

FY 2020-21 Recommended Budget

August 10, 11 and 13, 2020

# BUDGET WORKSHOP

The **ELEPHANT** in the room is ....



Reliance on  
Fund Balance  
**CARRYOVER**  
to finance  
next year's  
operations

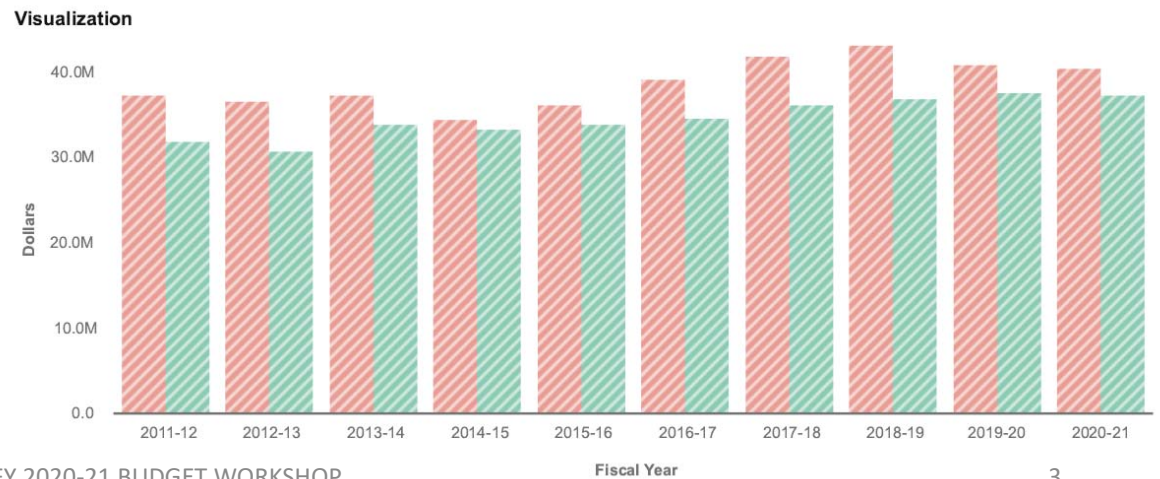
# PROGRESS – *Reducing Reliance on GF Carryover*

Fiscal Year	Budget Deficit
2011-12	\$(5,390,245)
2012-13	(5,865,087)
2013-14	(3,451,262)
2014-15	(1,173,480)
2015-16	(2,267,605)
2016-17	(4,567,500)
2017-18	(5,767,364)
2018-19	(6,153,943)
2019-20	(3,000,000) <sup>1</sup>
2020-21	(2,423,177) <sup>2</sup>
2021-22	??

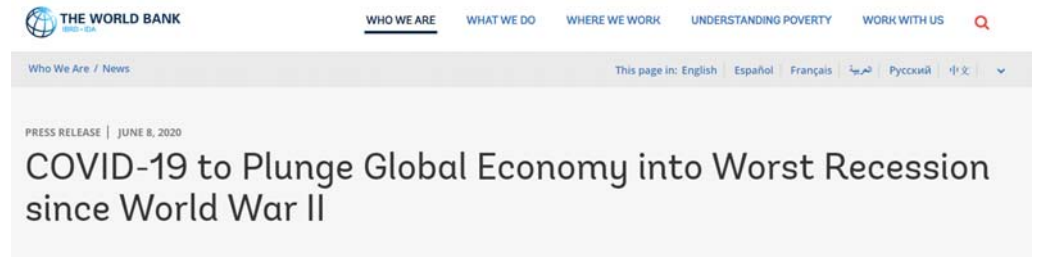
1 Excludes one time spending of \$293,754

