



Budget at a Glance

Adopted Final Budget
Budget Year 2018-2019/2019-2020
Stanislaus County, California

Board of Supervisors

Jim DeMartini, Chair
Vito Chiesa
Kristin Olsen
Terry Withrow
Dick Monteith



Submitted by Jody Hayes, Chief Executive Officer

Mission—Vision—Values



The vision of Stanislaus County is to be respected for our service to the community and known as the best in America.

Values

Trustworthiness | Respect | Responsibility | Fairness | Caring | Citizenship

Priorities

Supporting Strong and Safe Neighborhoods

Supporting Community Health

Developing a Healthy Economy

Promoting First-Rate Learning

Delivering Efficient Public Services and Community Infrastructure

Our mission is to serve the community through public and private partnerships that promote public health, safety, welfare and the local economy in an efficient, cost-effective manner.

Striving together to be the best!

Budget Message

“There are risks and costs to action. But they are far less than the long range risk of comfortable inaction.” - John F. Kennedy

There are many questions and concerns about our community that drive me, challenge me, and motivate me as your County Chief Executive Officer. At the top of that list is, “what kind of a community do we envision for our children in the future?” These questions drive me to work with our County departments to meet the needs of our community now and well into the future. Some of these efforts are aimed at immediate needs, some are much more long term in nature and will take a lot of time and a lot of vision. That’s an awesome responsibility and one I share with the Board of Supervisors, department heads, and our employees who have dedicated their many waking hours towards a common goal: creating a healthy and vibrant place to live, work, and play; a place to call home.



This is why it has been so important for me to push the boundaries in our long-standing tradition of continuous improvement, and to empower our leadership team throughout the County in their efforts to inspire breakthrough performance focused on supporting our community for decades to come. This effort takes risk, and relies upon the willingness of the Board of Supervisors to stretch ourselves into an uncomfortable space with a belief that the future vision of our community is within our reach. For the first time, we are presenting a two-year budget, pushing long-range financial planning further into the organization. To further strengthen the connection between leadership strategy and budget policy, we have implemented a new performance visioning initiative to work in tandem with our two-year budget process.

It is with extreme pleasure that I present to you the 2018-2019/2019-2020 Adopted Final Budget.

Respectfully,

A handwritten signature in blue ink that reads "Jody Hayes". The signature is written in a cursive, flowing style.

Jody Hayes, Chief Executive Officer

Challenges and Opportunities

Housing and Homelessness

Homelessness affects the safety and health of the community, requiring thoughtful, collaborative planning for solutions that often include assistance for those in dire need of physical and behavioral health services. The Community Assessment, Response, and Engagement (CARE) service model provides the means for a multi-disciplinary approach to this growing issue and will continue to be a significant focus for the community's efforts in the years to come. Plans to provide a temporary, low-barrier emergency shelter are ongoing as are those for a permanent access center to expand outreach and engagement services to those in need.

Employee Recruitment and Retention

Many County departments have struggled to recruit and retain quality staff, especially for high-level, professional positions. This has posed challenges in providing thoughtful succession planning and seamless transition upon employee retirements. The Chief Executive Office Human Resources (CEO-HR) division is working to expand training opportunities, increase accessibility to valuable staffing resources, and improve recruitment and retention activities to address the issue.

