



Contra  
Costa  
County

To: Board of Supervisors  
From: David Twa, County Administrator  
Date: May 8, 2018

Subject: APPROVAL OF FY 2018-19 RECOMMENDED BUDGET ACTIONS

**RECOMMENDATION(S):**

1. ACKNOWLEDGE that the Board of Supervisors held Budget Hearings on April 17;
2. ACKNOWLEDGE that public testimony was heard and considered;
3. ACKNOWLEDGE that pending action by the State regarding its budget may require subsequent adjustments to this Recommended Budget;
4. ACKNOWLEDGE that the County Administrator was directed to return to the Board with a Resolution, authorizing the addition and deletion of certain positions in affected departments (companion item – Resolution No. 2018/152);
5. RECEIVE follow-up information on the topics of Sheriff-Coroner staffing and potential impacts on the possible repeal of the Transportation funding and Gas Tax (Senate Bill 1);

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY  
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD  
COMMITTEE

Action of Board On: **05/08/2018** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
Candace Andersen, District II Supervisor  
Diane Burgis, District III Supervisor  
Karen Mitchoff, District IV Supervisor  
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: May 8, 2018

David Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Lisa Driscoll, County  
Finance Director, 335-1023

By: June McHuen, Deputy

cc: Robert Campbell, County Auditor-Controller

## RECOMMENDATION(S): (CONT'D)

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6. AUTHORIZE and REQUEST the Auditor-Controller to adjust FY 2017-18 appropriations and revenues by reallocating and balancing budgeted and actual expenditures and revenues as needed for various budget units and special districts, subject to Board approval in September; and
7. AUTHORIZE the Auditor-Controller to make technical adjustments to the FY 2018-19 Recommended Budget when actual amounts are known and return to the Board on September 18 for adoption of the Budget as Finally Determined.

## FISCAL IMPACT:

The fiscal impact is described in the Fiscal Year 2018-19 Recommended Budget, which is available on-line at <http://www.cccounty.us/DocumentCenter/View/49434>.

## BACKGROUND:

On April 17, 2018, the Board of Supervisors adopted the County's FY 2018-2019 State Controller's Office Recommended Budget Schedules for Countywide Funds and Special Districts. These schedules meet the requirements of State law. State law requires that local government adopt a FY 2018-2019 Recommended Budget for Countywide funds and Special Districts prior to June 30, 2018 in order to spend monies for the coming fiscal year. State law also requires that the Recommended Budget be adopted prior to holding Budget Hearings. These schedules serve as a placeholder until the Board approves a Final budget. The schedules are in a State-required "line item" format as opposed to the program budget format used by the Board during budget hearings. The schedules incorporated the same total net County cost level as is presented in the County Administrator's Recommended Budget. Adoption of these schedules ensured that your Board met the requirements of State law and in no way constrain your discretion with respect to the FY 2018-19 budget.

After adoption of the State Schedules, the Board of Supervisors opened the public hearing on the FY 2018-19 Recommended Budget. The hearings began with an overview of the recommendations in the FY 2018-19 Budget by the County Administrator. The County Administrator advised the Board that the Recommended Budget and the County Administrator's Budget Message contain details on individual department budgets, programs, goals, and recommendations.

The Budget and message represented a work plan to achieve the County's mission and priorities in the coming year. A number of key issues that have informed the development of the Budget were included in the Budget and presentation, such as property tax projections, employment benefits and retiree health care/other post employment benefits, pension benefits, General Fund reserves, infrastructure/facilities maintenance, the status of Labor Negotiations, and the potential impact of other pending issues. Following the County Administrator's presentation, previously selected department heads were asked to

present their key issues.

