropriations are able to carry forward 100% of their unused net county cost savings from prior fiscal years and 75% of their 2014-2015 net county cost savings.
- **Net county cost carryover savings Phase II Departments** - departments that have received an additional General Fund contribution may participate in the Strategic Savings Program (Phase II Net County Cost Savings Program). This program focuses on improved business efficiencies and department led efforts to improve departmental revenue and allows departments to carry forward up to 50% of year-end net county cost savings from Fiscal Year 2014-2015.

Many departments are using savings for health increases, salary costs, and negotiated salary increases. Departments are also setting aside funds for operational cost increases, including further anticipated increases in salary and retirement charges, in 2016-2017 and beyond.

### 2015-2016 OPERATING BUDGET

The Final Budget is adjusted throughout the year. These adjustments include carryover of appropriations for obligations from the previous fiscal year, adjustments approved as part of any separate Board of Supervisors agenda items, as well as adjustments for the prior quarter financial reports. Combined, the Final Budget and these adjustments represent the Operating Budget. The Operating Budget as of September 30, 2015, before any adjustments recommended in this first quarter report is \$1,122,674,335. As there are no first quarter recommendations, the total appropriations for First Quarter Budget are \$1,122,674,335 as shown in the chart on the following page.

Operating Budget						
Fund Type	Prior Year Appropriations	FY 2015-2016 Final Budget Appropriations	First Quarter Board Agenda Items Posted Through 9/30/2015	Operating Budget Appropriations on 9/30/2015	FY 2015-2016 First Quarter Recommendations	Recommended First Quarter Budget
General Fund	\$ 6,662,252	\$ 278,921,910	\$ 425,125	\$ 286,009,287	-	\$ 286,009,287
Special Revenue Fund	10,524,198	648,779,448	110,500	659,414,146	-	659,414,146
Capital Projects Fund	-	1,540,510	-	\$ 1,540,510	-	\$ 1,540,510
Enterprise Fund	5,991,937	72,492,549	-	78,484,486	-	78,484,486
Internal Service Fund	1,678,410	95,547,496	-	\$ 97,225,906	-	\$ 97,225,906
<b>Total</b>	<b>\$ 24,856,797</b>	<b>\$ 1,097,281,913</b>	<b>\$ 535,625</b>	<b>\$ 1,122,674,335</b>	<b>\$ -</b>	<b>\$ 1,122,674,335</b>

### 2015-2016 FIRST QUARTER OVERVIEW

The primary focus of the First Quarter Financial Report is to provide an update on the current status of the County budget, correct any errors or omissions that may have occurred in the Adopted Final Budget, and make any required adjustments resulting from State Budget actions, changes in accounting methodologies, or changed economic conditions. Current revenue and expenditure patterns are also reviewed to ensure that budgets are on track to end the year in a positive fiscal position.

There are no First Quarter Budget adjustment requests from departments for Fiscal Year 2015-2016 nor are there any technical corrections required at this time. Departments are focused on developing multi-year financing strategies through completion of long-range modeling and in preparation for mid-year. There have been no material impacts from the State Budget affecting revenue at First Quarter; the elimination of Negative Bailout and the anticipated positive impact to County Discretionary Revenue will be analyzed in December after receipt of the first property tax apportionment.

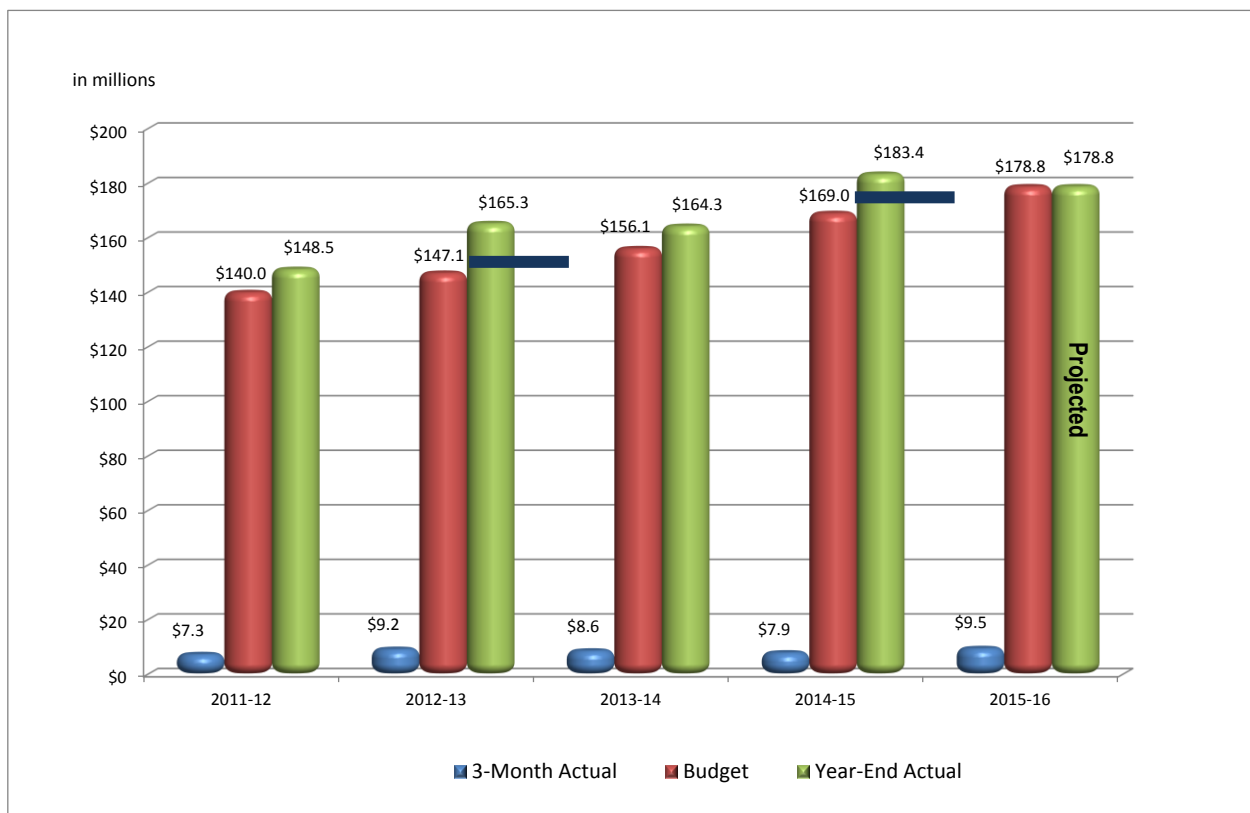
The following chart illustrates the beginning fund balances on July 1, 2015 for the various fund types, as well as the projected year-end balances adjusted for the recommendations contained in this report.

Summary of Fund Balance by Fund Type					
Fund Type	Beginning Fund Balance on 7/1/2015	Operating Budget Revenue on 9/30/2015	Operating Budget Appropriations on 9/30/2015	First Quarter Recommendation Use of Fund Balance	Projected Fund Balance on 6/30/2016
General Fund	\$ 142,659,411	\$ 260,082,751	\$ 286,009,287	-	\$ 116,732,875
Special Revenue Fund	217,227,276	632,761,477	659,414,146	-	190,574,607
Capital Projects Fund	5,307,807	1,006,000	1,540,510	-	4,773,297
Enterprise Fund	54,239,917	65,069,075	78,484,486	-	40,824,506
Internal Service Fund	22,729,699	93,866,308	97,225,906	-	19,370,101
<b>Total</b>	<b>\$ 442,164,110</b>	<b>\$ 1,052,785,611</b>	<b>\$ 1,122,674,335</b>	<b>\$ -</b>	<b>\$ 372,275,386</b>

## **DISCRETIONARY REVENUE**

As of September 30, 2015, \$9.5 million of discretionary revenue was received, which represents approximately 5.3% of the 2015-2016 Final Budget of \$178.8 million. For the last five years, discretionary revenue collected by the end of first quarter ranged from 4.4% to 6.3% of the final budget and from 4.3% to 5.6% of the year-end actual totals. The current year discretionary revenue at first quarter is within the above-mentioned ranges, which indicates we are on target to achieve projected revenues by fiscal year-end. Of note, the 2015-2016 first quarter revenue of \$9.5 million is above the five-year average of actual first quarter revenues of \$8.5 million, demonstrating a positive trend in discretionary revenue receipts. The following chart shows a five-year comparison of first quarter activity:

### **General Fund—Discretionary Revenue Five Year Comparison**



It is important to note that the year-end actuals for Fiscal Years 2012-2013 and 2014-2015 included significant one-time revenues. Fiscal Year 2012-2013 included one-time revenue of \$11.9 million, of which \$8.4 million was for repayment of property tax monies borrowed by the State pursuant to Proposition 1A (2004) and \$3.5 million was for dissolution of the Redevelopment District Agencies. The one-time revenue for Fiscal Year 2014-2015 was \$5.4 million for pre-2004 SB90 payments and \$0.6 million for Proposition 172 allocation correction by the State Board of Equalization, for a total of \$6.0 million.



