**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS**
**BOARD ACTION SUMMARY**

DEPT: Chief Executive Office BOARD AGENDA #: B-5

AGENDA DATE: November 8, 2016

**SUBJECT:**
Consideration and Approval of the First Quarter Financial Report for Fiscal Year 2016-2017 and Related Actions

**BOARD ACTION AS FOLLOWS:**

**No.** 2016-562

**On motion of Supervisor** O'Brien, **Seconded by Supervisor** DeMartini
**and approved by the following vote,**
**Ayes: Supervisors:** O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith
**Noes: Supervisors:** None
**Excused or Absent: Supervisors:** None
**Abstaining: Supervisor:** None
1) X **Approved as recommended**
2) _____ **Denied**
3) _____ **Approved as amended**
4) _____ **Other:**
**MOTION:**

**ATTEST:** Elizabeth A. King
**ELIZABETH A. KING, Clerk of the Board of Supervisors**

**File No.**

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS**
**AGENDA ITEM**

DEPT: Chief Executive Office | BOARD AGENDA #: B-5

Urgent O Routine ⊙ | AGENDA DATE: November 8, 2016

CEO CONCURRENCE: | 4/5 Vote Required: Yes ⊙ No O

**SUBJECT:**
Consideration and Approval of the First Quarter Financial Report for Fiscal Year 2016-2017 and Related Actions

**STAFF RECOMMENDATIONS:**

1. Accept the Chief Executive Officer's First Quarter Financial Report for Fiscal Year 2016-2017.

2. Authorize the Chief Executive Officer and the Auditor-Controller to make the necessary adjustments as recommended in the First Quarter Financial Report.

3. Authorize the use of $1,062,960 in Appropriations for Contingencies as recommended in the First Quarter Financial Report by 4/5 vote of the Board of Supervisors.

4. Amend the Salary and Position Allocation Resolution to reflect the recommendations included as part of the First Quarter Financial Report, as outlined in the Staffing Impacts section of this report and detailed in Attachment B, to be effective the start of the first full pay period beginning on or after November 12, 2016, unless otherwise noted.

5. Approve contracts and/or agreements listed on Attachment C in cumulative amounts of $100,000 or greater since July 1, 2014, and authorize the General Services Agency Director/Purchasing Agent or Department Head to sign.

**DISCUSSION:**

The primary focus of the First Quarter Financial Report is to provide an update on the current status of the County budget, correct any errors or omissions that may have occurred in the Adopted Final Budget, and make any required adjustments resulting from State Budget actions, changes in accounting methodologies or changed economic conditions. Current revenue and expenditure patterns are also reviewed to ensure that budgets are on track to end the year in a positive position.

**Summary of Adopted Final Budget**

The Fiscal Year 2016-2017 Adopted Final Budget approved on August 30, 2016, totaled $1,133,223,670 for all funds, and reflected an increase of approximately $35.9 million, or 3.3% above the 2015-2016 Adopted Final Budget. The 2016-2017 Adopted Final Budget was balanced using a combination of $1,090,451,186 in estimated revenue and $42.8 million in

fund balance and one-time funding sources. It also included funding for 4,315 allocated full-time positions, an increase of 163 positions above the 2015-2016 Adopted Final Budget.

The General Fund totaled $298,235,415 in the 2016-2017 Adopted Final Budget which was a $19.3 million, or 6.9% increase above the 2015-2016 Adopted Final Budget of $278,921,910. Discretionary Revenue projected for Fiscal Year 2016-2017 was $193.9 million, an increase of $15.1 million when compared to the prior year budget. The 2016-2017 Adopted Final Budget was balanced using $12.5 million in fund balance from the General Fund.

## Current Operating Budget

Adjustments in the Adopted Final Budget that have been approved by the Board of Supervisors are incorporated into what is referred to as the Operating or "Legal" Budget for the current Fiscal Year. These changes include encumbrances carried over from the prior Fiscal Year and adjustments approved by the Board through various agenda items. As a result of these adjustments made as of September 30, 2016, the Operating Budget is $1,180,850,609 funded with $1,092,876,745 in estimated revenues and $87,973,864 in fund balance and one-time funding sources.

