



# DEPARTMENT OF FINANCE AUDITOR-CONTROLLER COUNTY OF MONO

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Board members, Colleagues, and Community Members

I am pleased to present the County of Mono \$129.8 million fiscal year (FY) 2019-2020 Recommended Budget. This budget is not presented as the County Administrative Officer's Recommended Budget as has been an historical practice for many years. Instead, this budget represents the collaborative efforts of the CAO, Finance, Department Leaders and Board members, and is simply presented as the **Recommended Budget** for the County of Mono. It has been compiled with critical input from all stakeholders involved in this year's process. To reiterate and reinforce words previously spoken by an Executive Leader of this County, this budget process reminds us of the "extraordinarily competent team of people who consistently strive to create the best Mono County imaginable." I extend my humble appreciation and thanks to everyone.

### ***A few reminders about fiscal resiliency***

The County Board of Supervisors set fiscal resiliency as a strategic focus area and priority, and the County's Leadership team has embraced the challenge of implementing this part of the vision. Adopting a structurally balanced budget is an important step towards achieving this goal. As acknowledged last year, this takes time, and above all else, takes a commitment to stay disciplined. It takes discipline to make tough decisions, such as choosing between two seemingly equally important initiatives. Over the course of the last six months as we traveled the budget process road, we have all found ourselves facing circumstances like this.

Remember, resilience means having a fiscal foundation strong enough for the County to spring back, adapt and grow when the next recession hits. That means there are two important behaviors that show others we are striving to be fiscally resilient. They are:

1. Living within our means (also known as structurally balanced), and
2. Setting aside reserves.

The following quote is a common reminder about fiscal resilience and reminds us the journey towards fiscal resilience is much more than just numbers on countless pages of budget schedules:

*"Financial resilience is a set of organizational behaviors that can, upon repetition and practice, establish a habitual pathway towards excellence in local government."*<sup>1</sup>

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<sup>1</sup> Joseph P. Case, County Administrator, Chesterfield County, Virginia.

While this year's General Fund (GF) recommended budget is not structurally balanced, it is presented at our chosen "target level", set by the Board of Supervisors, at a deficit of \$3 million, which is a 51.3% reduction over the FY 2018-2019 amended budget deficit and a reduction of 27% from the initial budgets requested by Department Leaders and discussed further at this year's budget workshop. When you consider all that this Recommended Budget is designed to achieve (see list below), a GF budget deficit of \$3 million is an impressive achievement towards the strategic goal of fiscal resilience.

### ***What this Recommended Budget includes***

*If it is included in the budget, then it gets done. If it is not included in the budget, then it does not get done.*

The Recommended Budget is balanced, as required by law, using \$3 million of carryover for the GF, and \$25 million of carryover from non-general funds (of which \$19 million is the carryover of unspent bond proceeds for the Civic Center project).

While the following list is not all inclusive, this Recommended Budget includes sufficient resources to achieve the following:

- Provide core services including public safety, public health, community safety net services, road and infrastructure repairs and improvements, community and economic development services, and governance and administration.
- Budget forecasts for revenues and workforce expenditures at maximum precision possible currently. Budgeting with precision lessens the gap between budgets and actual results and likely reduces the amount of carryover available for funding future budget deficits.
- Contributes \$50,000 towards the Mono County/Town of Mammoth Lakes shared Recreation, and \$30,000 towards trails related enhancements.
- Utilizes State and Federal Construction funds from Senate Bill #1 and other road improvement funds totaling almost \$3.7 million to execute the 5-year Road Capital Improvement Plan. Some of this next year's projects include:
  - Eastside Lane Rehabilitation
  - Rock Creek Road and Convict Lake Road Fog Seal & Stripe
  - Long Valley Streets rehabilitation
  - Twin Lakes Road Maintenance
  - Bridge Maintenance Program
  - Bridgeport Courthouse Parking
  - County Road Standards Update
- Includes appropriations for on-going Capital Improvement Projects (CIP) in process at the end of FY 2018-19, and funded using existing carryover in the CIP fund.
- Adds another \$200,000 to the affordable housing reserve, first established in FY 2018-19, bringing the reserve balance to a total of \$400,000.
- Adds \$364,470 to the County's general reserve, bringing the reserve balance to a total of \$3,116,000.