2 Excludes jail match transfer of \$707,137

**Trend - Amended Budget Surplus (Deficits) - General Fund**



# COVID-19 Timeline



- January 21 – First COVID 19 case in the U.S.
- March 4 – California declares state of emergency
- March 11 – Pandemic declared
- March 13 – U.S. declares national emergency
- March 15 – Mono County Public Health Officer declares health emergency
- March 15 – EOC Operations initiated
- March 19 – California stay-at home order
- Post March 19 – closing of businesses, gradual phased-in opening, modification of business opening, state watch list

# FISCAL CONSEQUENCES

## The Economy Grew from Mid-2009 into Early 2020

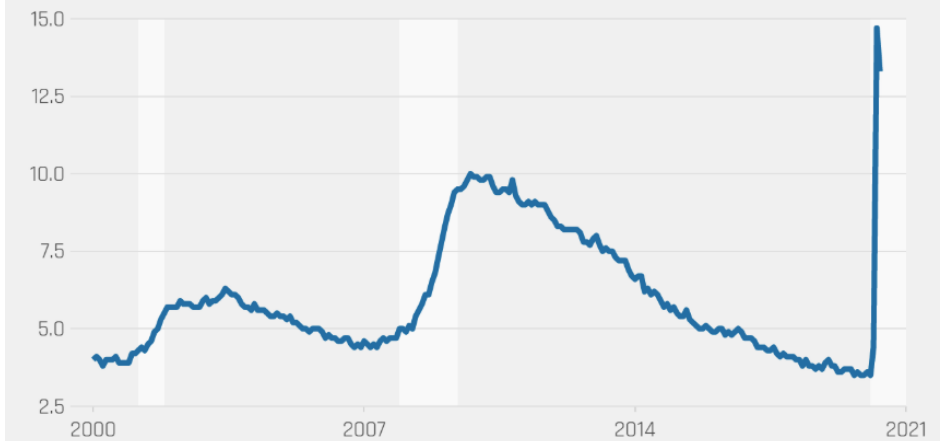
Percent change in real GDP



Note: Data are seasonally adjusted at annual rates.  
Source: Bureau of Economic Analysis