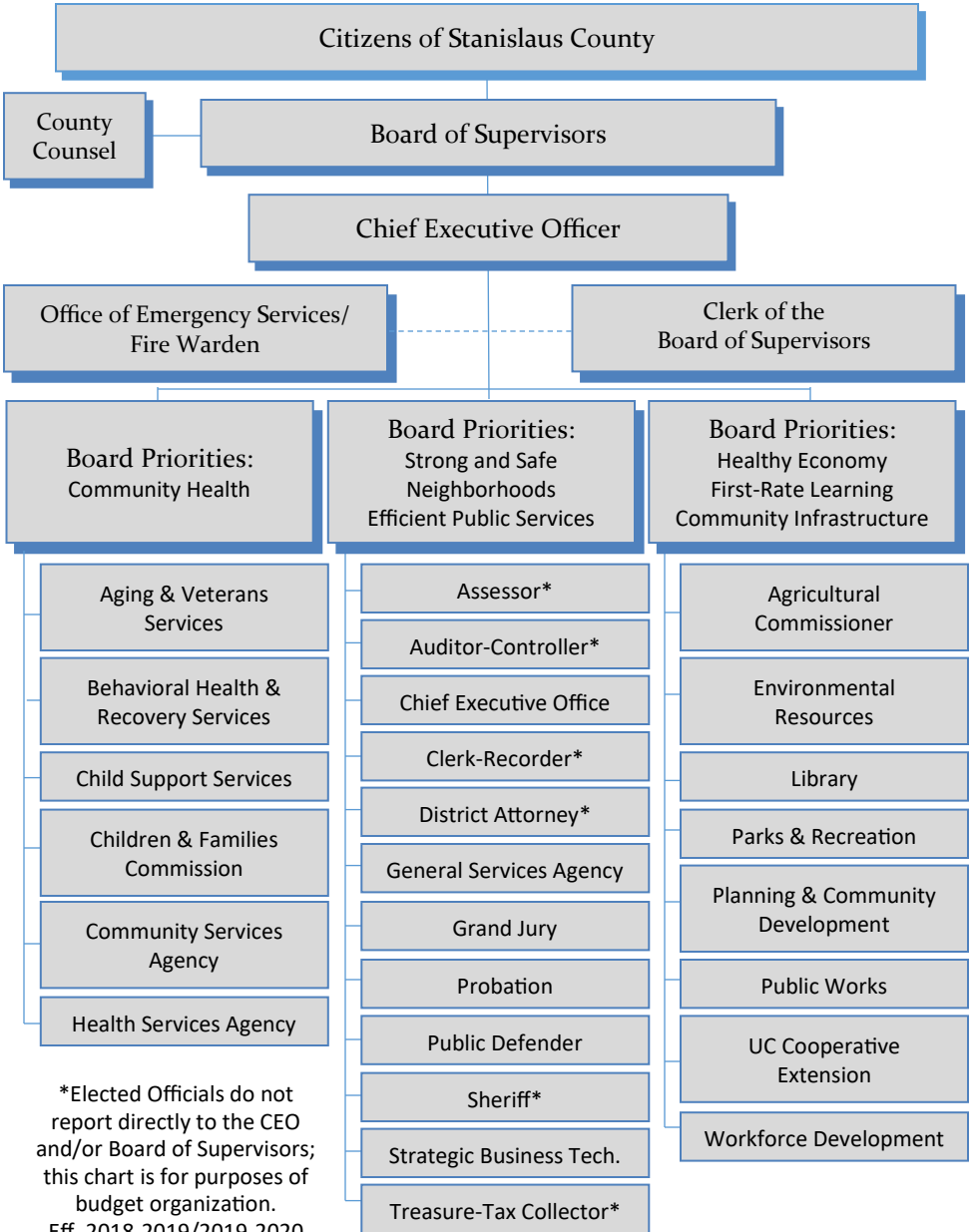
Facilities and Infrastructure

The County's aging facilities and infrastructure require significant investment in annual repairs and maintenance, the need for demolition and/or remediation of old buildings and County sites, and ongoing capital improvement planning. This exposure is continually evolving and is factored into updates to the County's Long-Range Financial Model. Prudent debt service and planning is critical in supporting the organization in building and/or maintaining capital assets designed to best address the customer and staff needs of the future. The County's Debt Advisory Committee will be asked to evaluate appropriate debt levels in the upcoming two-year budget term.

Safety and Security

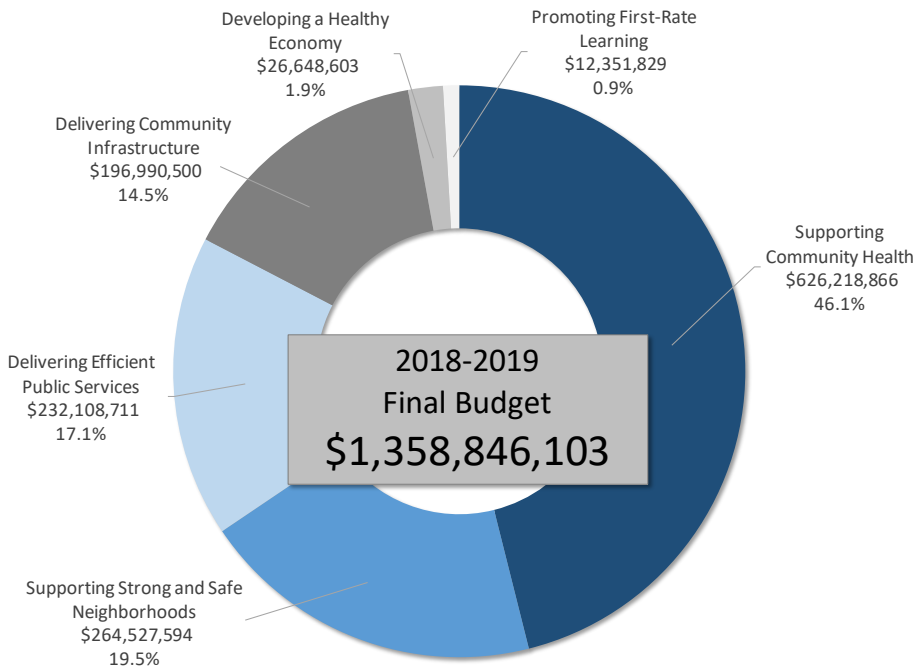
The safety and security of government facilities and functions is an ongoing concern and focus of the Chief Executive Office, Sheriff's Department, and local law enforcement agencies. Cyber security is also a critical component in addressing the needs of the organization and the integrity of its records and confidential information. Additional resources have been designated to address this growing threat.