- Adds \$343,000 to the County's economic stabilization reserve, bring the reserve balance to a total of \$3,199,000.
- Contributes \$1,000,000 additional monies for deposit into our Other Postemployment Benefits trust, to pay for future expenditures of this program.
- Provide nearly \$319,000 to continue improvements and ongoing maintenance to the County emergency radio system that is used by law enforcement, fire departments, and emergency medical responders.
- Dedicates \$65,000 of discretionary monies towards moving South County departments into the new Civic Center, anticipated to be completed and ready for move-in at the end of March 2020.
- Funds California Air Resources Board (CARB) replacement on a pay as you go approach by contributing \$730,600 into the County's motor pool to finance this year's scheduled replacements.
- Implements a six-month plan for filling all General Fund position vacancies and achieves maximum budgetary savings. Human Resources, CAO, Finance, and Department Leaders are reminded to remain cognizant during implementation to continue controlling workforce expenditures as anticipated in this Recommended Budget.
- Salaries for the County's workforce include current and anticipated cost of living increases, step increases and some possible promotions.
- Promotes two public safety officers into existing and now funded deputy sheriff positions, including the cost of County funded law enforcement academy, beginning January 1, 2020.
- Continues the pilot expansion of emergency medical services in the Tri-Valley area at an annual cost of \$252,000, less an anticipated roll-over of FY 2018-2019 unspent funding of \$25,000.
- Includes \$20,000 to engage a consultant about preliminary exploration of a Business Improvement District in the unincorporated area of the County.
- Continues the FY 2018-19 level of funding subsidies for local fire departments and small special districts, fish stocking, and local community support programs, and continues the air subsidy for the Mammoth Yosemite airport at the FY 2017-18 level.
- Contributes \$150,000 to Mono County First Five, to expand their home visiting program.
- Provides funding for Senior services at the current level.
- Provides emergency medical services (paramedics) at the current level.

While the above programs are worth highlighting, this budget provides for the delivery of many additional, ongoing services and programs that enhance the quality of life for our citizens and guests. In the Recommended Budget book, you will find spending plans for each County Department, organized alphabetically. I encourage readers to review the narrative, organization charts, and tactical plans each Department has provided to assist readers about what each of them plan to accomplish this next year. This information begins on page 15 of the Recommended Budget book.

***What this Recommended Budget does not include***

County budgets require give and take and there is never enough money to go around. With the strategic priority of fiscal resiliency, any additional, even critical, expenditures that enhance

County fiscal health, fulfill mandates or satisfy stakeholder funding requests need to be postponed until excess carryover is identified, unanticipated revenues are realized, or expenditure contingencies are reasonably anticipated to not be needed to close out the spending plan of our core programs for the year.

To highlight a few items, while still noteworthy, for which this Recommended Budget did not include:

- Additional contributions to GF contingency reserves that include the general reserve, economic stabilization, and unassigned carryover balance.
- Funding for future investment beyond a pay as you go approach in the County’s CARB compliant equipment replacement program.
- Fund new Capital Improvement Projects.
- Resources to subsidize an affordable housing plan, beyond the accumulated balance of \$400,000.
- Unfreezing of two public safety officer positions, as requested by the County Sheriff.
- A late request from the Mammoth Lakes Fire Safe Council to provide resources towards their approximately \$100,000 budget shortfall on a \$1,000,000 Sierra Nevada Conservancy grant they received to implement the Lakes Basin Hazardous Fuels Reduction project. Look for this request from the Fire Safe Council in the Board of Supervisor’s agenda packet for the budget hearing scheduled for Tuesday, June 16, 2019.
- Does not address setting aside additional resources to pay down the County’s unfunded pension liability of approximately \$51.8 million.
- Greater precision and examination of GF Department’s budgeted services and supplies, for contributing towards reducing the GF deficit below this year’s \$3 million target.

***Recommended Budget Snapshot***

Below is a snapshot of the Recommended Budget. Please see pages 9 through 14 for additional details. The data below shows that available resources fall short, yet our team of dedicated staff and County leaders continue to advance our County mission, *“To support all our communities by providing superior services while protecting our unique rural environment.”*

<b><i>FUND TYPE</i></b>	<b><i>REVENUES</i></b>	<b><i>APPROPRIATIONS</i></b>	<b><i>FUND BALANCE SURPLUS (USED)</i></b>
General Fund	\$37,287,430	\$40,287,430	\$(3,000,000)
Reserves	907,470	--	907,470
Special Revenue	28,189,906	33,818,173	(5,628,267)
Capital Projects	26,630,000	46,889,477	(20,259,477)
Debt Service	153,367	153,367	--
Enterprise Activities	3,385,563	3,817,455	(431,892)
Internal Service Fund Activities	5,000,826	4,835,972	164,854
<b>Total Recommended</b>	<b>\$101,554,562</b>	<b>\$129,801,874</b>	<b>\$(28,247,312)</b>

To learn more about the budget, please visit our website at <https://www.monocounty.ca.gov/auditor/page/2019-2020-recommended-budget-portal>. If you have any questions, please contact me at [jdutcher@mono.ca.gov](mailto:jdutcher@mono.ca.gov).

Respectfully Submitted,



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