The Chief Executive Office closely monitors discretionary revenue and may recommend changes as necessary with the Mid-year Financial Report in March 2016 when additional months of revenue will be realized. While it is too early to establish any trend in the sales tax revenue since only two months of actual revenue generally posts by the end of the first quarter, the 2015-2016 advances show a 12% increase from the prior year. Proposition 172 Public Safety sales tax revenue reflects a decrease of 8% from the same period last year. The first installment of the other major source of discretionary revenue, the property tax and related revenue will be received in December. Each year only a small portion of the discretionary revenue posts by the end of the first quarter and any adjustments to this budget are generally postponed until six months of actuals are posted.



# A Safe Community

CEO-OES/Fire Warden

CEO-Capital Projects

CEO-County Operations

District Attorney

Grand Jury

Integrated Criminal Justice Information System

Probation

Public Defender

Sheriff

# A Safe Community

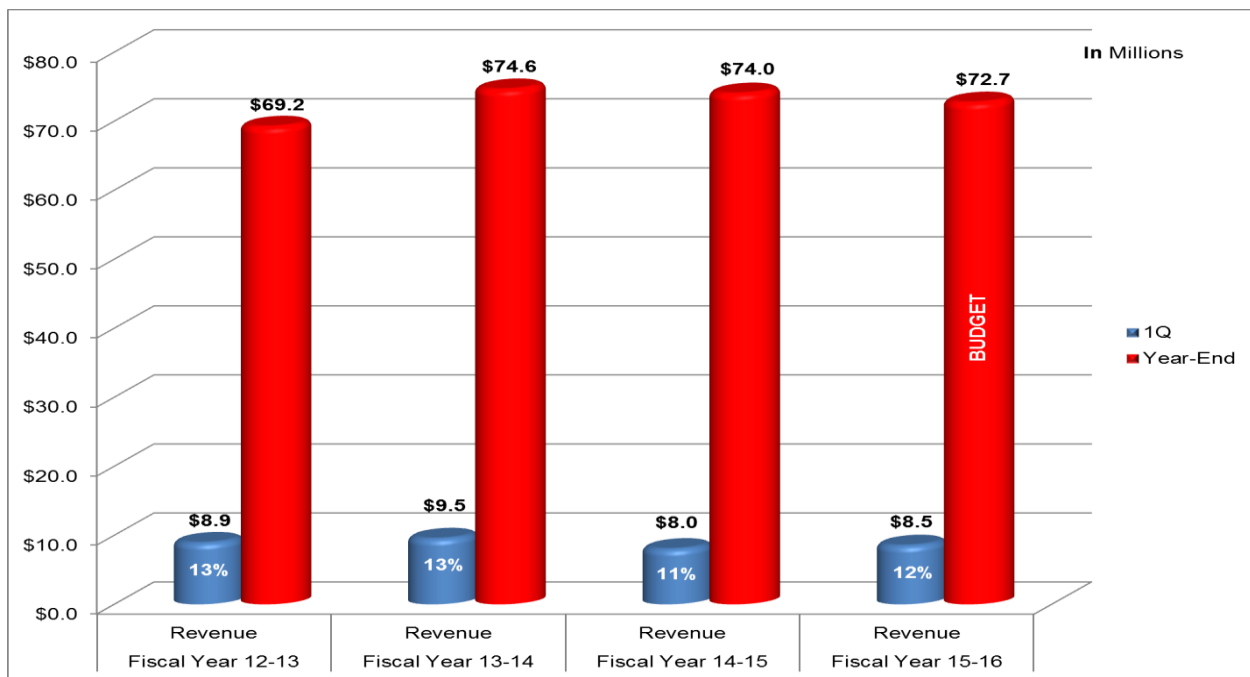
## OVERVIEW

Ensuring a safe community and protecting the safety of the residents of Stanislaus County continues to be a top priority of the Board of Supervisors. Departments assigned to the Board of Supervisors priority area of A Safe Community include: Chief Executive Office - Office of Emergency Services/Fire Warden, District Attorney, Probation, Public Defender and Sheriff. The revenue used to pay for these services comes primarily from local taxes such as property tax and sales tax, fees, franchises, charges for services, and a variety of other discretionary revenue sources. Public Safety Sales Tax revenue (Proposition 172) is also used to partially fund the District Attorney, Probation and Sheriff's Department budgets. These departments also receive dedicated funds for specific grant funded programs.

## DEPARTMENTAL REVENUE

For the departmental budgets that are part of the Board of Supervisors priority area of A Safe Community as of September 30, 2015, actual revenue collected is \$8.5 million, which represents 12% of the estimated annual revenue. This is within the range when compared to the first quarter point of the prior three years when collections ranged from 11% to 13% of the final actual revenue.

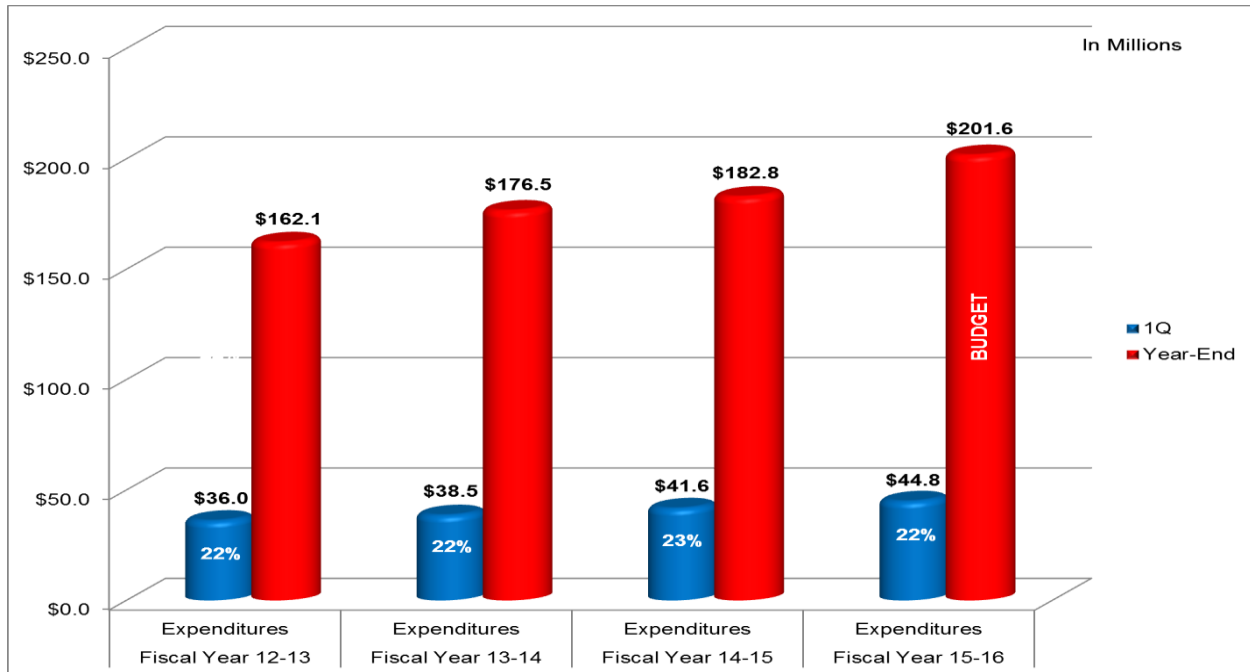
### A Safe Community Four-Year Revenue Comparison



## DEPARTMENTAL EXPENDITURES

As of September 30, 2015, expenditures are \$44.8 million, representing 22% of the budgeted appropriations. Expenditures at the first quarter point of the prior three years ranged from 22% to 23% of the final actual expenditures, placing this year within the range.

