

Adopted
Final Budget

Fiscal Year 2016-2017

Stanislaus County, California



Budget at a Glance

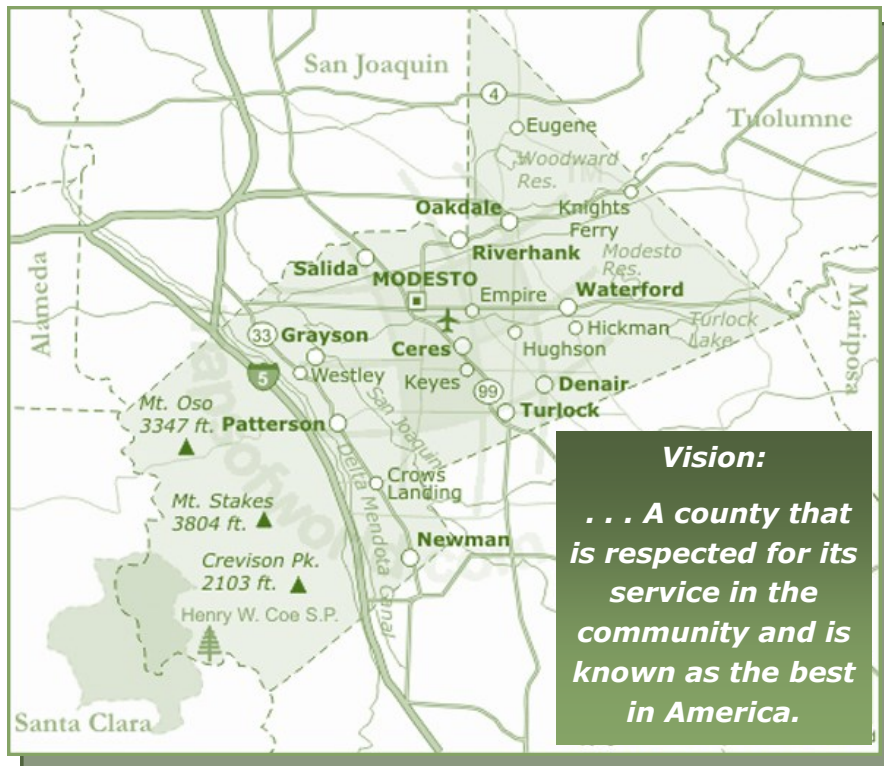


Submitted by
Stan Risen
Chief Executive Officer

BOARD OF SUPERVISORS
Dick Monteith, Chair
William O'Brien
Vito Chiesa
Terry Withrow
Jim DeMartini

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BUDGET MESSAGE—FOCUS ON THE FUTURE

"Walk with the dreamers, the believers, the courageous, the cheerful, the planners, the doers, the successful people with their heads in the clouds and their feet on the ground. Let their spirit ignite a fire within you to leave this world better than when you found it..."

Wilferd Arlan Peterson

Dear Supervisors,

I am pleased to present for your consideration the 2016-2017 Recommended Final Budget. This recommended budget, totaling \$1,133,223,670 represents a 1.3% increase from the 2016-2017 Adopted Proposed Budget and a 3.3% increase above the 2015-2016 Adopted Final Budget. This budget provides the resources that help drive our mission of serving our community by promoting public health, safety, welfare and the local economy in an efficient and cost-effective manner. Our theme for this year's budget is "Focus on the Future" and our goal is to present a spending plan that is prudent, targeted, sustainable and forward thinking.

I heard someone once say that each night, as they would lay their head on their pillow to fall asleep, they would reflect on the day and ponder as to whether they had a part, in some small or large way, in leaving the world a better place that day. That reflection has left a lasting impression on me, as I often find myself pondering the same question as I consider my work, my relationships or my community: "What have I done today to leave my world a little better than I found it?"

I share that thought, and the above referenced quote, as I am sensing greater than ever, a growing movement of "dreamers... believers... courageous... cheerful... planners... doers... successful people with their heads in the clouds and their feet on the ground" both within our organization and in our broader communities committed to making our world of Stanislaus County a better place. We are coming together to change our story from one that focuses on everything that is wrong with our community to everything that is right about our community. Stanislaus County is becoming a place where movements are being borne such as "Focus on Prevention," "Love our Cities," "Stanislaus Reads," "Destination Graduation," and multiple neighborhood based movements. These movements are anchored by a growing number of concerned and dedicated leaders, employees and citizens committed to making Stanislaus County a better place to live, work, learn, prosper and play.