## Unemployment remains elevated after a recession ends

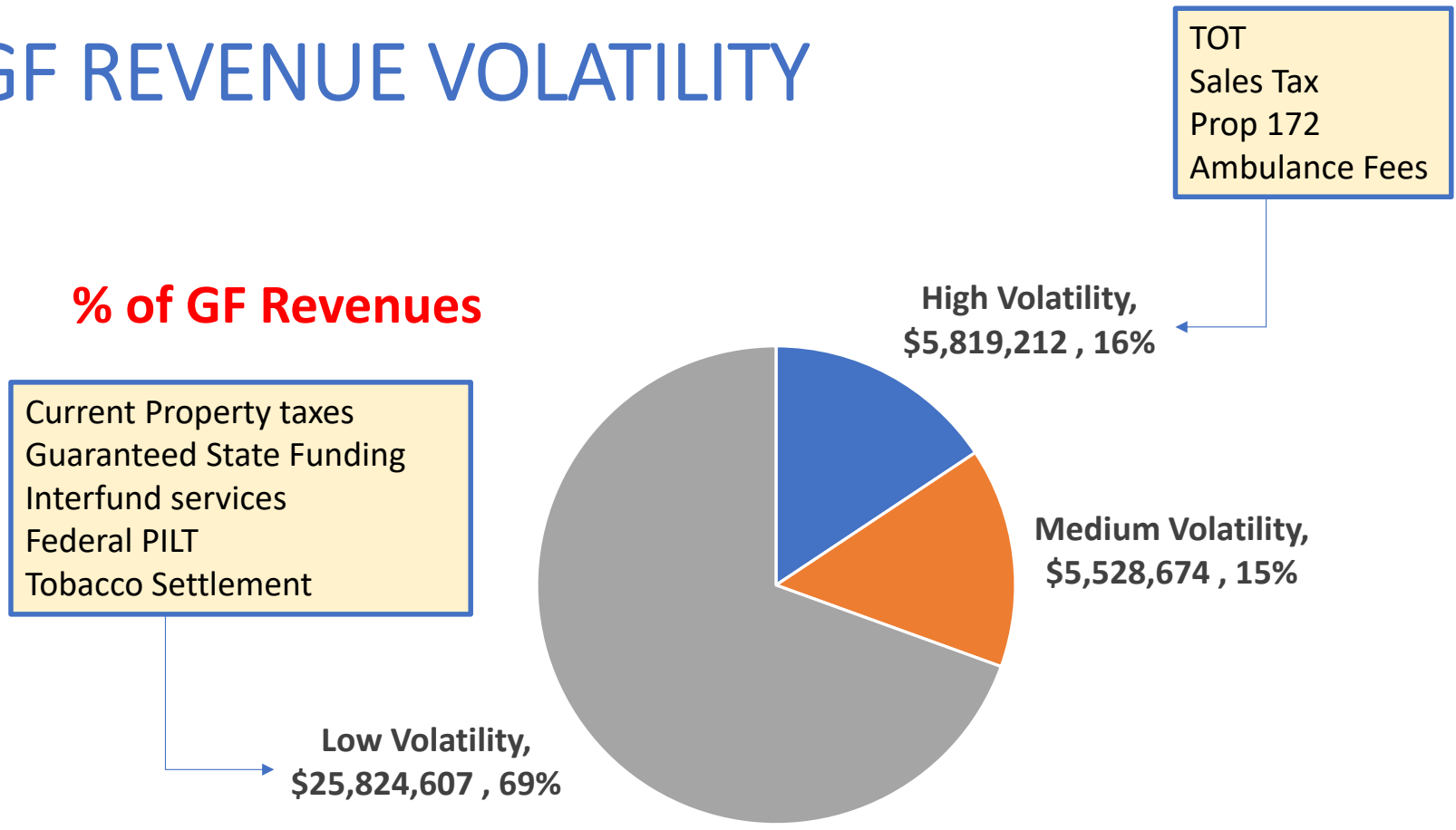
U.S. unemployment rate, 2000-2020. Recessions are shaded.



Source: U.S. Bureau of Labor Statistics, "Unemployment Rate" [n.d.], retrieved from Federal Reserve Economic Data, Federal Reserve Bank of St. Louis.

**COVID-19 RECESSION**  
**GREAT SHUTDOWN**  
**GREAT LOCKDOWN**

# GF REVENUE VOLATILITY



# RECESSION IMPACTS ON GF REVENUES

## Winners

- PROPERTY TAXES
- A87 COST REIMBURSEMENT
- PROPERTY TAX ADMIN FEE
- INTERFUND AND INTERAGENCY FEES FOR SERVICE
- RECORDING FEES

## Losers

- TRANSIENT OCCUPANY TAXES
- SALES TAXES
- PROPOSITION 172 PUBLIC SAFETY
- AMBULANCE FEES
- PROP TAX – SUPPLEMENTALS
- PROP TAX – DELINQUENCIES
- FINES & PENALTIES
- INTEREST REVENUES

# RESPONSE – BUDGET OBJECTIVES

*(Year 1 of a Recession)*

- PRESERVE CORE
- AVOID WORKFO
- AVOID USE OF R





# SHORT-TERM STRATEGIES

## *Near-term Treatments*

### **USED**

1. Use greater precision – use of historical actuals and not roll over budgets  
(also know as zero-based budgeting)
2. COVID-19 temporary budget savings
3. Delay unessential purchases
4. Increase contingencies

### **NOT USED**

1. Wage Freeze or delaying COLAs
2. Hiring Freeze
3. Furloughs
4. Defer critical replacements
5. Close facilities
6. Reduce hours and/or services
7. Increase EE contribution to benefits
8. Across the board spending cuts