Stanislaus County Organizational Structure



Adopted Final Budget

Fiscal Years 2018-2019/2019-2020



2018-2019 Adopted Final Budget

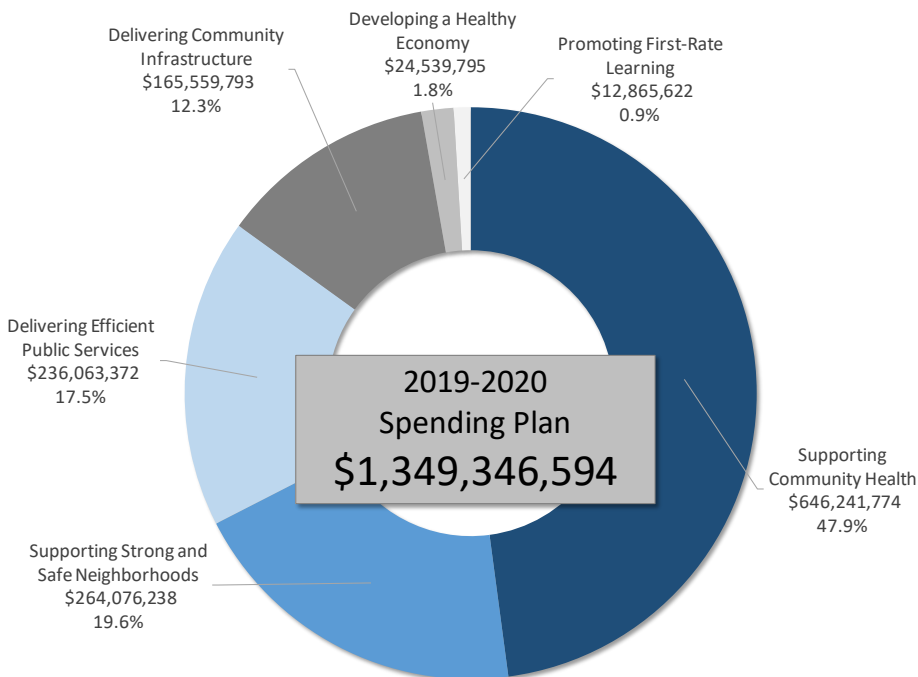
The 2018-2019 Adopted Final Budget of \$1.4 billion was approved by the Board of Supervisors on September 18, 2018, representing a 1.5% increase over the Adopted Proposed Budget. Increases of \$7.1 million were provided in support of programs within the Board priority *Supporting Community Health*. An additional \$6.3 million was attributed to department needs in the priority *Supporting Strong and Safe Neighborhoods*, primarily for critical equipment replacement. A total of \$3 million in increases were established to support departments *Delivering Efficient Public Services*, offset by a transfer from Appropriations for Contingencies for technical adjustments in multiple General Fund departments related to approved labor agreements. Finally, approximately \$3 million in appropriations were established for departments *Developing a Healthy Economy*, primarily \$2.9 million for the Crows Landing Industrial Business Park, with the remaining increases funding needs in departments *Promoting First-Rate Learning* and *Delivering Community Infrastructure*.