## Summary of Recommended First Quarter Adjustments

The 2016-2017 First Quarter Financial Report reflects recommended adjustments and a fiscal review of department budgets. Overall departments are requesting a net increase in appropriations of $664,977 and an increase in estimated revenue of $601,562 resulting in an increase in the use of fund balance/retained earnings of $63,415. If approved as recommended, First Quarter adjustments will result in a total County budget of $1,181,515,586 funded by estimated revenue of $1,093,478,307 and use of $88,037,279 in fund balance and one time funding sources.

The total recommended increase to appropriations of $1,727,937 is offset by $1,062,960 in transfers from Appropriations for Contingencies for the net appropriations increase of $664,977. The recommendations included in the First Quarter Financial Report largely reflect fine-tuning of revenue estimates, some operational changes and technical adjustments to fixed asset accounts and to correct other accounts subsequent to the Adopted Final Budget. Public Safety Departments will increase $1 million to reflect early implementation of Public Safety Restoration (PSR) Phase III, approved in the Adopted Final Budget 2016-2017. Transfer of this funding, previously reserved in Appropriations for Contingencies, to department contingency accounts, has no net effect on the overall budget.

## Summary of Recommended First Quarter Adjustments by Board Priority

The table on the following page illustrates the recommended First Quarter adjustments by priority area. A more detailed explanation is included in the First Quarter Financial Report in Attachment A.

| Summary of 2016-2017 First Quarter Adjustments by Priority | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Appropriations** | **A Safe Community** | **A Healthy Community** | **A Strong Local Economy** | **A Strong Agricultural Economy/ Heritage** | **A Well Planned Infrastructure System** | **Efficient Delivery of Public Services** | **Recommended First Quarter Budget 2016-2017** |
| Adopted Final Budget | $213,664,225 | $558,386,389 | $31,266,045 | $6,431,973 | $116,678,389 | $206,796,649 | $1,133,223,670 |
| Operating/Legal Budget Adjustments | $3,877,089 | $7,631,915 | $2,529,663 | $16,594 | $20,271,208 | $13,300,470 | $47,626,939 |
| Recommended First Quarter Adjustments | $1,206,658 | $0 | $0 | $0 | $392,319 | ($934,000) | $664,977 |
| **Total Recommended First Quarter Appropriations** | **$218,747,972** | **$566,018,304** | **$33,795,708** | **$6,448,567** | **$137,341,916** | **$219,163,119** | **$1,181,515,586** |

## Public Safety Restoration

As part of the Fiscal Year 2014-2015 Mid-Year Financial Report, the Board of Supervisors approved recommendations to support Public Safety Restoration (PSR) to fund critical public safety services in four departments: the District Attorney, Public Defender, Probation and Sheriff. The Board approved PSR funding of up to $2 million in Fiscal Year 2014-2015 and $4 million in Fiscal Year 2015-2016 to support 39 full-time positions in Phase I. The Adopted Proposed Budget for 2016-2017 included an additional $2 million in PSR funding for a total of $6 million to support 63 full-time positions in Phase II. The Adopted Final Budget for 2016-2017 included approval to dedicate a portion of the one-time benefit of the elimination of Negative Bailout from Fiscal Year 2015-2016 to accelerate the implementation of PSR Phase III to begin on January 1, 2017. The ongoing benefit of Phase III annually is $2 million; for a total Board of Supervisors commitment of $8 million in ongoing support to fund 82 Public Safety positions.

Regular updates on PSR are included with each of the County's annual and quarterly budget reports. The current PSR quarterly update is provided on pages 11 through 13 of the First Quarter Financial Report and reflects the use of PSR funds for the period of July 1, 2016 through September 30, 2016. In summary, the departments have filled 45 of the 63 positions funded in Phase II of the PSR program, which along with five extra-help deputy sheriff intern positions, requires the use of $4,201,572 in previously approved funding.

## Evaluation of Contract Services

Current County policy requires Board of Supervisors approval for any contract or agreement where the total cumulative compensation exceeds $100,000. Cumulative refers to all compensation paid by an individual department since July 1, 2014, where there has been no break in contractual services over six months. Contracts or agreements and/or contract adjustments not previously approved by the Board of Supervisors equal to $100,000 or greater are detailed in Attachment C.