### **A Safe Community Four-Year Expenditure Comparison**



Overall, the departments within A Safe Community are on track to end the year within budget and in a positive fiscal position.

## PUBLIC SAFETY RESTORATION

As part of the Fiscal Year 2014-2015 Mid-Year Financial Report, the Board of Supervisors approved recommendations to support Public Safety Restoration (PSR) to fund critical public safety services in four departments, the District Attorney, Public Defender, Probation and Sheriff. The Board approved PSR funding of up to \$2 million in Fiscal Year 2014-2015 and \$4 million in Fiscal Year 2015-2016 to support 39 full time positions in Phase I. Potential funding of up to \$6 million in Budget Year 2016-2017 and \$8 million in Budget Year 2017-2018 will be considered through future Board action, with a goal of funding up to 73 full-time positions by Budget Year 2017-2018.

The following is an update on the implementation status of approved PSR services. At the time of the 2015-2016 Adopted Final Budget, as of June 30, 2015, 12 full-time positions and five extra-help deputy sheriff intern positions had been filled. During the current reporting period of July 1, 2015 to September 30, 2015, departments have filled three additional positions. Of the 39 original positions approved by the Board of Supervisors as part of the 2014-2015 Mid-Year Financial Report, 15 full-time positions are currently filled. The five extra-help positions are not counted within the 39 authorized full-time positions approved for PSR, although funding is provided for the extra-help salaries, as included on the attached PSR table. As of

this time, 20 positions require the use of \$1,427,884 in Fiscal Year 2015-2016 with the remaining funding provided by department savings and other non-General Fund revenues.

#### District Attorney

- Filled two positions during the reporting period: one Victim Advocate, and one Attorney V position. The Victim Advocate position will provide crime victims with a higher level of support and enable these victims to more readily engage in the criminal justice system, holding offenders accountable for their crimes. The Attorney V position was an exchange for the Criminal Investigator II position originally approved as part of Phase I. The need to hire an Attorney V became a priority for the Department with the increasing number of homicide cases. The Criminal Investigator position has been redirected to Phase II.
- At this time, the District Attorney has filled all four of their approved positions for Phase I.

#### Probation

- Filled one position during the reporting period: Manager II for the Clerical unit. This position will provide daily management and supervision of the division.
- At this time, the Probation Department has filled seven of their approved 13 positions for Phase I.
- The Department is in the process of filling all remaining approved positions, including additional positions funded through special revenue funds.

#### Public Defender

- No positions filled during this reporting period.
- The Public Defender has conducted interviews for the Chief Public Defender Investigator (Manager II) position and plans to extend an offer of employment as a result.
- The Public Defender has four vacant authorized positions in Phase I and is in the process of filling and initiating start-up activities to support these positions.

#### Sheriff

- No positions filled during this reporting period.
- The Sheriff's Department has filled four of their 18 approved positions for Phase I, and is working to fill all remaining vacancies to restore services approved through the PSR program.
- The Department currently has candidates identified and scheduled to participate in Basic POST training to fill all remaining vacancies during Fiscal Year 2015-2016.

The table on the following page summarizes the implementation of approved services and budget authority related to PSR in the current Fiscal Year.

### **FIRST QUARTER ISSUES AND RECOMMENDATIONS**

There are no recommended budget changes for the Safe Community priority. Minimal staffing changes are detailed and recommended in the Fiscal Year 2015-2016 First Quarter Financial Report agenda item.

**Public Safety Restoration - Quarterly Update**

Data as of September 30, 2015

**District Attorney**

Positions/Services Approved	Implementation Status	PSR Funds to be Used in FY 2015-2016
Lieutenant - Investigations Unit	Initiated in Q4 FY 14-15	\$192,140
System Technician I - IT Support and Automation	Initiated in Q4 FY 14-15	\$72,669
Attorney V ( Replaced a Criminal Investigator II)	Initiated in Q1 FY 15-16	\$111,705
Victim Advocate II - Victim Services	Initiated in Q1 FY 15-16	\$70,169
Total Funds Used in FY 15-16		\$446,683
Total Approved in FY 15-16 (1)		\$584,000
Balance Remaining		\$137,317

**Probation**

Positions/Services Approved	Implementation Status	PSR Funds to be Used in FY 2015-2016
Supv. Probation Officer - Day Reporting Center	Initiated in Q3 FY 14-15	\$137,000
Deputy Probation Officer III - Day Reporting Center	Initiated in Q3 FY 14-15	\$127,000
Deputy Probation Officer I/II - Day Reporting Center	Initiated in Q4 FY 14-15	\$119,000
Supv. Probation Corrections Officer - Alternative to Custody Program	Initiated in Q4 FY 14-15	Funded in JJCPA
(2) Probation Corrections Officer III - Institutions Programs	Initiated in Q4 FY 14-15	Funded in YOBS
Manager II - Clerical Management Support	Initiated in Q1 FY 15-16	\$90,000
Systems Technician - IT Support	In Progress	\$0
(4) Probation Corrections Officer I/II - Institutions Programs	In Progress	\$0
Crime Analyst - Juvenile Programs	In Progress	\$0
Total Funds Used in FY 15-16		\$473,000
Total Approved in FY 15-16		\$700,000
Balance Remaining		\$227,000

**Public Defender**

Positions/Services Approved	Implementation Status	PSR Funds to be Used in FY 2015-2016
Manager II - Investigations Unit Manager	In Progress	\$0
(2) Special Investigator - Investigations Unit	In Progress	\$0
Attorney V - General Defense	In Progress	\$0
Total Funds Used in FY 15-16		\$0
Total Approved in FY 15-16		\$220,000
Balance Remaining		\$220,000

**Sheriff**

Positions/Services Approved	Implementation Status	PSR Funds to be Used in FY 2015-2016
Lieutenant - Watch Commander	Initiated in Q3 FY 14-15	\$167,138
Lieutenant - Emergency Services/County Security	Initiated in Q4 FY 14-15	MRFA/CEO-OES
(16) Deputy Sheriff - Community Resources, Investigations, etc.	Initiated in Q4 FY 14-15 (2/16)	\$284,056
(5) Deputy Sheriff Intern - extra help (1st Training Academy)	Initiated in Q4 FY 14-15	\$57,007
(5) Deputy Sheriff Intern - extra help	In Progress	\$0
One-Time Equipment Support Costs	Initiated in Q4 FY 14-15	\$35,485
Total Funds Used in FY 15-16		\$543,686
Total Approved in FY 15-16 (2)		\$2,496,000
Balance Remaining		\$1,952,314

**Summary Total**

Total Funds To Be Used in FY 15-16	\$1,463,369
Total Approved in FY 15-16	\$4,000,000
Balance Remaining	\$2,536,631

- (1) PSR savings roll forward from FY 14-15 will support one-time costs of \$71,310 for the District Attorney.  
 (2) PSR savings roll forward from FY 14-15 will support one-time costs of \$559,500 for the Sheriff.