BUDGET MESSAGE (CONTINUED)

Issues & Budget Impacts

Water. We will continue to engage local, State and Federal policy matters and to prioritize caring for our residents who are challenged with emergency water needs. We also continue to robustly support the North Valley Regional Recycled Water Program which will provide significant relief to farmers on the west side of our County who continue to be challenged by not having access to water for their crops.

Public Safety Facility Construction. The County has undertaken a significant expansion of its Public Safety Center to expand capacity and provide for maximum security housing and medical/mental health facilities along with modern detention support facilities. The total cost of these projects nearing completion exceeds \$150 million.

Public Safety Services. The three-year Public Safety Restoration (PSR) plan implemented during the third quarter of the 2014-2015 Fiscal Year is proving to be successful. We will continue to fund implementation of this program over this next fiscal year and increase recruitment efforts to attain and retain staff in these important positions.

Technology Innovation. This two-year effort was introduced at the 2015-2016 Adopted Final Budget and included \$1 million in Appropriations for Contingencies for department projects that will move people from inline to more convenient online services.

Roads & Bridges. Due to gas prices and statewide fuel consumption, the County lost more than \$3 million in Highway Users Tax Account (HUTA) money which is used annually to fund the road resurfacing and maintenance program. This loss of revenue continues to be a huge impact on our County and we will closely watch how voters respond to the upcoming half-cent sales tax for transportation proposal going to the ballot in November of this year.

Parks. We are in the second year of restoring Parks services that were severely cut during the recession. We are adding back park staff, upgrading equipment, improving maintenance, and increasing Police Athletic League (PAL) funding in several locations.

Staffing. Budget staffing recommendations include an overall increase in the Staffing allocation count of 43 positions to 4,315. A total of 43 new positions are recommended in the following departments: Community Services Agency (23), District Attorney (4), and Parks and Recreation (16).

BUDGET MESSAGE (CONTINUED)

Retirement Costs. The County's retirement plan is currently one of the healthiest funded plans in the State at 75.8% funded using the market value of plan assets. This funded ratio is down from June 30, 2014 which was 87.5%, due to changes approved by the Retirement Board for the actuarial mortality and discount rate assumptions. However, it is expected that retirement costs will continue to be a significant cost driver for our organization with annual increases and future changes are expected to increase the employer contribution rate by 4% to 5% or higher.

Financial Reserves. The Board of Supervisors is continuing its policy of maintaining a Contingency Reserve of 8% of the three-year average of Discretionary Revenue. We continue to make appropriate preparations to mitigate the impacts of a future recession on the local community.

Conclusion

I'm extremely proud to work for this great organization and the citizens of Stanislaus County. Our Vision is to be "a county that is respected for its service in the community and is known as the best in America" and while we still have a long way to go, I believe we are making considerable progress in this journey. I read with a real sense of pride a recent quote in a Modesto Bee editorial that stated: "We believe Stanislaus County is one of the best-run government organizations in the region." That is a testament to your leadership as a Board of Supervisors and to the excellent employees and senior leaders who continually demonstrate a commitment to making sure we leave Stanislaus County a better place than when we found it.