In addition, departments are required to provide a quarterly update to the Board of Supervisors for any new contract or agreement, contract extension or amendment entered into during the quarter where the compensation exceeds $50,000 (but is under the cumulative $100,000 threshold) and the contract or recommended adjustment has not been previously approved by the Board of Supervisors. Contracts in the $50,000 to $100,000 range are listed in Attachment D.

## Challenges and Opportunities

### Transportation/Roads

Roads and bridges are used by every resident in our County on a daily basis. The State has continued to reduce investments in our transportation systems, which has had a negative impact on functionality. Highway User Tax Allocation (HUTA) funding has decreased by $4.5 million over Fiscal Years 2014-2015 and 2015-2016, and are expected to decrease an additional $773,000 this fiscal year. The significant reduction in funding to Public Works has resulted in a deferred maintenance backlog of more than $280 million, and climbing. As a short-term strategy to balance budgets for Fiscal Year 2016-2017, Public Works reduced the level of service and preventative maintenance to County roads and bridges. It is imperative to address funding methods for the County's infrastructure. The Legislature and Administration came together on a number of important policy issues in 2016, but Transportation remains unresolved. Without an adequate and secure funding plan, revenue is anticipated to continue to decline, placing Public Works in the position of considering further service and maintenance reductions.

### Capital Projects

Assembly Bill (AB) 900 Phase II Project One and Project Three of the Public Safety Center Expansion projects are nearing completion. Both of these projects are on time and under budget. The Chief Operations Officer, serving as Project Manager, is estimating that the County will return $1.2 million in unused construction funds to the State of California. These two projects have been a monumental undertaking for the County and this success is a testament to the partnership between the Sheriff's Transition Team, Capital Projects and the Contractor who built the facilities. The Capital Projects team will continue to work with the Sheriff's Transition Team through the opening of the first phase of the facility in March 2017. Additional phases of the facilities will open in future Budget Years as outlined in the Jail Staffing plan approved by the Board of Supervisors on May 17, 2016.

As one phase of the Public Safety Center Expansion plan comes to an end, another phase is just beginning. The Senate Bill (SB) 1022 Re-Entry and Enhanced Alternatives to Custody Training (REACT) Center broke ground in September 2016. The facility will house up to 288 individuals. However, what sets the REACT Center apart from the rest of the Public Safety Campus is that the staff who work in this facility will focus on reducing recidivism, giving individuals the tools that they need not only to avoid being readmitted to the higher security jail, but also to succeed in the community.

Another major milestone for the Capital Projects team will be the completion of the Stanislaus Veterans Center, expected by the end of the calendar year. This facility is the shared vision of the Board of Supervisors, Veterans Advisory Commission, Veterans Foundation of Stanislaus County and the City of Modesto. When completed, the facility will be over 37,000 square feet, feature a state of the art banquet hall and conference center, and will serve all Veterans organizations in Stanislaus County. The facility will also house the County's Department of Aging and Veterans Services and the Community Services Agency's Adult Protective Service and Public Authority Programs.

Other projects in the next year will be the completion of the $7.2 million Community Services Facility Heating, Ventilation and Air Conditioning (HVAC) upgrade; renovation of the Audio-Visual system at Tenth Street Place; completion of the Health Services Agency Master Plan; and the Americans with Disabilities Act Self-Evaluation and Transition plan.

**State Budget**

The latest Department of Finance report, as of October 2016, shows mixed news on State revenues, with the trend running below projections by a small margin. Overall, the monthly State General Fund revenues are $32 million, or 0.3 percent, below budget and the year-to-date revenues are $217 million, or 0.9 percent, below budget. Staff will monitor State revenues throughout the second quarter, with a particular focus on sales tax receipts, which impact both 1991 and 2011 Realignment funding, and provide an update at Mid-Year.

## Looking Ahead

**New Two-Year Budget Process**

Beginning in Budget Year 2017-2018, the County will transition from an annual budget process to two-year budget cycles. This process will enhance the ability of departments to realize objectives by extending planning and the time for goal-related activities to a two-year span. Departments will be able to focus more on financial and operational outcomes, through a shift away from a series of building budgets. Financial planning will take on additional significance and a stronger connection to long-range modeling as departments and the County estimate revenue and costs into the future. While the approach is noticeably proactive and lends itself to educated projections, mechanisms will still exist to allow the County to react to shifts in the economy as they occur.