# A Healthy Community

Area Agency on Aging/Veterans Services  
Behavioral Health and Recovery Services  
Child Support Services  
Children and Families Commission  
Community Services Agency  
Health Services Agency

# A Healthy Community

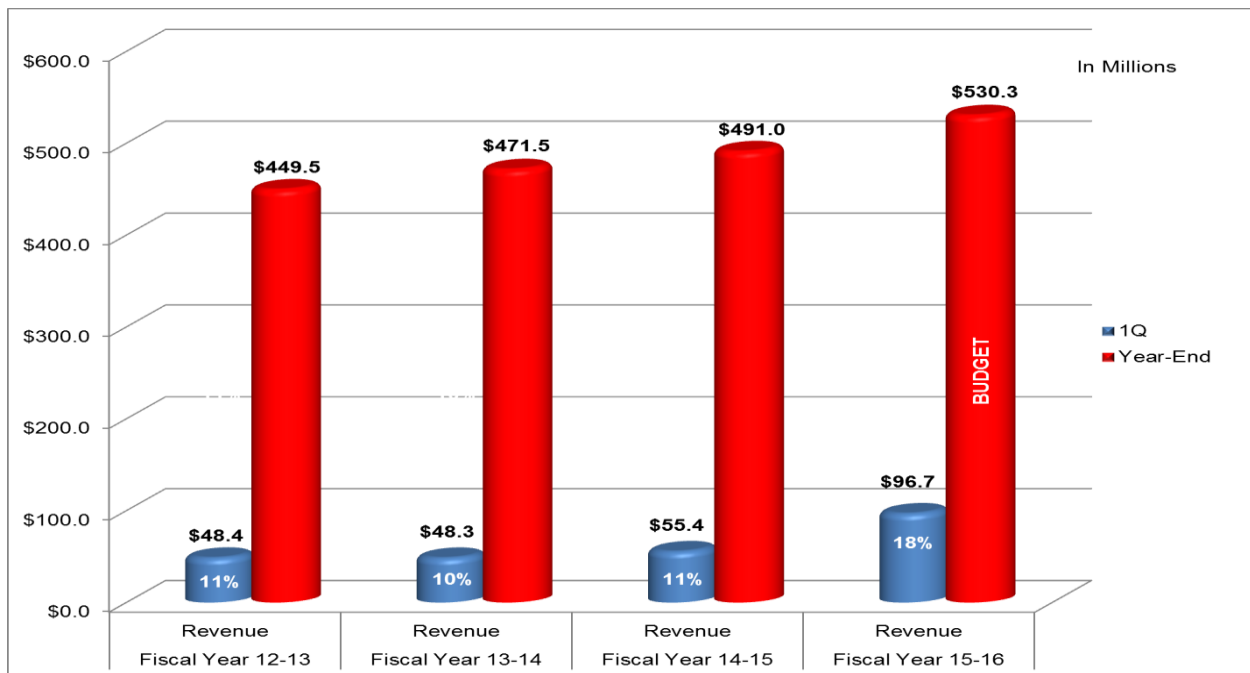
## OVERVIEW

The Board of Supervisors priority area of A Healthy Community is vital to the quality of life for County residents. The departments assigned to this priority area focus on protecting and promoting the health and well-being of County residents including preventing disease, disability and death. Protecting emotional safety addresses the social problems that include homelessness, incarceration, and fragmented families with financial and emotional needs. The departments assigned to this priority area include: Area Agency on Aging and Veterans Services, Behavioral Health and Recovery Services, Child Support Services, Children and Families Commission, the Community Services Agency, and the Health Services Agency. The major funding sources for these programs include Federal and State funding and, where required, local discretionary funds used primarily to match other governmental funding in support of these programs.

## DEPARTMENTAL REVENUE

For the departmental budgets that are part of the Board of Supervisors priority area of A Healthy Community, as of September 30, 2015, actual revenue is \$96.7 million, which represents 18% of the estimated annual revenue. This is above the range compared to the first quarter of the prior three years when collections ranged from 10% to 11%.

### A Healthy Community Four-Year Revenue Comparison



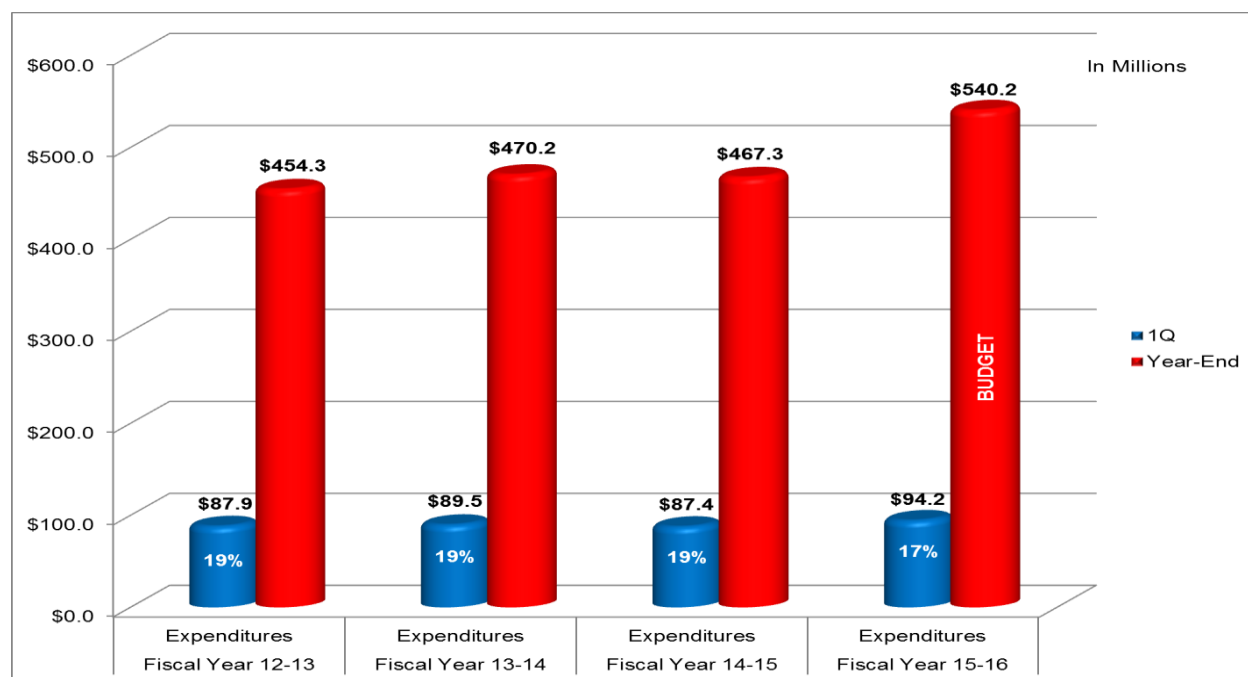


The variance of \$41.3 million compared to last year's first quarter is primarily due to the Community Services Agency implementing a new process in Fiscal Year 2015-2016, to recognize and accrue revenues in the accounting period in which the related expenditures occurred. The Auditor is evaluating this methodology change for consistency in financial reporting, adherence to claiming criteria and in accordance with modified accrual accounting principles. This practice may continue in future quarters or be reversed out by the second quarter based on feedback from the Auditor. Regardless, the impact identified at First Quarter is reflective of a timing change for revenue recognition, and will not affect the total realized revenues by fiscal year-end.

## **DEPARTMENTAL EXPENDITURES**

As of September 30, 2015, expenditures were \$94.2 million, representing 17% of the budgeted appropriations. Expenditures at the first quarter point of the three prior years were 19% of the final annual expenditures, placing this year's expenditures slightly below the range. This is primarily due to the reduction of the Health Services Agency long-term debt payment in the Clinics and Ancillary Services Division and decreases in Foster Care caseloads and average grant amounts for families in the Community Services Agency.

### **A Healthy Community Four-Year Expenditure Comparison**



Overall, the departments within A Healthy Community are on track to end the year within budget and in a positive fiscal position.

## **FIRST QUARTER ISSUES AND RECOMMENDATIONS**

There are no recommended budget changes for the Healthy Community priority. Minimal staffing changes are detailed and recommended in the Fiscal Year 2015-2016 First Quarter Financial Report agenda item.