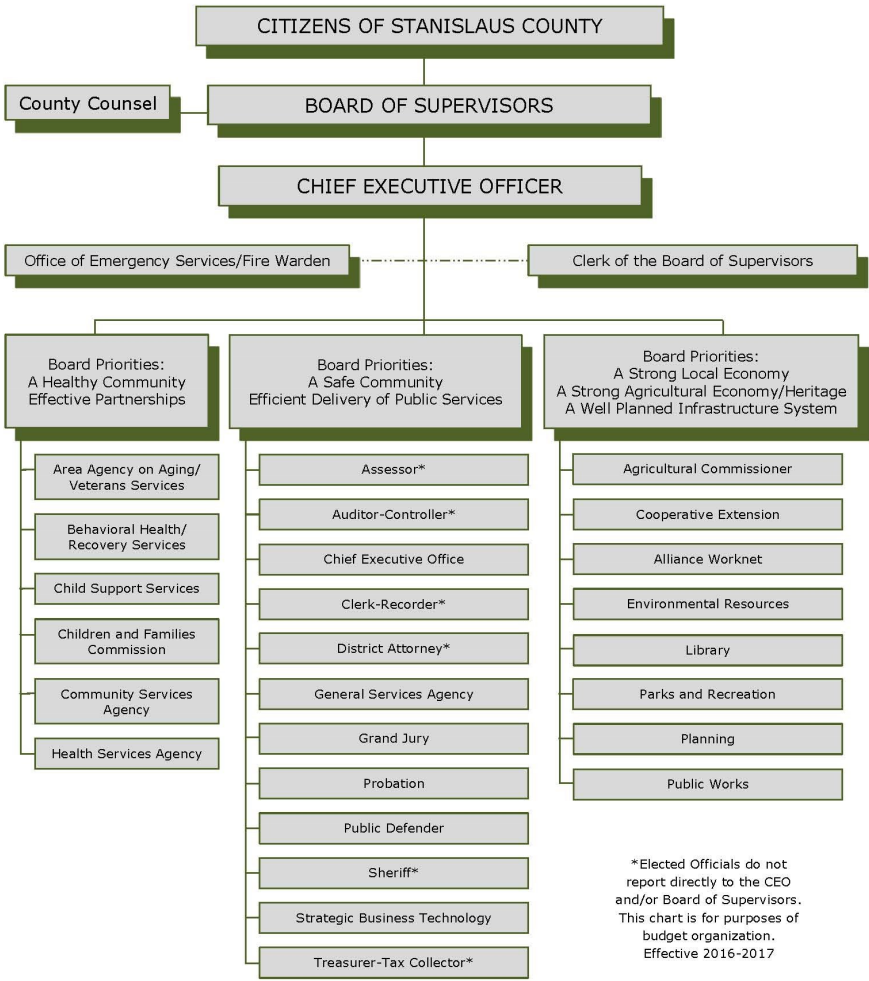
Our goal is to light a spark in our organization that grows and spreads throughout our communities, leaving our County a better place for generations to come. We are not afraid of the challenges that are before us and we are more committed than ever to boldly and passionately stride forward to make positive change.

Respectfully,



Stan Risen
Chief Executive Officer

COUNTY ORGANIZATIONAL STRUCTURE



*Elected Officials do not report directly to the CEO and/or Board of Supervisors. This chart is for purposes of budget organization. Effective 2016-2017

Mission:

Stanislaus County serves the public interest by promoting public health, safety, welfare, and the local economy in an efficient, cost-effective manner.

2016-2017 ADOPTED FINAL BUDGET

The Adopted Proposed Budget for Fiscal Year 2016-2017 was approved by the Board of Supervisors on June 14, 2016. The Adopted Final Budget incorporates recommended changes to the Adopted Proposed Budget as a result of State Budget actions, updated revenue estimates, department operational needs, and the year-end closing of the County's financial books and provides Stanislaus County with a balanced spending plan for Fiscal Year 2016-2017.

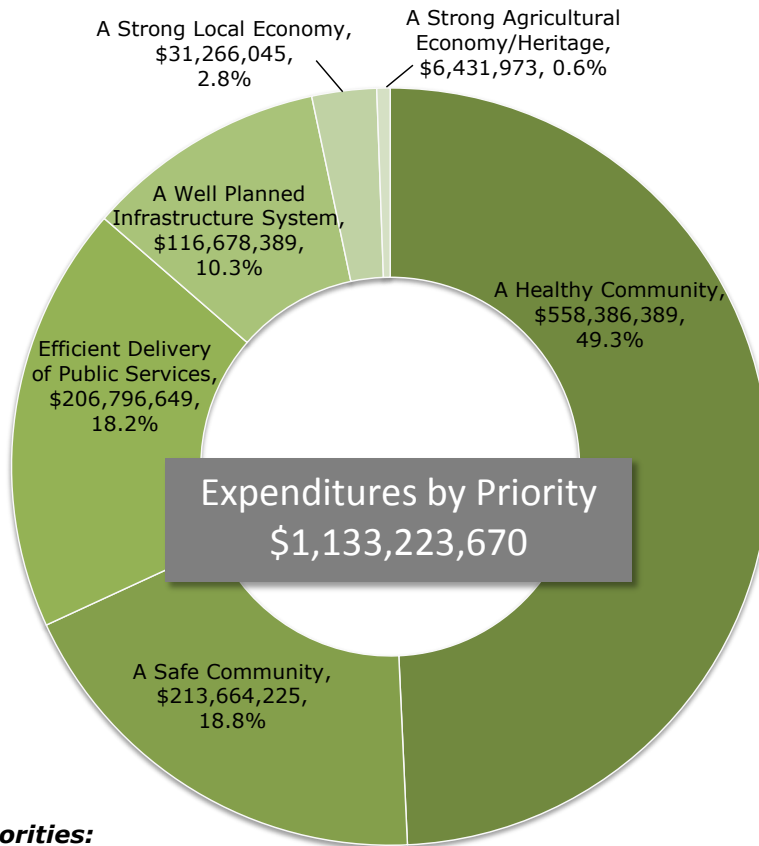
The 2016-2017 Adopted Final Budget totals \$1,133,223,670 and is balanced using \$1,090,451,186 in total estimated revenue and \$42,772,484 in fund balance and one-time funding. The 2016-2017 Adopted Final Budget represents a \$35,941,757, or 3.3%, increase over the 2015-2016 Adopted Final Budget.