Much thought and planning has gone into the development of a new budget process that will accommodate the two-year budget cycle. In order to maximize benefits to departments and the Chief Executive Office, the County will transition to a distinct two-year cycle rather than a rolling two-year budget. The Board will be asked to provide spending authority for Budget Year 2017-2018 and approve in concept the spending plan for Budget Year 2018-2019. Subsequently, the spending plan approved in concept in year one will be presented as the budget at the beginning of Budget Year 2018-2019 and will require Board approval for spending authority at that time. The County's financial management system will continue to operate on an annual basis by fiscal year as to the Board approved budget and not by spending plan.

The Chief Executive Office, in collaboration with various County departments, has worked to develop the two-year concept as it applies to the unique needs and desires of the County as a whole. Work groups have been assigned to address specific segments of the future budget document, including focus on the appearance and components of the departmental budget sections, improvements to the long-range model, and the inclusion of the capital improvement plan at a comprehensive, summary level. With the overall concept firmly in place, the finer details of the process continue to evolve.

The overriding premise is to maintain the integrity of the current budget process while looking towards continuous improvement in the transition to two-year cycles. Lessons from the past are guiding the development of the future with an increasing focus on clarity, relevance, and outcomes.

**POLICY ISSUE:**

The 2016-2017 First Quarter Financial Report is presented to the Board of Supervisors in accordance with County Code Section 2.08.050(c)(2), which requires the County Chief Executive Officer to: evaluate and report on a quarterly basis the annual budget adopted by the Board of Supervisors and County government expenditures and revenues, to assure that throughout the fiscal year, such revenues and expenditures are consistent with the annual budget and are necessary and proper.

**FISCAL IMPACT:**

The recommendations contained in the First Quarter Financial Report include an overall appropriation increase to the Operating Budget, for all funds of $1,727,937 offset by $1,062,960 in transfers from Appropriations for Contingencies for a net appropriation increase of $664,977. The report further recommends $601,562 in increased estimated revenue resulting in a $63,415 use of fund balance/retained earnings.

Detailed descriptions of First Quarter recommendations by fund type can be found in the 2016-2017 First Quarter Financial Report beginning on page 6.

The following table illustrates the projected Fund Balance inclusive of the First Quarter recommendations by fund type:

| Summary of Fund Balance by Fund Type | | | | | |
|---|---|---|---|---|---|
| **Fund Type** | **Beginning Fund Balance on 7/1/2016** | **Operating Budget Revenue on 9/30/2016** | **Operating Budget Appropriations on 9/30/2016** | **First Quarter Recommendation Use of Fund Balance** | **Projected Fund Balance on 6/30/2017** |
| General Fund | $ 165,156,110 | $ 286,906,302 | $ 314,636,810 | $ (161,560) | $ 137,587,162 |
| Special Revenue Fund | 220,009,188 | 639,585,345 | 677,030,466 | 203,975 | 182,360,092 |
| Capital Projects Fund | 4,691,877 | 885,000 | 1,550,510 | - | 4,026,367 |
| Enterprise Fund | 63,668,530 | 65,637,211 | 82,465,758 | - | 46,839,983 |
| Internal Service Fund | 26,132,459 | 99,862,887 | 105,167,065 | 21,000 | 20,807,281 |
| **Total** | **$ 479,658,164** | **$ 1,092,876,745** | **$ 1,180,850,609** | **$ 63,415** | **$ 391,620,885** |

| | | |
|---|---|---|
| **Cost of recommended action:** | | $ 664,977 |
| **Source(s) of Funding:** | | |
| Departmental Fund Balance - Non General Fund | $224,975 | |
| Estimated Revenues - General Fund and Special Revenue | 601,562 | |
| **Funding Total:** | | $ 826,537 |
| **Net Cost to County General Fund** | | $ (161,560) |
| | | |
| **Fiscal Year:** | 2016-2017 | |
| **Budget Adjustment/Appropriations needed:** | **Yes** | |
| | | |

**BOARD OF SUPERVISORS' PRIORITY:**

Approval of the recommended actions support the Board's priorities of A Safe Community, A Healthy Community, A Strong Local Economy, Effective Partnerships, A Strong Agricultural Economy/Heritage, A Well Planned Infrastructure system and Efficient Delivery of Public Services by providing the County's financial status at the first quarter of the fiscal year and making necessary adjustments to remain fiscally responsible through year-end.