Adopted Final Budget

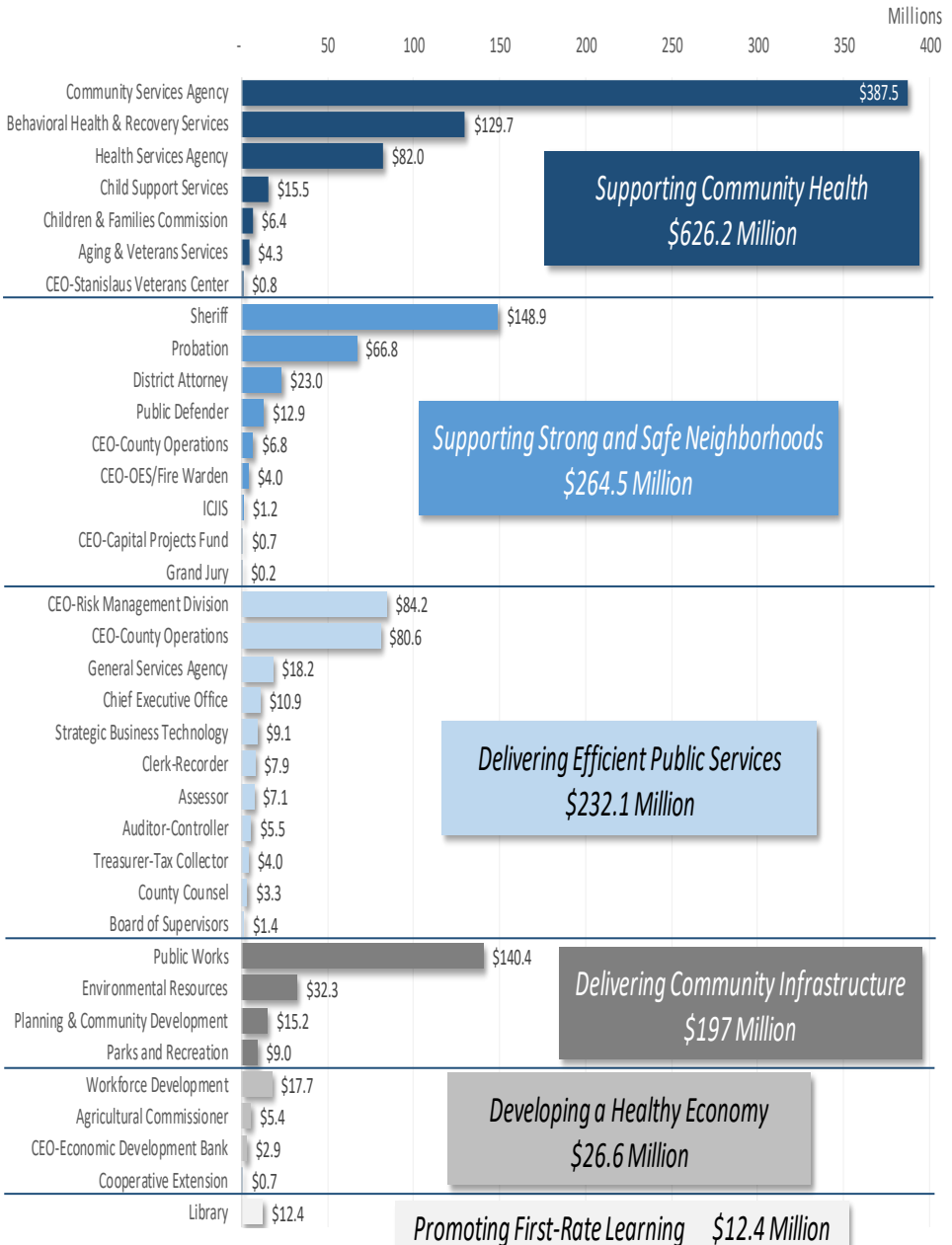
Fiscal Years 2018-2019/2019-2020

2019-2020 Spending Plan

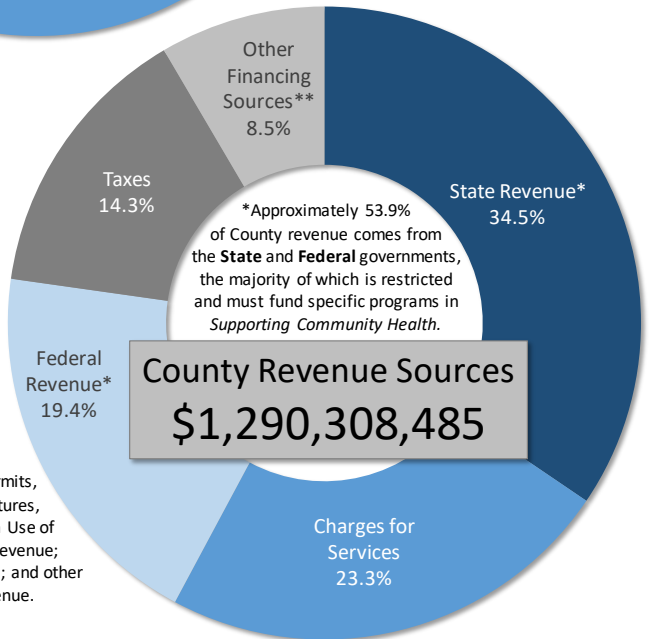
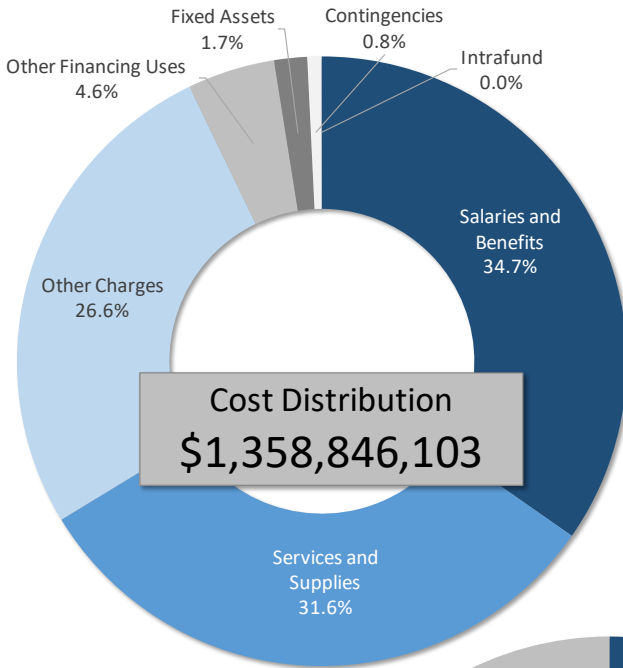
The 2019-2020 Spending Plan, approved in concept along with the operational budget for Fiscal Year 2018-2019, serves as the base budget for the Budget Year 2019-2020, year two of the two-year cycle. Departments used a variety of projection methodologies to estimate their needs in year two, including the use of standard escalators for salaries and benefits. The 2019-2020 Spending Plan totals \$1.3 billion, representing a 0.7% reduction from the 2018-2019 Adopted Final Budget. This decrease is primarily attributed to the elimination of one-time costs in year two. By priority, *Supporting Community Health* projects a 3.2% increase, *Supporting Strong and Safe Neighborhoods* estimates a slight decrease of 0.2%, *Delivering Efficient Services* anticipates a 1.7% increase, *Delivering Community Infrastructure* projects a material decrease of 16% primarily due to a decrease in the number of Federal projects scheduled in year two, *Developing a Healthy Economy* estimates a decrease of 7.9%, and *Promoting First-Rate Learning* anticipates an increase of 4.2%.



2018-2019 Final Budget Appropriations by Department



2018-2019 Final Budget Appropriations/Revenue



**Includes Licenses, Permits, Franchises; Fines, Forfeitures, Penalties; Revenue from Use of Assets; Miscellaneous Revenue; Other Financing Sources; and other Intergovernmental Revenue.

2018-2019 Final Budget

Appropriations/Revenue by Fund

2018-2019 Adopted Final Budget

Consistent with standard accounting practices, the County’s budget is divided into separate financial entities known as “funds.” A fund contains a set of accounts that carry out specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations. Governments use these fund entities to segregate their financial resources and demonstrate legal compliance. The County’s budget includes the three “governmental funds” of General, Special Revenue, and Capital Projects to account for local government activities. The County also uses two proprietary fund types that are for “business-type” activities, Enterprise and Internal Service funds.

The General Fund is used to pay for core services such as public safety, parks and recreation, planning and community development, justice administration, tax assessment and collection, and a host of other vital services. The revenue used to pay for these services comes primarily from local taxes such as property tax and sales tax, franchise fees, charges for services, and a variety of other discretionary sources. Special Revenue funds are a fund type used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes and account for over half of Stanislaus County’s budget. Capital Projects funds are typically used to account for financial resources that are used for the acquisition or construction of major capital facilities for County departments. Enterprise funds are set up for specific services that are funded directly by fees charged for goods and/or services. Internal Services funds are used to report activities that provide goods or services to other County departments or agencies on a cost-reimbursement basis.