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.

2016-2017 Adopted Final Budget by Fund Type

Fund Type	Total Recommended Appropriations	Total Recommended Revenue	Fund Balance & One-Time Funding Required
General	\$ 298,235,415	\$ 285,753,316	\$ 12,482,099
Special Revenue	661,346,972	638,312,772	23,034,200
Capital Projects	1,550,510	885,000	665,510
Enterprise	75,101,766	65,637,211	9,464,555
Internal Service	96,989,007	99,862,887	(2,873,880)
Total	\$ 1,133,223,670	\$ 1,090,451,186	\$ 42,772,484

2016-2017 ADOPTED FINAL BUDGET



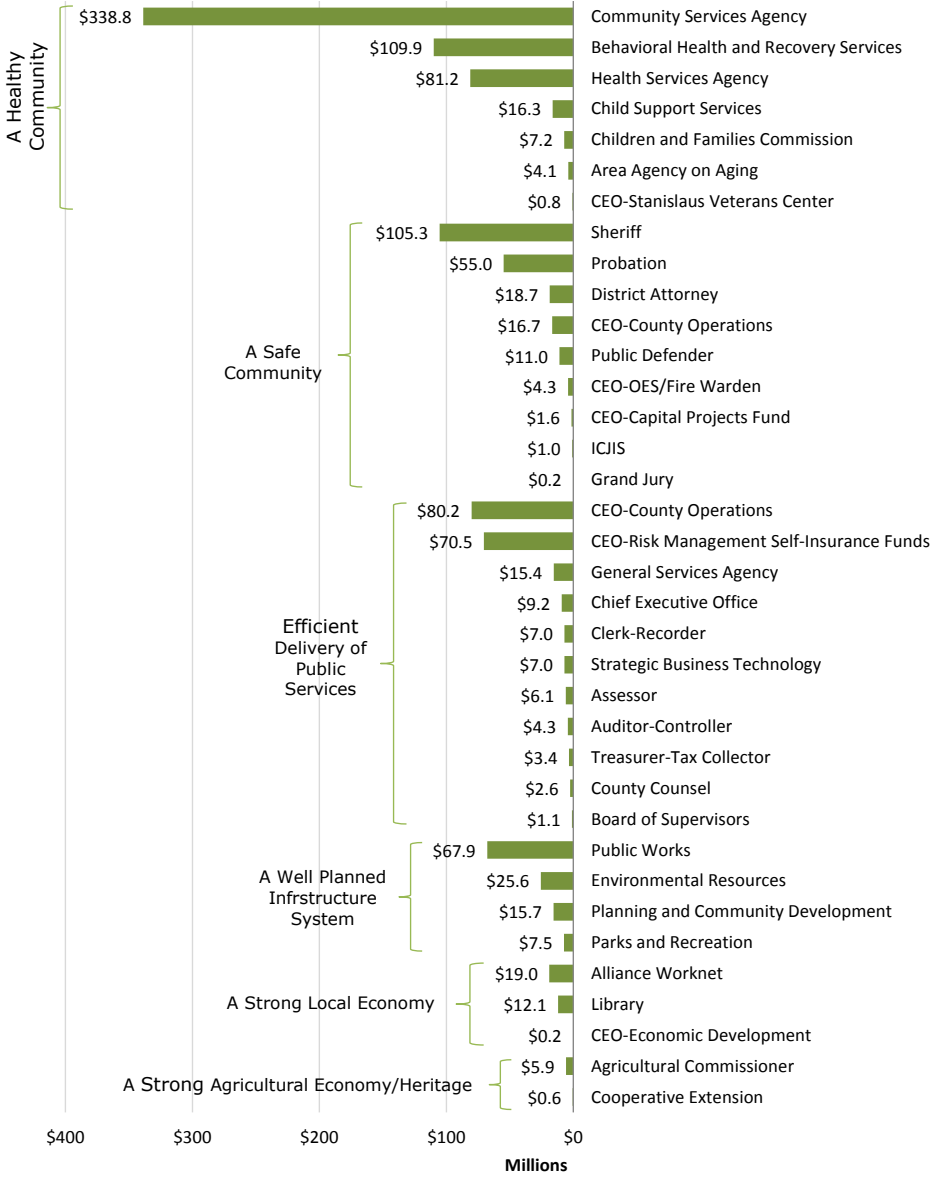
Priorities:

The Stanislaus County Board of supervisors is committed to providing excellent community services and charges the organization to effectively manage public resources, encourage innovation and continuously improve business efficiencies. In collaboration with public and private partnerships we strive for:

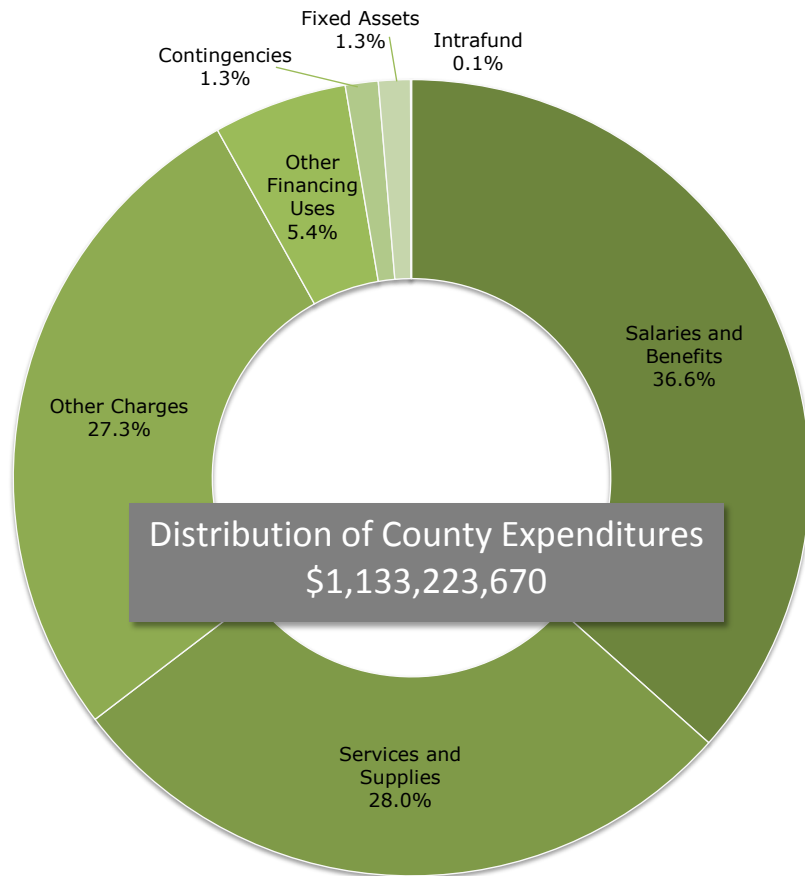
- A Safe Community*
- A Healthy Community*
- A Strong Local Economy*
- Effective Partnerships*
- A Strong Agricultural Economy/Heritage*
- A Well Planned Infrastructure System*
- Efficient Delivery of Public Services*