**STAFFING IMPACT:**

The 2016-2017 First Quarter Financial Report incorporates funding for 4,340 allocated full-time positions. Since the 2016-2017 Final Budget, the approved changes through a separate Board agenda item resulted in an increase of three positions bringing the total allocation count from 4,315 to 4,318 full-time allocated positions. With the recommendation of 22 additional positions at the 2016-2017 First Quarter Financial Report, this will bring the total allocation count to 4,340 full-time allocated positions. This is a net increase of 25 positions from the 4,315 full-time positions approved in the 2016-2017 Final Budget.

| | |
|---|---|
| **Total Current Authorized Positions as of 2016-2017 Final Budget** | **4,315** |
| September 20, 2016: Separate Board Agenda Item: Chief Executive Office Human Resources Reorganization: Restore one Manager IV, Restore one CIO position and reclass to Manager IV, Add one Confidential Assistant III position | +3 |
| **Total Authorized Full-Time Allocated Positions** | **4,318** |
| **2016-2017 First Quarter Recommendations** | **+22** |
| **Total Authorized Positions With the Approval of the 2016-2017 First Quarter Financial Report** | **4,340** |

The First Quarter Financial report includes the recommendation to add 14 new positions and restore five positions due to the acceleration of Phase III of the Public Safety Restoration. In addition, it is recommended to add three positions in departments outside of PSR, for a total increase of 22 positions. A more detailed description of staffing recommendations is included in the First Quarter Financial Report within the individual department narratives.

The table on the following page reflects the staff recommendations by department.

**FIRST QUARTER RECOMMENDATIONS AFFECTING POSITION ALLOCATION COUNT**

| Department | Add New Positions | Restore Unfunded Positions | Subtotal |
|---|---|---|---|
| Chief Executive Office | 1 | | 1 |
| Community Services Agency | 2 | | 2 |
| District Attorney | 1 | 3 | 4 |
| Probation | | 1 | 1 |
| Public Defender | 1 | 1 | 2 |
| Sheriff | 12 | | 12 |
| **Grand Total** | 17 | 5 | 22 |

There are several technical adjustments included in the 2016-2017 First Quarter Financial Report which are listed in the chart below. Recommended technical adjustments include one position to be transferred between budgets, reclassifying seven positions, and conducting one classification study.

**FIRST QUARTER TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION**

| Department | Transfer In | Transfer Out | Reclassify upward/ downward | Classification Study |
|---|---|---|---|---|
| Community Services Agency | | | 2 | |
| Health Services Agency | | | 1 | |
| Parks and Recreation | | | 3 | |
| Probation | 1 | 1 | 1 | |
| Sheriff | | | | 1 |
| **Grand Total** | **1** | **1** | **7** | **1** |

The staffing attachment (Attachment B) reflects the changes to authorized positions recommended as part of the 2016-2017 First Quarter Financial Report. It is recommended that the Salary and Position Allocation Resolution be amended to reflect these changes effective the start of the first full pay period beginning on or after November 12, 2016, unless otherwise noted.

## CONTACT PERSON:

Stan Risen, Chief Executive Officer. Telephone: (209) 525-6333.

Jody Hayes, Assistant Chief Executive Officer. Telephone: (209) 525-6333.