1. Anna Roth presented a summary of the Health Services budget, which can be found on pages 257-358 of the FY 2018/19 Recommended Budget (Budget). At the conclusion of the presentation, Supervisor Gioia asked Ms. Roth to summarize the biggest issues challenging long-term fiscal sustainability. Ms. Roth discussed the movement towards outcome based payments, the need to invest in personnel resources, difficulties recruiting and retaining staff, and most importantly the ability to be operationally nimble to keep up with changes and challenges.
2. Director Kathy Gallagher presented her PowerPoint on the Employment and Services Budget, which can be found on pages 201-256 of the Budget. At the conclusion of the presentation, Supervisor Mitchoff pointed out that increased number of adoptions were especially promising as these adoptions are for children of all ages and not just infants.
3. Undersheriff Mike Casten presented a PowerPoint on the Sheriff-Coroner Budget, which can be found on pages 420-442 of the Budget. At the conclusion of the presentation, Supervisor Mitchoff asked staff to bring back detail regarding the number of deputy sheriffs funded in FY 2017/18 that are not included in the FY 2018/19 Budget. Supervisors Gioia and Glover also requested that staff confirm that resident deputies and school resource officers funded and filled in FY 2017/18 remain funded and filled in FY 2018/19.
4. District Attorney Diana Becton presented a PowerPoint on the District Attorneys Office and recent accomplishments, the District Attorney narrative can be found on pages 375-388 of the Budget. At the conclusion of the presentation, Supervisor Mitchoff clarified the additional resources available to the department—\$1.5 million in salaries and benefits funded with an additional \$1 million in general purpose revenue and \$520,000 in other local revenues.
5. Public Defender Robin Lipetzky presented a PowerPoint on the Public Defender's departmental operations, the Public Defender narrative can be found on pages 413-418 of the Budget. At the conclusion of Ms. Lipetzky's presentation, Supervisor Mitchoff thanked all the department heads for their work on this year's budget and recognized those in attendance.
6. Public Works Director Brian Balbas presented a PowerPoint on the Public Works Department's budget, narrative can be found on pages 159-190 of the Budget, and explained the many varieties of tasks his department performs. Mr. Balbas pointed out that the potential overturn of Transportation funding and Gas Tax (Senate Bill 1) could cost the department \$13 million in fiscal year 2018/19. Supervisor Gioia asked staff to return with information regarding the potential loss to the County as a whole including cities and the Transpiration Authority.

At the conclusion of the presentations, the Board opened the Public Hearing and asked for and received public comment. Public comments were made regarding the health of the community, and future engagement in the budget process. No requests were made by the public nor department heads for additional funding. Taking into consideration the testimony it had received from staff and the public, the Board made no changes to the FY 2018-19 Recommended Budget as presented. The Board directed the County

Administrator to prepare for Board adoption on May 8, 2018, the FY 2018-19 County and Special District Budgets including the position resolution necessary to carry out the Board's direction and return to the Board on May 8, 2018 for adoption of the FY 2018-19 Recommended Budget.

### **Follow-Up**

1. County Administration staff verified that no deputy sheriffs funded in the current year are unfunded in FY 2018/19. In fact, the Recommended Budget funds (15) fifteen previously unfunded Deputy Sheriff-Recruit positions in the department. The County Administrator is confident that the vacancy factor can be achieved and that the budget is sufficiently funded for FY 2018/19.
2. Sheriff and County Administration staff verified that resident deputies and school resource officers filled and funded in the current year are filled and funded in FY 2018/19. The Sheriff's Office has ultimate discretion as to how to deploy staff in authorized positions and may, from time-to-time, back-fill resident deputy and school resource officer positions using permanent overtime when permanent full-time staff are rotated out of those positions or leave County employment.
3. Public Works and County Administration staff report that the gas tax is indexed so the projected revenues will increase annually each year. Based on current projections, the County, including cities anticipates approximately \$32 million from Senate Bill 1 revenues in FY 2018/19. It is worth noting that the projections for the County and cities over the next ten (10) years is approximately \$517 million, approximately \$245 for the County alone (Chart Attached). Also attached is a CCTA PowerPoint presentation covering Road Repair and Accountability Act of 2017. The overturn of Senate Bill 1 has the potential to significantly impact Contra Costa County.

### **Position Resolution**

A position resolution is required to effectuate the position modifications, additions and deletions identified in the Recommended Budget. The resolution is provided to the Board as a companion item (Resolution No. 2018/152) on today's agenda. Resolution No. 2018/152 includes positions in the departments: Agriculture, Animal Services, Board of Supervisors, Child Support Services, Clerk of the Board, District Attorney, Employment and Human Services, Health Services, Probation, Public Defender, Public Works, Sheriff-Coroner, and Contra Costa County Fire Protection District departments. Additional positions in various departments will be held vacant in order to achieve prescribed vacancy factor dollar savings.

### **CONSEQUENCE OF NEGATIVE ACTION:**

Changes to any recommended programs will require an equivalent reduction in funds from other County priorities in order to adhere to the Budget Policy to adopt a balanced budget.

### **ATTACHMENTS**

FY 2018-19 Recommended Budget

SB 1 Projection (10 Years)

SB-1 CCTA PowerPoint