Final Budget Summary by Fund Type	Total Recommended Appropriations	Total Recommended Revenue	Fund Balance and One-Time Funding Required
General Fund	\$ 356,575,653	\$ 339,823,001	\$ 16,752,652
Special Revenue Fund	802,880,307	772,467,608	30,412,699
Capital Projects Fund	731,000	760,000	(29,000)
Enterprise Fund	84,041,359	65,518,153	18,523,206
Internal Service Fund	114,617,784	111,739,723	2,878,061
Total	\$ 1,358,846,103	\$ 1,290,308,485	\$ 68,537,618

2018-2019 Final Budget General Fund

General Fund	2016-2017	2017-2018	2018-2019
	Adopted Final Budget	Adopted Final Budget	Adopted Final Budget
Departmental Appropriations	\$ 285,287,154	\$ 315,912,550	\$ 348,660,154
Appropriations for Contingencies	12,948,261	13,943,669	7,915,499
Total Appropriations	\$ 298,235,415	\$ 329,856,219	\$ 356,575,653
Departmental Revenue	91,827,442	103,311,988	116,754,369
General Fund Contribution	\$ 206,407,973	\$ 226,544,231	\$ 239,821,284
Sources of Funding			
Discretionary Revenue	\$ 193,925,874	\$ 205,839,500	\$ 223,068,632
Fund Balance - Unassigned	(76,246)	-	1,873,330
Fund Balance Assignments	12,558,345	20,704,731	14,879,322
Total Sources of Funding	\$ 206,407,973	\$ 226,544,231	\$ 239,821,284

General Fund 2018-2019 Adopted Final Budget

The 2018-2019 Adopted Final Budget for the General Fund is \$356.6 million, an increase of \$26.7 million from the 2017-2018 Adopted Final Budget of \$329.9 million. This increase is attributed to service level base funding adjustments for existing programs and allocated staff along with \$4.1 million in technical adjustments for approved labor agreement increases to salaries and benefits; \$2.9 million for the Crows Landing Industrial Business Park; \$2.7 million in increased support for departmental unmet needs; and \$2.5 million in additional contributions to other agencies.

The funding level approved for General Fund budgets relies on \$116.7 million in estimated departmental revenues and \$223.1 million in Discretionary Revenue. The General Fund assumes the use of \$16.8 million in fund balance, bringing total funding sources for the General Fund to \$356.6 million. The General Fund balance on July 1, 2018, was \$204.2 million with a projected fiscal year-end fund balance of \$187.4 million on June 30, 2019.

The use of fund balance assignments to balance the budget represents the value of long-range planning in action. These funds, set aside from savings in prior years, are dedicated to meeting needs in the current budget. A multi-year, General Fund long-range model provides guidance for financial decisions. The County General Fund long-range model has been completed through Budget Year 2021-2022.

2018-2019 Final Budget General Fund Contributions

Millions

Sheriff, \$106.5



\$239.8 Million

General Fund Contributions

General Fund Contributions provided to County departments, also referred to as Net County Cost, total \$239.8 million. These contributions are funded by \$223.1 million in Discretionary Revenue, \$14.9 million in Assigned Fund Balance, and \$1.8 million in Unassigned Fund Balance. The majority of funding supports departments within the priority *Supporting Strong and Safe Neighborhoods* (Sheriff, Probation, District Attorney, and Public Defender), County Operations, and social service programs within the Community Services Agency. All Other Departments represent the total for the remaining departments receiving General Fund support and include Environmental Resources, Cooperative Extension, Area Agency on Aging, Library, CEO—Risk Management, Grand Jury, CEO—Stanislaus Veterans Center, Public Works, and General Services Agency.

Stanislaus County

Long-Range/Capital Improvement Plans

General Fund Long-Range Model

The General Fund Long-Range Model is an illustration of the County's long-range financial plans that extend beyond the current fiscal year based on known and/or anticipated funding and expenditure projections. The projections include escalation factors to meet the cost of doing business and address the organization's service needs into the future.

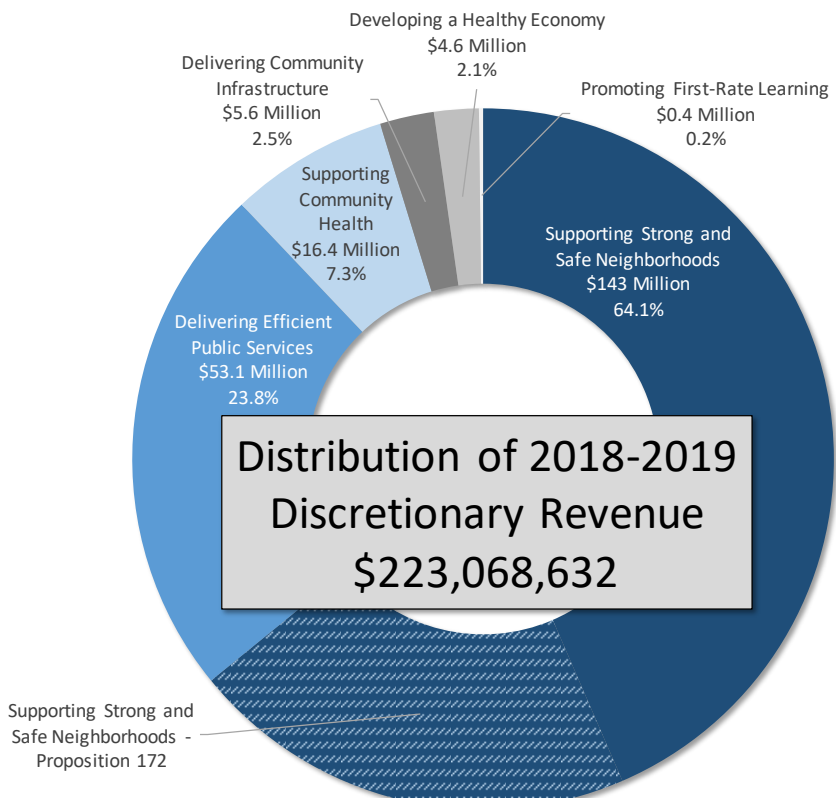
General Fund Long-Range Model				
Item	2018-2019 Final Budget	2019-2020 Spending Plan	2020-2021 Projected Budget	2021-2022 Spending Plan
Funding Assumptions				
Discretionary Revenue	\$ 223,068,632	\$ 227,983,824	\$ 233,500,000	\$ 239,100,000
Departmental Revenue	116,754,369	116,010,163	119,500,000	123,100,000
Unassigned Fund Balance	1,873,330	-	9,000,000	9,000,000
Assigned Fund Balance	14,879,322	11,017,342	1,000,000	500,000
Total Funding	\$ 356,575,653	\$ 355,011,329	\$ 363,000,000	\$ 371,700,000
Expenditure Assumptions				
Base Budget	\$ 308,558,118	\$ 314,370,844	\$ 327,520,544	\$ 341,103,125
Restoration of 5% Salary/Vacancy Rate Factor	7,845,328	8,080,688	8,323,108	8,572,802
Debt Service Offset by Rents	(1,533,623)	(1,534,039)	(1,534,039)	(1,164,960)
Adult Detention Expansion I and II	12,962,705	13,828,776	14,312,783	14,813,730
Jail Medical	14,117,205	14,611,310	15,122,706	15,658,176
Adult Detention Expansion Phase III (placeholder)	-	-	5,600,000	5,796,000
One-time Projects and Equipment	10,861,115			
In-Home Supportive Services MOE Growth	2,264,805	4,153,750	5,437,310	6,374,465
Deferred Maintenance/ADA Improvements	1,500,000	1,500,000	1,500,000	1,500,000
Total Costs	\$ 356,575,653	\$ 355,011,329	\$ 376,282,412	\$ 392,653,338
Total (Deficit in Parentheses)	\$ -	\$ -	\$ (13,282,412)	\$ (20,953,338)