## ATTACHMENT(S):

A – First Quarter Financial Report July – September 2016

B – Staffing Impacts

C – Contract Summary Sheet – Contracts over $100,000

D – Contract Summary Sheet – Contracts between $50,000 and $100,000

# ATTACHMENT A

First Quarter Financial Report
July 2016 – September 2016

# First Quarter Financial Report
# July — September 2016

**BOARD OF SUPERVISORS**

**Dick Monteith, Chairman**
**William O'Brien**
**Vito Chiesa**
**Terry Withrow**
**Jim DeMartini**

**Submitted by**
**Chief Executive Officer**
**Stan Risen**

# TABLE OF CONTENTS

INTRODUCTION ..... 3
BACKGROUND ..... 3
BUDGET OVERVIEW ..... 4
2016–2017 OPERATING BUDGET ..... 5
2016–2017 FIRST QUARTER OVERVIEW ..... 6
DISCRETIONARY REVENUE ..... 7

A SAFE COMMUNITY ..... 9
OVERVIEW ..... 10
DEPARTMENTAL REVENUE ..... 10
DEPARTMENTAL EXPENDITURES ..... 11
PUBLIC SAFETY RESTORATION ..... 11
FIRST QUARTER ISSUES AND RECOMMENDATIONS ..... 14

A HEALTHY COMMUNITY ..... 22
OVERVIEW ..... 23
DEPARTMENTAL REVENUE ..... 23
DEPARTMENTAL EXPENDITURES ..... 24
FIRST QUARTER ISSUES AND RECOMMENDATIONS ..... 24

A STRONG LOCAL ECONOMY ..... 27
OVERVIEW ..... 28
DEPARTMENTAL REVENUE ..... 28
DEPARTMENTAL EXPENDITURES ..... 29
FIRST QUARTER ISSUES AND RECOMMENDATIONS ..... 29

A STRONG AGRICULTURAL ECONOMY/HERITAGE ..... 30
OVERVIEW ..... 31
DEPARTMENTAL REVENUE ..... 31
DEPARTMENTAL EXPENDITURES ..... 32
FIRST QUARTER ISSUES AND RECOMMENDATIONS ..... 32

A WELL PLANNED INFRASTRUCTURE SYSTEM ..... 33
OVERVIEW ..... 34
DEPARTMENTAL REVENUE ..... 34
DEPARTMENTAL EXPENDITURES ..... 35
FIRST QUARTER ISSUES AND RECOMMENDATIONS ..... 35

# TABLE OF CONTENTS

EFFICIENT DELIVERY OF PUBLIC SERVICES ..... 38
OVERVIEW ..... 39
DEPARTMENTAL REVENUE ..... 39
DEPARTMENTAL EXPENDITURES ..... 40
FIRST QUARTER ISSUES AND RECOMMENDATIONS ..... 40

FIRST QUARTER FINANCIAL REPORT CONCLUSION ..... 43
BUDGET SCHEDULE ..... 43

## INTRODUCTION

This is the First Quarter Financial Report for Stanislaus County submitted by the Chief Executive Office for the period of July 1, 2016 to September 30, 2016, for the 2016-2017 Fiscal Year. It has been prepared to inform the Board of Supervisors, County leadership, and the public of the County's fiscal status. The report provides revenue and expenditure summaries for County programs by each Board of Supervisors' priority area and highlights adjustments to County budgets since the adoption of the Final Budget in August 2016.

## BACKGROUND

On August 30, 2016, the Board of Supervisors adopted the Fiscal Year 2016-2017 Final Budget for Stanislaus County. This spending plan of $1.1 billion for all funds reflected an increase of $14.2 million, or a 1.3% increase for all funds as compared to the 2016-2017 Adopted Proposed Budget and a $35.9 million, or 3.3% increase over the 2015-2016 Adopted Final Budget.

The increase over the 2016-2017 Adopted Proposed Budget reflects approximately $5.9 million for planned implementation of the new Adult Detention Expansion facilities, safety improvements, equipment and new technologies, and technical adjustments to recognize current department operations. In addition, $1.9 million will support technology innovation projects and the establishment of the new Stanislaus Veterans Center budget. Further, $2.3 million will support early implementation of Public Safety Restoration Phase III and replenish Appropriations for Contingencies for the one-time benefit from Negative Bailout for Public Works road improvements/repairs; and finance the conversion of 16 part-time park positions to full-time.