2016-2017 ADOPTED FINAL BUDGET

Appropriations by Department



2016-2017 ADOPTED FINAL BUDGET



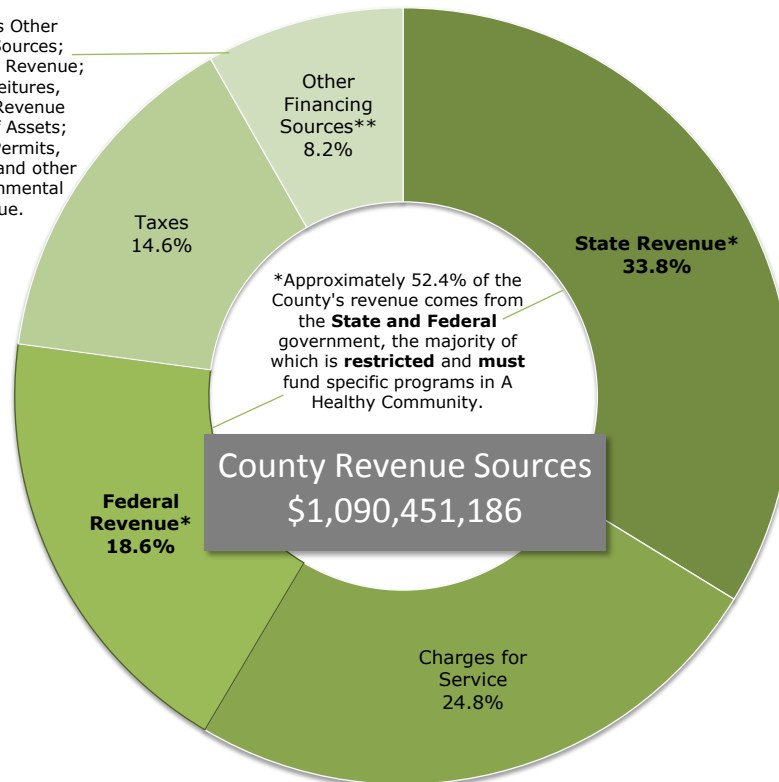
General Fund

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 to the community. The revenue used to pay for these services comes primarily from local taxes, such as property tax, sales tax, franchise fees, charges for services, and a variety of other discretionary sources.

2016-2017 ADOPTED FINAL BUDGET

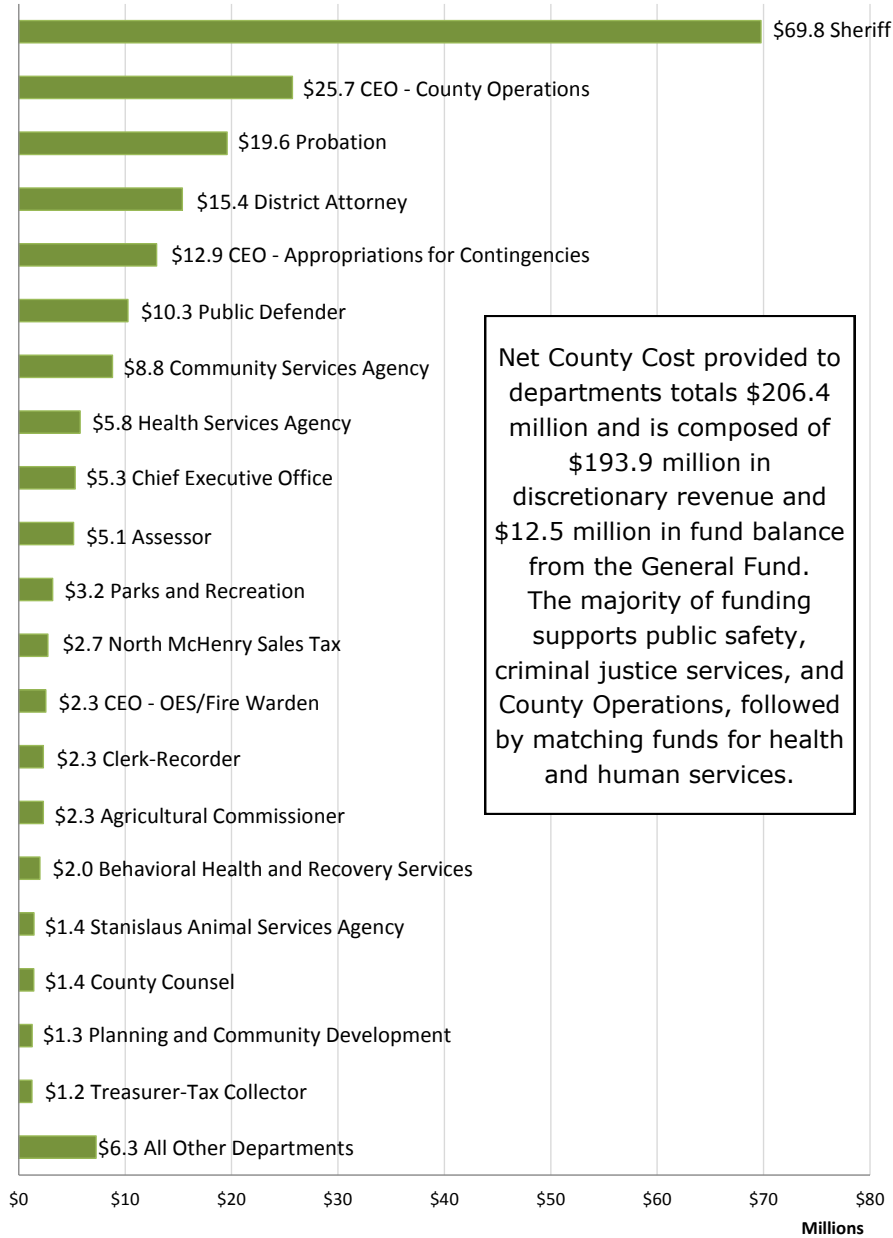
General Fund	2014-2015 Adopted Final Budget	2015-2016 Adopted Final Budget	2016-2017 Adopted Final Budget
Departmental Appropriations	\$ 260,062,780	\$ 270,751,046	\$ 285,287,154
Appropriations for Contingencies	11,020,864	8,170,864	12,948,261
Total Appropriations	271,083,644	278,921,910	298,235,415
Departmental Revenue	72,605,544	80,855,835	91,827,442
Net County Cost	198,478,100	198,066,075	206,407,973
Sources of Funding			
Discretionary Revenue	169,038,478	178,801,791	193,925,874
Fund Balance - Unassigned	17,093,990	13,923,345	(76,246)
Fund Balance Commitments	12,345,632	5,340,939	12,558,345
Total Sources of Funding	198,478,100	198,066,075	206,407,973