Capital Improvement Plan

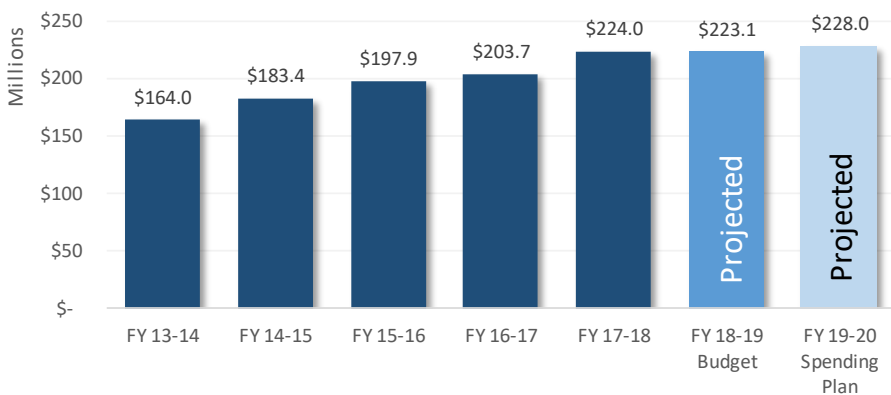
The Capital Improvement Plan (CIP) was developed to assist County decision makers in determining priorities and identifying where limited one-time funds should be allocated to address the County's most important capital needs. The following projects, currently in various stages of design or construction, are underway:

- ◆ Empire and Turlock Library projects are in the design phase with the total expected costs for both libraries estimated at \$14 million;
- ◆ Health Services Agency relocation from County Center II to County Center III, using modular buildings and new construction, is estimated at approximately \$30 million;
- ◆ Countywide Americans with Disabilities Act (ADA) Self-Evaluation and Transition Plan projects have an annual \$500,000 budget and are ongoing; and
- ◆ Various Road and Bridge projects housed within the Public Works department budget.