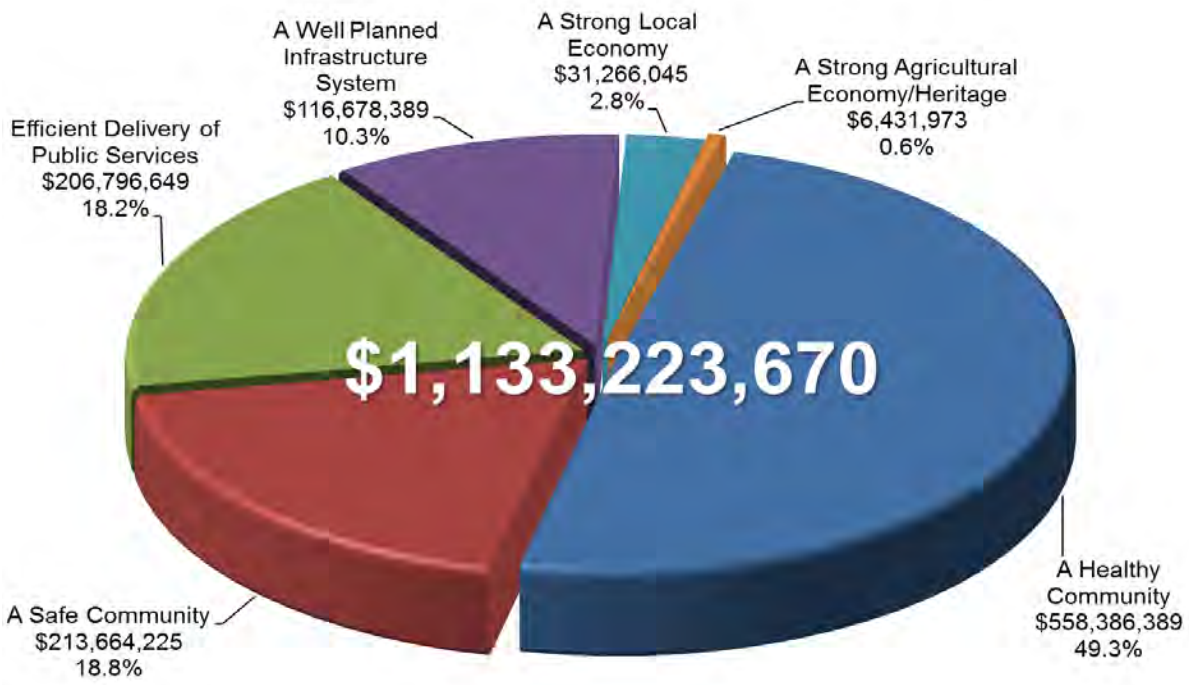
Adjustments of $4.1 million for departments that achieved savings in appropriations as part of the Net County Cost Savings Program were also included in the Adopted Final Budget. The 2016-2017 Adopted Final Budget was balanced using a combination of $1 billion in revenue and $42.8 million in fund balance and one-time funding sources.

This Budget also included funding for 4,315 allocated full-time positions, an increase of 163 positions above the 2015-2016 Adopted Final Budget.

## BUDGET OVERVIEW

The following chart reflects the total Adopted Final Budget expenditure authority approved by the Board of Supervisors for 2016-2017, by Board priority:

**Fiscal Year 2016-2017**
**Adopted Final Budget Expenditures**
**By Board Priority**




The following table reflects the total Fiscal Year 2016-2017 Adopted Final Budget expenditure authority, otherwise known as appropriations, compared to the Adopted Proposed Budget and the prior Fiscal Year 2015-2016 Adopted Final Budget.

**Comparison of Fiscal Year 2016-2017 Adopted Final Budget by Fund**

| Fund Type | Adopted Final Budget 2015-2016 | Adopted Proposed Budget 2016-2017 | Adopted Final Budget 2016-2017 | Difference 2015-2016 Final to 2016-2017 Final | % Change from 2015-2016 Final to 2016-2017 Final |
|---|---|---|---|---|---|
| General | $278,921,910 | $287,951,664 | $298,235,415 | $19,313,505 | 6.9% |
| Special Revenue | $648,779,448 | $657,476,138 | $661,346,972 | $12,567,524 | 1.9% |
| Capital Projects | $1,540,510 | $1,550,510 | $1,550,510 | $10,000 | 0.6% |
| Enterprise | $72,492,549 | $75,051,766 | $75,101,766 | $2,609,217 | 3.6% |
| Internal Service | $95,547,496 | $96,989,007 | $96,989,007 | $1,441,511 | 1.5% |
| Total | $1,097,281,913 | $1,119,019,085 | $1,133,223,670 | $35,941,757 | 3.3% |

The following table reflects the total Fiscal Year 2016-2017 Final Budget appropriations and funding sources by Fund type, as balanced with the General Fund Contribution, also referred to as "Net County Cost".