# **A Strong Local Economy**

Alliance Worknet  
CEO-Economic Development Bank  
Library

# A Strong Local Economy

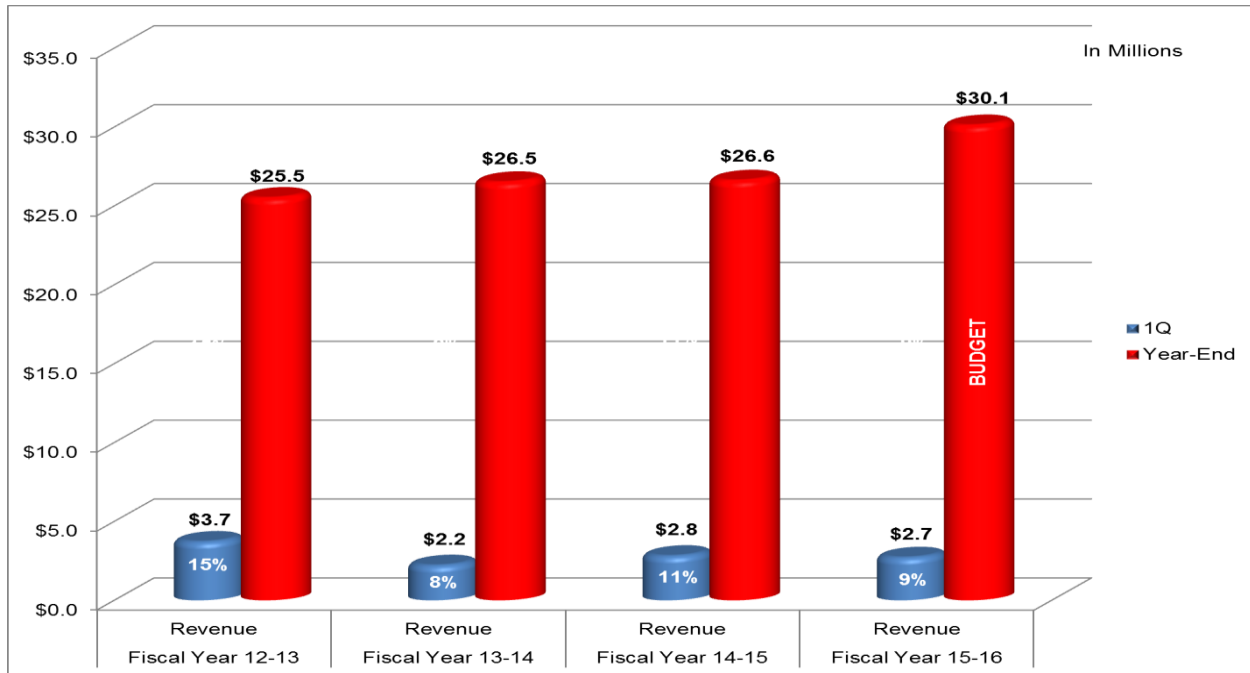
## OVERVIEW

The Board of Supervisors priority area of A Strong Local Economy recognizes the critical role that County government can play in supporting a local economy that promotes, protects, and sustains our agricultural economies while providing for more diversified economic opportunities that will strengthen our local economy and provide for a better, more stable, quality of life for our residents. Supporting job creation, providing a wide range of employment and training services, and educational resources are key aspects of A Strong Local Economy. Departments and programs assigned to this priority area include: Alliance Worknet, Chief Executive Office - Economic Development Bank, and the Library. The Alliance Worknet's major funding source is Federal funds (Workforce Investment Act), while the Library is supported by a special 1/8 cent sales tax and a contribution from the General Fund.

## DEPARTMENTAL REVENUE

For the departmental budgets that are part of the Board of Supervisors priority area of A Strong Local Economy as of September 30, 2015, actual revenue collected is \$2.7 million, which represents 9% of the estimated annual revenue. This is within the range when compared to the first quarter of the prior three years when collections were 8% to 15% of the final actual revenue.

### A Strong Local Economy Four-Year Revenue Comparison

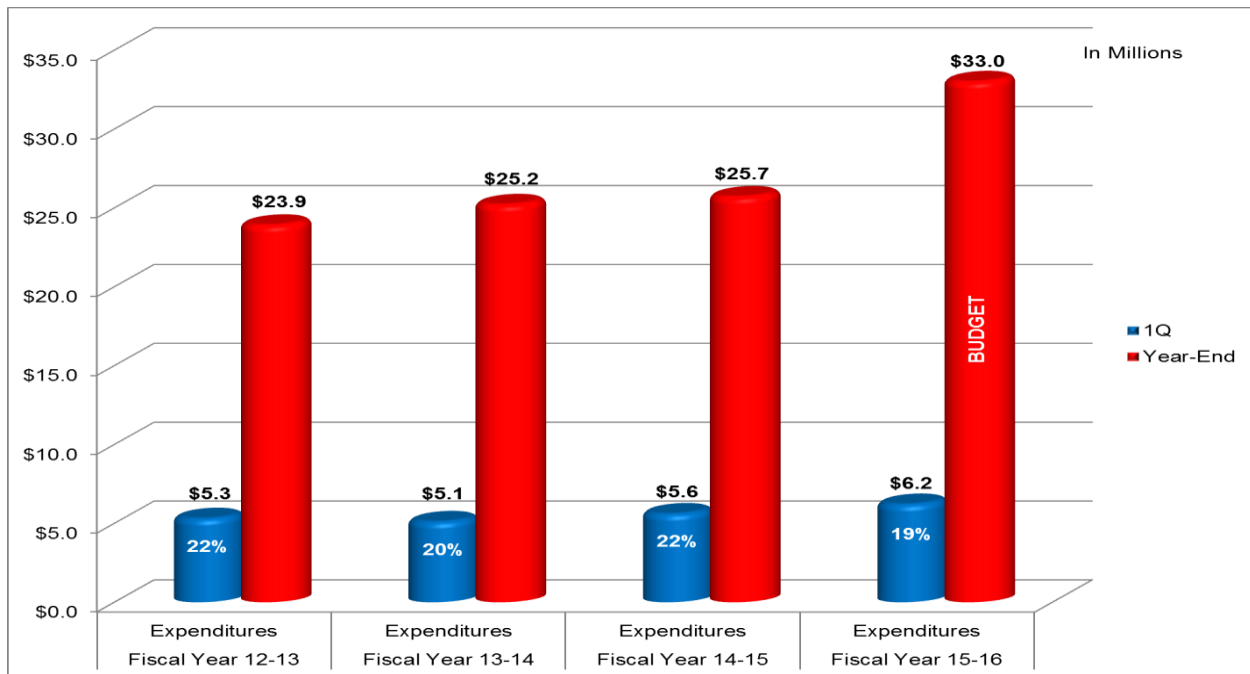


## DEPARTMENTAL EXPENDITURES

As of September 30, 2015, expenditures are \$6.2 million, representing 19% of the budgeted appropriations. Expenditures at the first quarter point of the prior three years ranged from 20% to 22% of the final actual expenditures, placing this year just below the range. This is primarily the result of a \$1.5 million budget increase to the CEO-Community Development Fund for future projects.

### **A Strong Local Economy Four-Year Expenditure Comparison**

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Overall, estimated revenue and appropriations for the Board of Supervisors priority area of A Strong Local Economy are projected to meet budget at year-end.

## FIRST QUARTER ISSUES AND RECOMMENDATIONS

There are no recommended budget or staffing changes for this priority.