# LONG-TERM STRATEGIES

*Use in subsequent years*

- Raise revenues (fees, taxes)
- Department reorganizations – combining, merging
- Personnel sharing
- Outsource or In-sourcing
- Centralization
- Balancing services with available resources (mandated vs nonmandated)
- Re-engineering to achieve efficiency and effectiveness

<b>GF BUDGET OVERVIEW</b>	<b>FY 2019-20 AMENDED BUDGET</b>	<b>FY 2020-21 RECOMMENDED BUDGET</b>	<b>INCREASE (DECREASE)</b>
PROPERTY TAXES	\$20,293,000	\$20,934,000	\$641,000
TOT	3,309,000	1,843,000	(1,466,000)
SALES TAXES	690,000	547,000	(143,000)
CHARGES FOR SERVICES	4,744,000	5,728,000	984,000
ALL OTHER REVENUES	8,719,000	8,367,000	(352,000)
<b>TOTAL CURRENT RESOURCES</b>	<b>37,755,000</b>	<b>37,419,000</b>	<b>(336,000)</b>
SALARIES & BENEFITS	26,092,000	27,120,000	1,028,000
SERVICES & SUPPLIES	10,981,000	10,077,000	(904,000)
OTHER EXPENDITURES	2,121,000	2,101,000	(20,000)
<b>TOTAL CURRENT SPENDING</b>	<b>39,194,000</b>	<b>39,298,000</b>	<b>104,000</b>
<b>STRUCTURAL DEFICIT</b>	<b>\$(1,439,000)</b>	<b>\$(1,879,000)</b>	<b>\$(440,000)</b>

<b>GF BUDGET OVERVIEW</b>	<b>FY 2019-20 AMENDED BUDGET</b>	<b>FY 2020-21 RECOMMENDED BUDGET</b>
<b>Structural Deficit</b>	<b>\$(1,439,000)</b>	<b>\$(1,878,000)</b>
ONE-TIME SPENDING		
Capital outlay	(239,000)	(150,000)
CARB	(731,000)	(395,000)
Payoff debt	(162,000)	--
First Five visit program	(150,000)	--
Mammoth Lakes FSC	(30,000)	--
Jail matching funds	--	(707,000)
Reserves	(543,000)	--
<b>Budgetary Deficit</b>	<b>\$(3,294,000)</b>	<b>\$(3,130,000)</b>

# INCLUDED IN THE GF RECOMMENDED BUDGET

- EMS expansion in Tri-Valley \$252,000
- All positions with recruitment efforts underway
- Consultant – fiscal projections, county-wide fee study \$150,000
- MOE – SB 1, Social Services, BHS
- CARB contribution \$395,000
- Transfer remaining local match for jail facility \$707,137
- Community support funding \$44,000
- Fish enhancement funding \$103,737
- Prop 172 to fire district association \$150,000

# EXCLUDED FROM THE GF RECOMMENDED BUDGET

- Unfunded positions
  - 2 Deputy Sheriff Officer
  - 2 Public Safety Officer
  - 7 other positions to be removed
- Mono First Five request \$107,573
- Radio Infrastructure financing above \$150,000 base line
- Air Subsidy (prior year = \$35,000)
- Contributions to reserve

# INCLUDED IN NON-GF RECOMMENDED BUDGETS

- Housing coordinator position + rent subsidy program
- Civic Center rents and debt service
- CARES Act funding
- EOC operations
- CDBG (child care, technical grant) & HOME grants
- Hire Recreational Coordinator
- Public Health – COVID 19 related funding
- Motor Pool replacement vehicles
- Whitmore Shelter – shade structure
- Fully funded new Jail Facility
- Environmental Health Fund
- Public Guardian budget unit
- One-time funding for Senior Services

# BUDGET WORKSHOP GROUND RULES

- Department Heads
  - Budget changes
  - Significant issues
  - Unmet needs
- Board questions
- Dialogue and Conversation
- Direction to Budget team for finalizing recommended budget
- Mindful of time