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



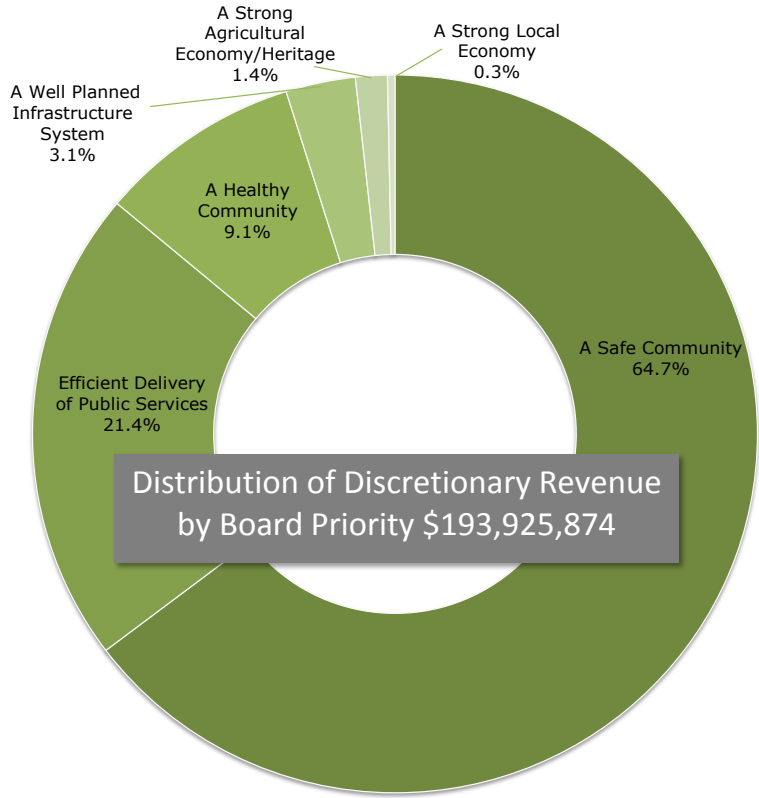
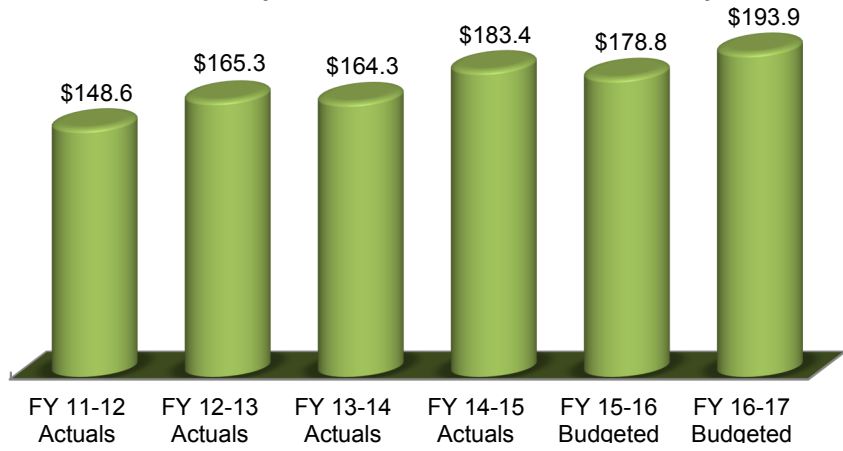
2016-2017 ADOPTED FINAL BUDGET