# **A Strong Agricultural Economy/Heritage**

Agricultural Commissioner  
Cooperative Extension

# A Strong Agricultural Economy/Heritage

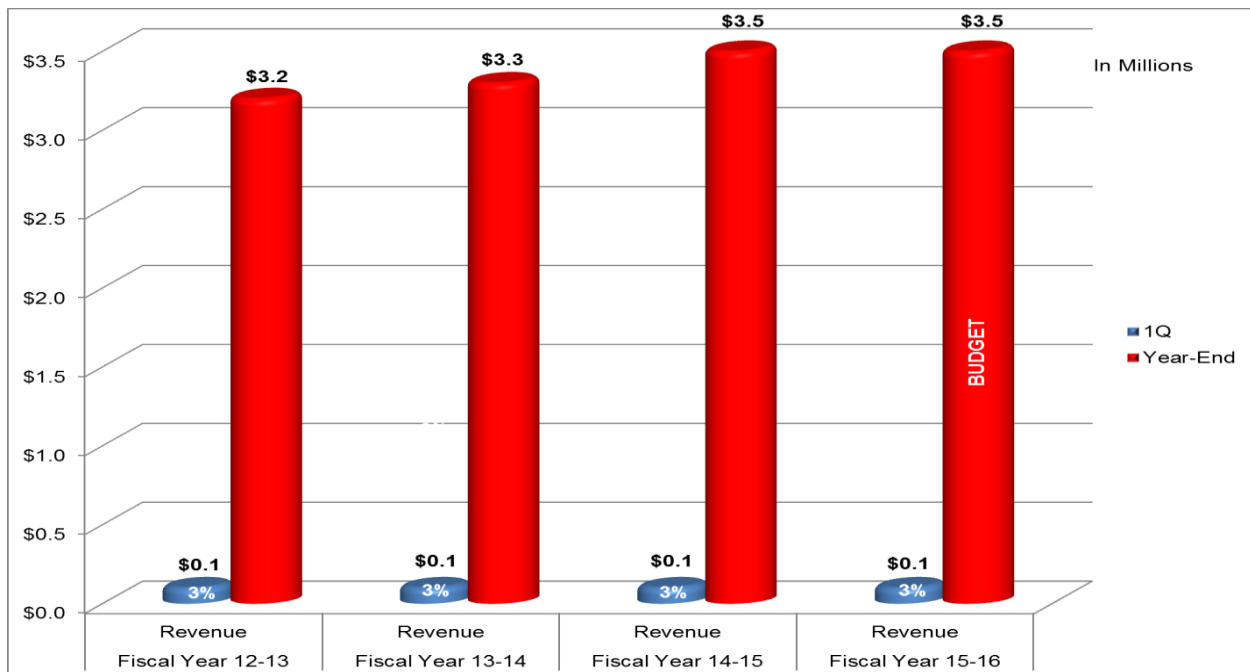
## OVERVIEW

The Board of Supervisors priority area of A Strong Agricultural Economy/Heritage recognizes the vital role of the County's number one industry that generates over \$4 billion per year for County residents. Farmland conversion, air pollution, soil salinity and drainage, agricultural water supply and water quality, and preservation of our unique agriculture heritage are key aspects of A Strong Agricultural Economy/Heritage. Departments assigned to this priority area include: Agricultural Commissioner's Office and Cooperative Extension. The major funding source for these County budgets includes contributions from the General Fund. The Agricultural Commissioner receives State funding for a number of programs as well as charges for specific services. While not part of the County budget, Cooperative Extension's University of California advisors are funded through the University of California system.

## DEPARTMENTAL REVENUE

As of September 30, 2015, actual revenue collected is \$74,264, which represents 3% of the estimated annual revenue. This is within the range when compared to the first quarter of the prior three years when collections were 3% of the final actual revenue.

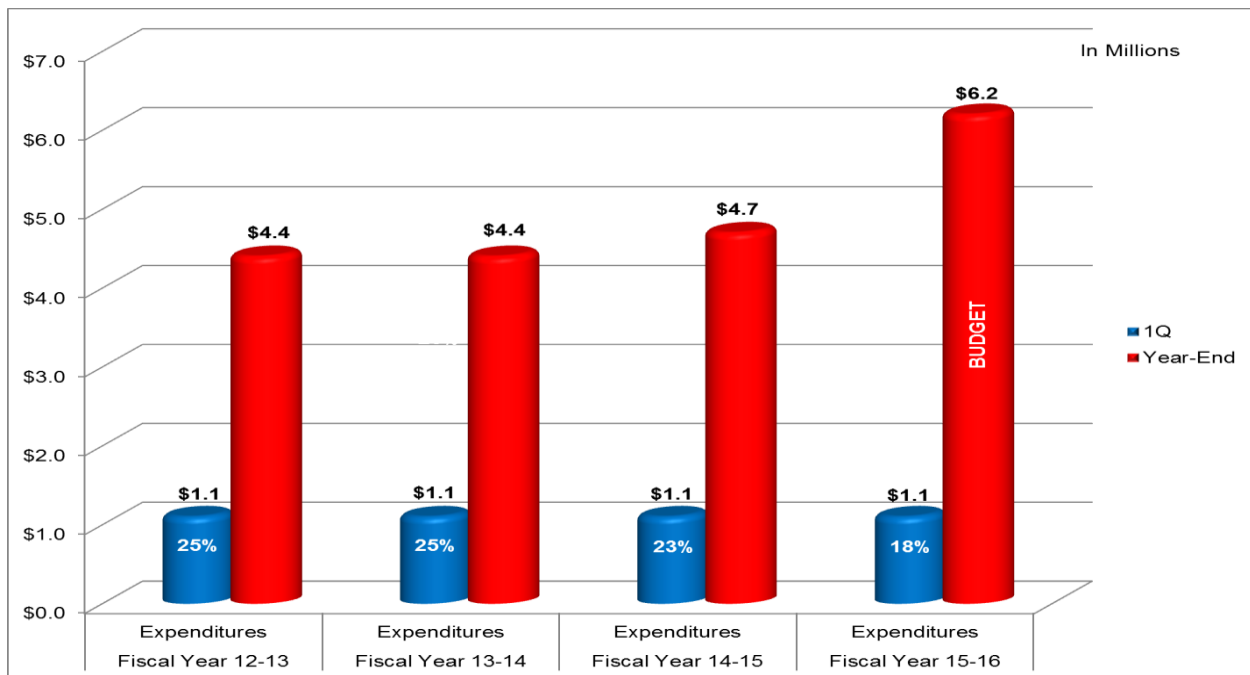
### **A Strong Agricultural Economy/Heritage Four-Year Revenue Comparison**



## DEPARTMENTAL EXPENDITURES

As of September 30, 2015, expenditures are \$1.1 million, representing 18% of the budgeted appropriations. Expenditures at the first quarter point of the prior three years ranged from 23% to 25% of the final actual expenditures, placing this year below the range. The variance is due to the Agricultural Commissioner's budgeted \$1.3 million net county cost savings that the Department does not anticipate exhausting in Fiscal Year 2015-2016.

### **A Strong Agricultural Economy/Heritage Four-Year Expenditure Comparison**



Overall, appropriations and estimated revenue for the Board of Supervisors priority area of A Strong Agricultural Economy/Heritage are projected to meet budget at year-end.

## FIRST QUARTER ISSUES AND RECOMMENDATIONS

There are no recommended budget or staffing changes for this priority.



# **A Well Planned Infrastructure System**

Environmental Resources  
Parks and Recreation  
Planning and Community Development  
Public Works