2018-2019 Final Budget Discretionary Revenue

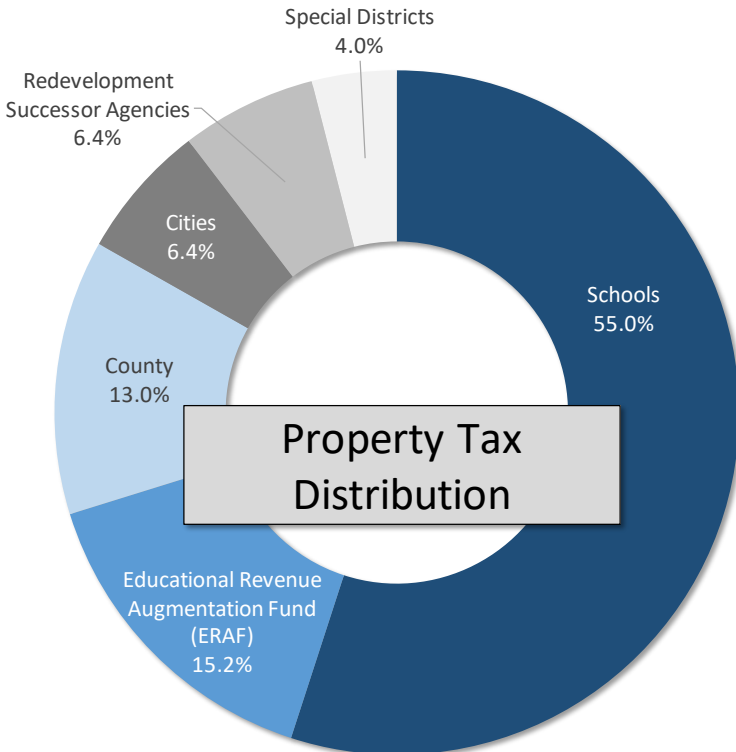


Discretionary Revenue Multi-Year Summary

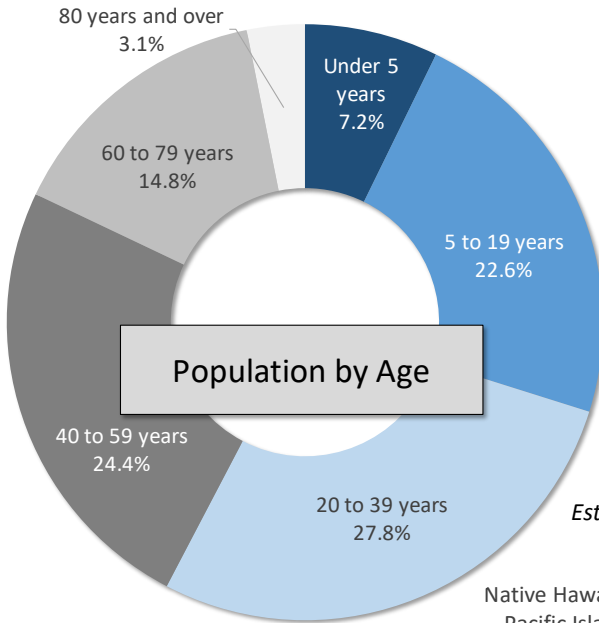


2018-2019 Final Budget Tax Revenue

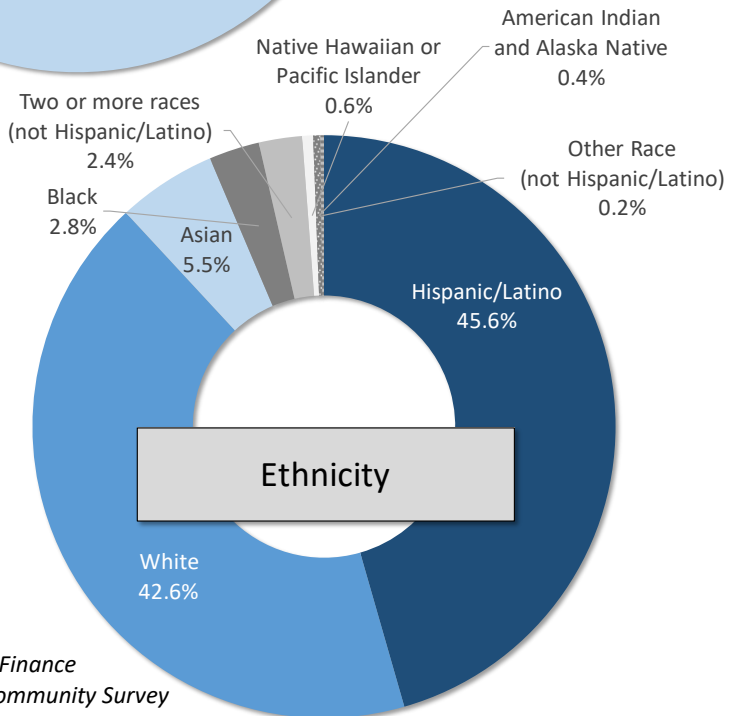
7.875% Sales Tax Distribution



Stanislaus County Population Demographics



Source: US Census
Estimates as of July 1, 2016



Source: Department of Finance
2012-2016 American Community Survey

2018-2019 Final Budget Multi-Year Staffing Summary

Department	Final Budget 2016-2017	Final Budget 2017-2018	Final Budget 2018-2019
Aging and Veterans Services	17	17	17
Agricultural Commissioner	37	38	38
Animal Services	31	32	34
Assessor	58	58	58
Auditor-Controller	39	42	43
Behavioral Health and Recovery Services	455	471	485
Board of Supervisors	9	9	9
CEO - County Fire Services Fund	7	7	7
CEO - Focus on Prevention	0	5	0
CEO - OES/Fire Warden	7	7	7
CEO - Operations and Services	45	50	55
CEO - Risk Management	12	12	13
Child Support Services	161	161	161
Children and Families Commission	5	5	5
Clerk-Recorder	45	48	48
Community Services Agency	1,106	1,135	1,138
Cooperative Extension	4	4	5
County Counsel	14	16	16
District Attorney	139	144	149
Environmental Resources	94	101	106
General Services Agency	62	62	62
Health Services Agency	482	486	472
Law Library	2	2	2
Library	74	76	76
Local Agency Formation Commission	3	3	3
Parks and Recreation	42	42	46
Planning and Community Development	34	35	35
Probation	286	286	284
Public Defender	45	47	50
Public Works	107	110	113
Retirement	15	16	16
Sheriff	669	731	730
Stanislaus Regional 911	59	59	59
Strategic Business Technology	28	30	31
Treasurer-Tax Collector	33	33	33
Veterans' Services	5	5	5
Workforce Development	84	84	85
Total Staffing	4,315	4,469	4,496

2018-2019 Final Budget Reporting on Performance

Performance Visioning in Stanislaus County

While departments have always identified objectives for the year and reflected on their notable accomplishments, performance visioning requires a more coordinated approach. Performance visioning takes a developed goal and tracks the progress made towards carrying that goal to fruition. The 2018-2019/2019-2020 Adopted Final Budget contains department objectives that align with their individual missions and the priorities of the Board of Supervisors as an annual reporting on performance. Additionally, the Final Budget incorporates a new section at the beginning of each priority to highlight community indicators to measure the organization's progress towards improving the quality of life in the community. These metrics provide a framework for evaluation that is beyond the work of any one department, seeking to address issues at the heart of Board of Supervisors' priority areas.