Net County Cost Provided to Departments—\$206.4 Million



2016-2017 ADOPTED FINAL BUDGET

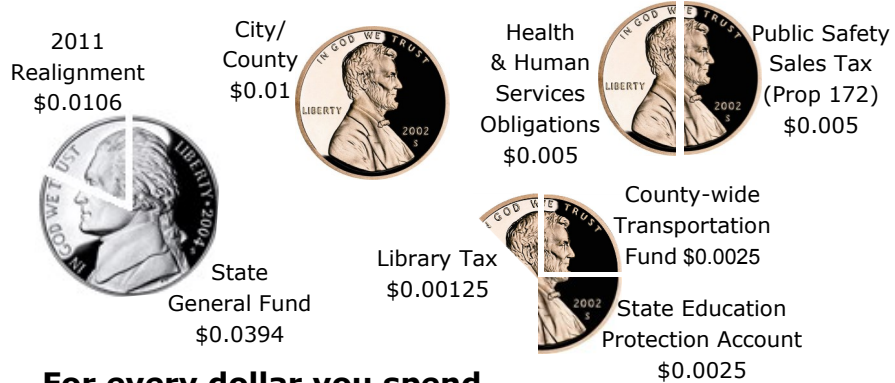
Discretionary Revenue—Multi-Year Summary



2016-2017 ADOPTED FINAL BUDGET



Where your sales tax goes



**For every dollar you spend,
you are taxed \$0.07625**

As of October 5, 2015

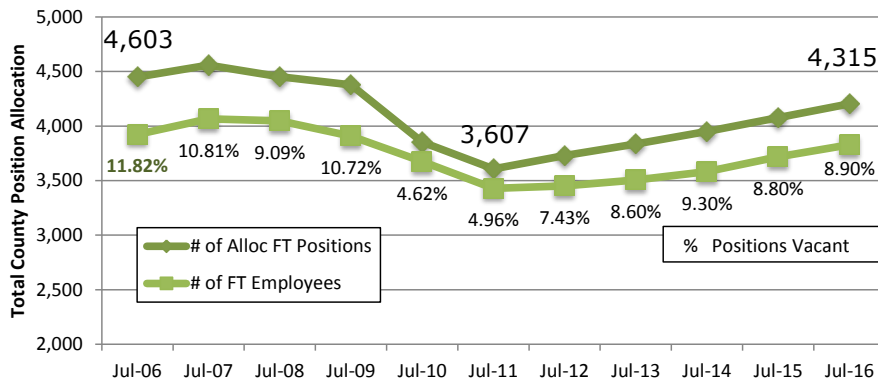
2016-2017 ADOPTED FINAL BUDGET

Staffing—Three-Year Summary by Department

Department	Final Budget 2014-2015	Final Budget 2015-2016	Final Budget 2016-2017
Agricultural Commissioner	35	37	37
Alliance WorkNet	90	90	84
Animal Services	31	31	31
Area Agency on Aging	14	17	17
Assessor	54	55	58
Auditor Controller	40	38	39
Behavioral Health & Recovery Services (BHRS)	382	439	455
Board of Supervisors	9	9	9
Chief Executive Office - County Fire Service Fund	5	7	7
Chief Executive Office - OES/Fire Warden	6	6	7
Chief Executive Office - Operations and Services	40	43	45
Chief Executive Office - Risk Management Division	12	13	12
Child Support Services	162	162	161
Children & Families Commission	5	5	5
Clerk-Recorder	45	45	45
Community Services Agency	1036	1068	1106
Cooperative Extension	4	4	4
County Counsel	14	14	14
District Attorney	128	131	139
Environmental Resources	82	90	94
General Services Agency	59	58	62
Health Services Agency	461	470	482
Law Library	2	2	2
Library	71	73	74
Local Agency Formation Commission	3	3	3
Parks & Recreation	20	26	42
Planning	31	33	34
Probation	259	273	286
Public Defender	38	45	45
Public Works	107	108	107
Retirement	13	13	15
Sheriff	600	623	669
Stanislaus Regional 911	59	59	59
Strategic Business Technology	24	24	28
Treasurer	33	33	33
Veterans' Services	4	5	5
Total Staffing	3,978	4,152	4,315

2016-2017 ADOPTED FINAL BUDGET

Total Position Allocation and Full-Time Employees



Authorized positions total 4,315; 6.3% below, or 288 positions less than, the peak in July 2006.

Values:

Trustworthiness . . . Acting with honesty, integrity, loyalty and keeping our promises

Respect . . . Treating everyone with dignity

Responsibility . . . Being accountable for our actions and pursuing excellence

Fairness . . . Treating others with impartiality and equity

Caring . . . Showing concern for the well-being of others

Citizenship . . . Obeying laws and regulations and caring about our community



Questions or Comments

Chief Executive Office: (209) 525-6333
 2016-2017 Adopted Final Budget is online:
www.stancounty.com/budget