# A Well Planned Infrastructure System

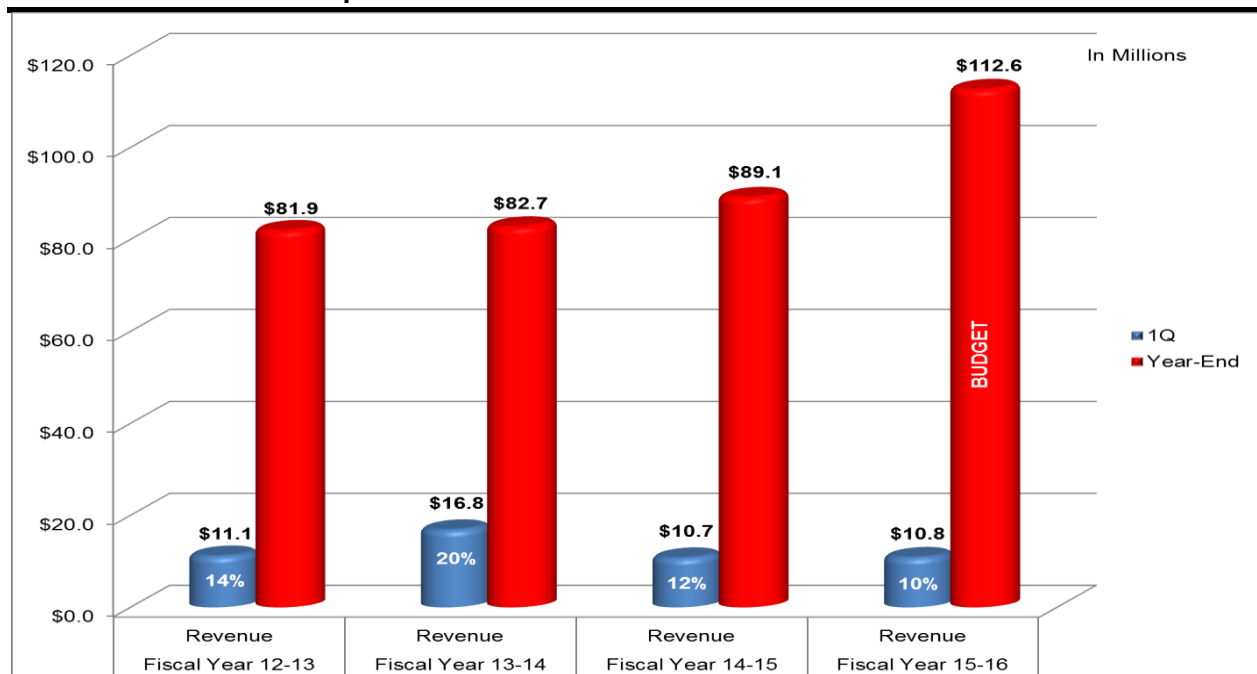
## OVERVIEW

The Board of Supervisors priority area of A Well Planned Infrastructure System is essential to the quality of life for the residents of Stanislaus County and to the maintenance and expansion of a robust economy. Water quality, effective liquid and solid waste disposal, recreational opportunities, and regional approaches to transportation circulation are critical to A Well Planned Infrastructure System. Departments assigned to this priority area include: Environmental Resources, Parks and Recreation, Planning and Community Development, and Public Works. The major funding sources for these departments include State and Federal funding, fees and Charges for Services, the General Fund, special revenue grants and tax increment payments.

## DEPARTMENTAL REVENUE

For the departmental budgets that are part of the Board of Supervisors priority area of A Well Planned Infrastructure System as of September 30, 2015, actual revenue collected is \$10.8 million, which represents 10% of the estimated annual revenue. This is below the range when compared to the first quarter of the prior three years when collections ranged from 12% to 20% of the final actual revenue. The lower percentage of revenues at first quarter compared to the prior three years is primarily due to a delay in the receipt of payment for transit services to the Local Transportation Fund (LTF). Additionally, actual revenues have not yet been posted for the SR 99/Kiernan Interchange project and Claribel Widening projects. Road capital projects are fully budgeted in the current year, however actual revenue occurs over multiple years. The Claribel Road Widening project is due to be completed this Fall, and the SR99/Kiernan Interchange project is scheduled for completion in the Spring of 2016.

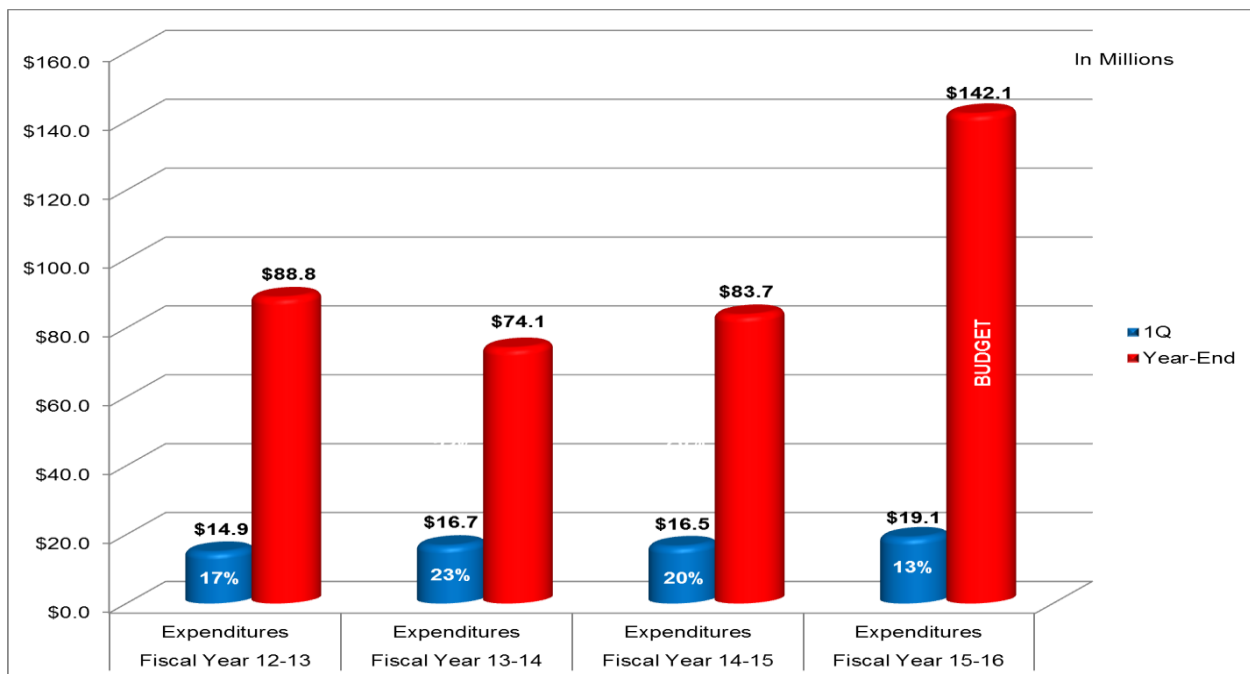
## A Well Planned Infrastructure System Four-Year Revenue Comparison



## DEPARTMENTAL EXPENDITURES

As of September 30, 2015, expenditures are \$19.1 million, representing 13% of the budgeted appropriations. Expenditures at the first quarter of the prior three years ranged from 17% to 23% of the final actual expenditures, placing this year's expenditures below the range. The lower percentage at first quarter compared to the same time last year is primarily due to a decrease in contract expenses for the Claribel Road Widening project that has been delayed due to PG&E gas line issues. This project is due to be completed this Fall. Additionally, road capital projects are fully budgeted in the current year, however actual expenditures occur over multiple years. The SR99/Kiernan Interchange project is scheduled for completion in the Spring of 2016.

### **A Well Planned Infrastructure System Four-Year Expenditure Comparison**



Overall, appropriations and estimated revenue for the Board of Supervisors priority area of A Well Planned Infrastructure System are projected to meet budget at year-end.

## FIRST QUARTER ISSUES AND RECOMMENDATIONS

There are no recommended budget or staffing changes for this priority.



# Efficient Delivery of Public Services

Assessor  
Auditor-Controller  
Board of Supervisors  
Chief Executive Office  
Clerk-Recorder  
County Counsel  
General Services Agency  
Strategic Business Technology  
Treasurer-Tax Collector