Board of Supervisors'
Priorities

Community Indicators

Department Success Measures

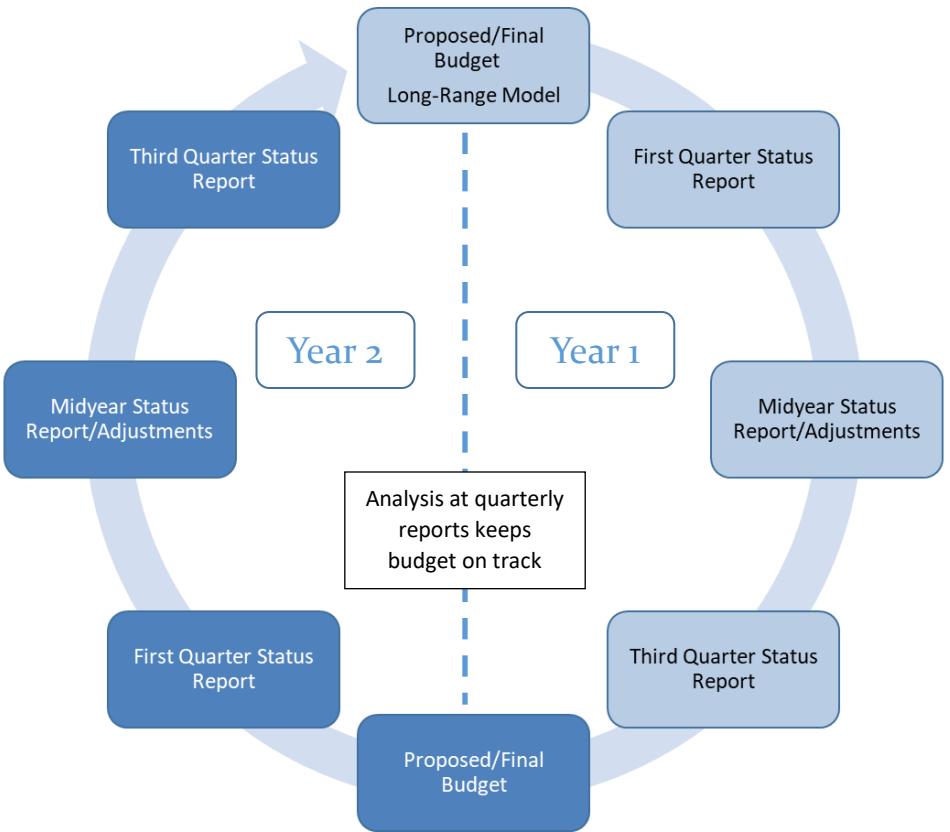
Department Mission and Programs

Department Goals/Objectives

Personal Objectives

Stanislaus County Two-Year Budget Cycle

This budget cycle is a distinct two-year period, beginning on July 1, 2018, in Fiscal Year 2018-2019 (Year 1) and ending on June 30, 2020, in Fiscal Year 2019-2020 (Year 2). The following diagram outlines the process in clockwise fashion.



Each cycle ends with performance results to inform the next two-year budget cycle

Each cycle is preceded by Board priority direction and CEO strategic visioning

Stanislaus County Board of Supervisors



District 1
Kristin Olsen



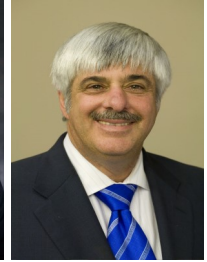
District 2
Vito Chiesa



District 3
Terry Withrow

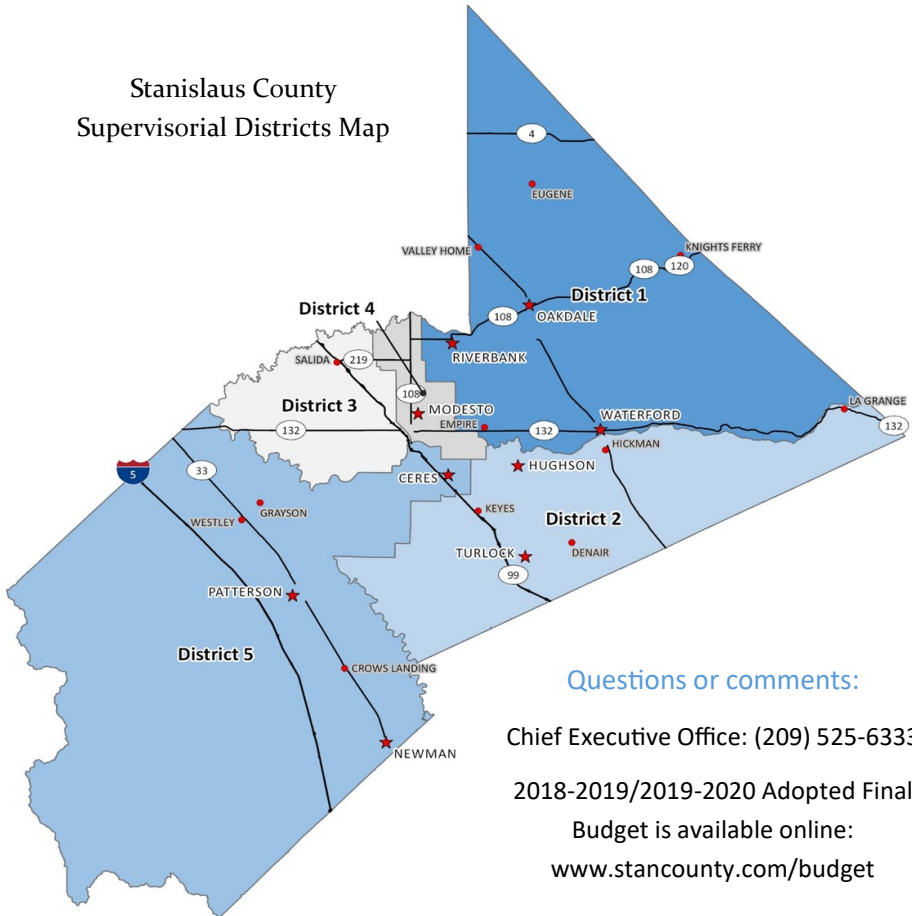


District 4
Dick Monteith



District 5
Jim DeMartini

Stanislaus County Supervisorial Districts Map



Questions or comments:

Chief Executive Office: (209) 525-6333

2018-2019/2019-2020 Adopted Final

Budget is available online:

www.stancounty.com/budget