# Efficient Delivery of Public Services

## OVERVIEW

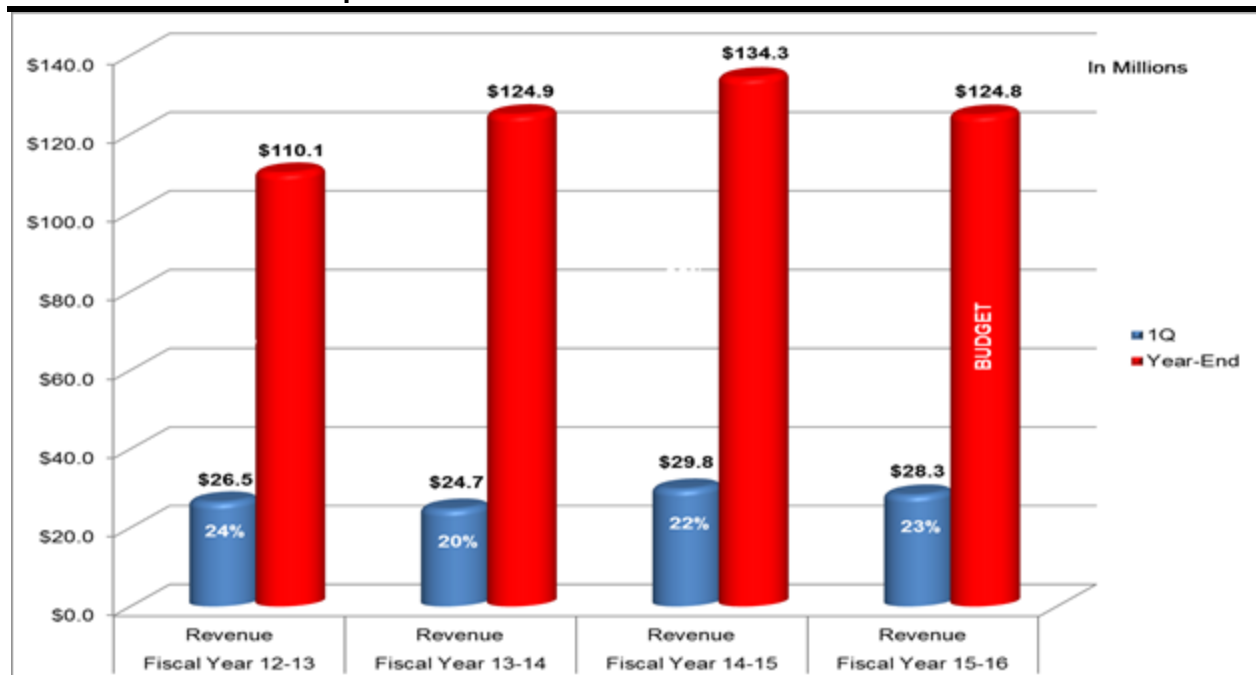
Efficiency is a critical element in the effective operation of government agencies and allows for the sustained provision of valuable services to the community. County departments provide a multitude of services to a diverse customer base. These customers expect government to be responsive to their needs and County departments must work to understand these needs and determine how best to provide the desired services. Customer feedback is a valuable source of insight in this process and encourages departments to remain focused on continuous improvement.

Departments assigned to the Board of Supervisors priority area of Efficient Delivery of Public Services include Assessor, Auditor-Controller, Chief Executive Office, Clerk-Recorder/Elections, County Counsel, General Services Agency, Strategic Business Technology, and Treasurer-Tax Collector. The revenue used to pay for the majority of these services comes from local taxes such as property tax and sales tax, fees, franchises, charges for services, and a variety of other discretionary sources.

## DEPARTMENTAL REVENUE

For the departmental budgets that are part of the Board of Supervisors priority area of Efficient Delivery of Public Services, actual revenue collected as of September 30, 2015, is \$28.3 million, which represents 23% of the estimated annual revenue. This is within the normal range when compared to the first quarter point of the prior three years when collections ranged from 20% to 24% of the final actual revenue.

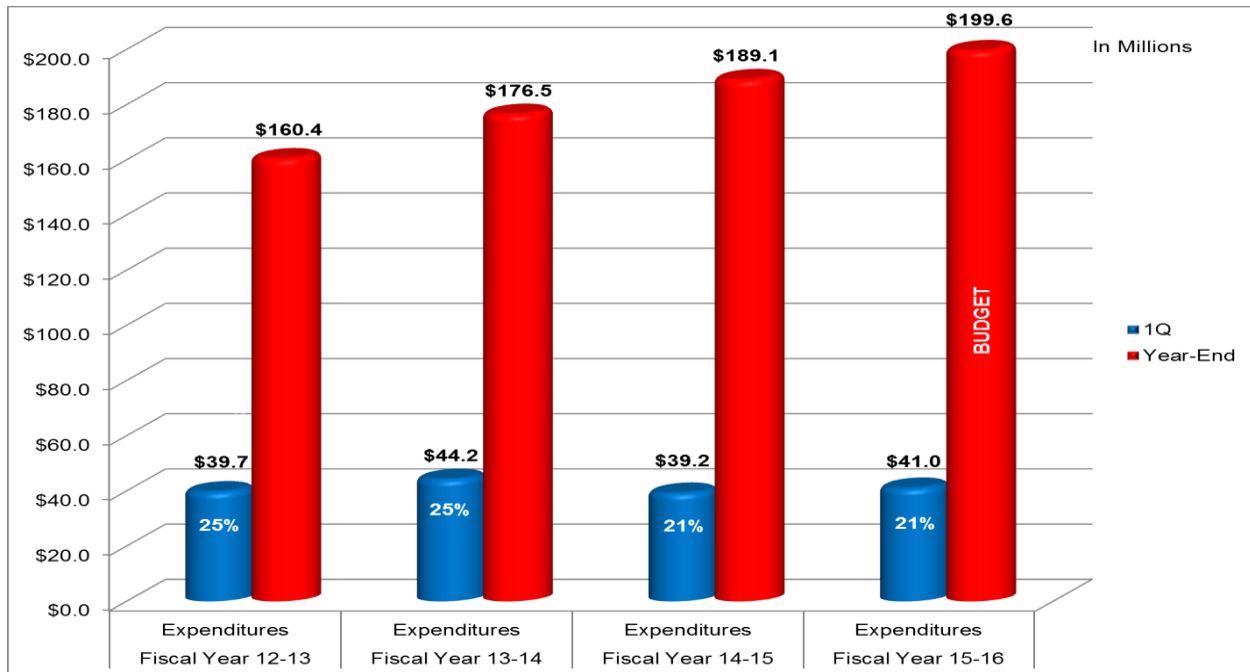
### Efficient Delivery of Public Services Four-Year Revenue Comparison



## DEPARTMENTAL EXPENDITURES

As of September 30, 2015, expenditures are \$41 million, representing 21% of the budgeted appropriations. Expenditures at the first quarter point of the prior three years ranged from 21% to 25% of the final actual expenditures, placing this year within the normal range.

### **Efficient Delivery of Public Services Four-Year Expenditure Comparison**



Overall, the departments within Efficient Delivery of Public Services are on track to end the year within budget.

## FIRST QUARTER ISSUES AND RECOMMENDATIONS

### **CHIEF EXECUTIVE OFFICE - AIRPORT**

The Adopted Final Budget includes \$190,000 of appropriations to be used to fund capital improvements as approved by the Airport Advisory Board during Fiscal Year 2015-2016, or used as local match in securing airline service. This is funded by estimated aircraft tax revenue budgeted in Discretionary Revenue. It is recommended that \$25,000 of the available tax revenue fund a User Demand Study as part of the City of Modesto's efforts to attract an airline service.

There are no other recommended budget changes for the Efficient Delivery of Public Services priority. Minimal staffing changes are detailed and recommended in the Fiscal Year 2015-2016 First Quarter Financial Report agenda item.

## **FIRST QUARTER FINANCIAL REPORT CONCLUSION**

The First Quarter Financial Report shows the County is balanced and actual performance is tracking well with the 2015-2016 Operating Budget and year-end projections. Public Safety Restoration analysis is ongoing and the Department Long Range Model is being fully developed through this process, with a planned report to the Board of Supervisors at Mid-Year. County staff will continue to monitor the 2015-2016 Fiscal Year budget operations and be prepared to make appropriate recommendations and changes at the Mid-Year Financial Report on March 8, 2016. Staff will also closely watch the monthly cash report issued by the State Controller to monitor State inflows of revenue. If more urgent budget adjustments are required prior to the Mid-Year Financial Report, staff will bring appropriate and timely recommendations to the Board of Supervisors for consideration.

## **BUDGET SCHEDULE**

The following schedule is recommended for the 2015-16 Mid-Year Financial Report:

- ◆ December 4, 2015                      Issue 2015-2016 Mid-Year Budget Instructions
- ◆ January 11, 2016                      Departments' Mid-Year Budget Submittals due to Chief Executive Office
- ◆ March 8, 2016                         Mid-Year Financial Report to the Board of Supervisors