**Funding Sources of Fiscal Year 2016-2017 Adopted Final Budget by Fund**

| Fund Type | FY 2016-2017 Final Budget Appropriations | Funding Sources | | |
|---|---|---|---|---|
| | | Department Revenue | Department Fund Balance | General Fund Contribution |
| General | $ 298,235,415 | $ 91,827,442 | $ - | $ 206,407,973 |
| Special Revenue | 661,346,972 | 620,579,828 | 23,034,200 | 17,732,944 |
| Capital Projects | 1,550,510 | 885,000 | 665,510 | $ - |
| Enterprise | 75,101,766 | 62,523,814 | 9,464,555 | 3,113,397 |
| Internal Service | 96,989,007 | 99,862,887 | (2,873,880) | $ - |
| Total | $ 1,133,223,670 | $ 875,678,971 | $ 30,290,385 | $ 227,254,314 |

The Net County Cost for General Fund budgets consists of $193.9 million in discretionary revenue and $12.5 million of assigned fund balance, for a total of $206.4 million.

Included in this General Fund Contribution is approximately $4.1 million for General Fund Departments in Net County Cost savings from Fiscal Year 2015-2016. The Net County Cost Savings Program provides an opportunity for departments to carry over budget savings into the future year based on the following criteria:

- **Net County Cost Carryover Savings Phase I Departments** - departments that achieved savings in appropriations are able to carry forward 100% of their unused Net County Cost savings from prior fiscal years and 75% of their 2015-2016 Net County Cost savings. Departments with Net County Cost carryover savings in Phase I include: Agricultural Commissioner with $1.4 million; Board of Supervisors with $83,979; Chief Executive Office – OES/Fire Warden with $450,351; Chief Executive Office – Operations and Services with $1.4 million; Chief Executive Office – Risk Management Division with $268,913; and Treasurer-Tax Collector – Admin/Taxes with $447,701.

- **Net County Cost Carryover Savings Phase II Departments** - departments that have received an additional General Fund contribution may participate in the Strategic Savings Program (Phase II Net County Cost Savings Program). This program focuses on improved business efficiencies and department led efforts to improve departmental revenue and allows departments to carry forward up to 50% of year-end Net County Cost savings from Fiscal Year 2015-2016. One Department is active in the Phase II Net County Cost Carryover Savings program: Parks and Recreation with $50,000.

## 2016–2017 OPERATING BUDGET

The Adopted Final Budget is adjusted throughout the year. These adjustments include carryover of appropriations for obligations from the previous fiscal year and adjustments approved as part of any separate Board of Supervisors' agenda items, as well as adjustments from previous quarterly financial reports. Combined, the Adopted Final Budget and these adjustments represent the Operating Budget at a specific point in time. The Operating Budget as of September 30, 2016, before any adjustments recommended in this First Quarter Financial Report is $1,180,850,609. First Quarter recommendations will increase appropriations by $664,977 to $1,181,515,586, as shown in the chart on the following page.

| Operating Budget | | | | | | |
|---|---|---|---|---|---|---|
| **Fund Type** | **Prior Year Appropriations** | **FY 2016-2017 Final Budget Appropriations** | **First Quarter Board Agenda Items Posted Through 9/30/2016** | **Operating Budget Appropriations on 9/30/2016** | **FY 2016-2017 First Quarter Recommendations** | **Recommended First Quarter Budget** |
| General Fund | $ 13,948,409 | $ 298,235,415 | $ 2,452,986 | $ 314,636,810 | 124,440 | $ 314,761,250 |
| Special Revenue Fund | 14,198,661 | 661,346,972 | 1,484,833 | 677,030,466 | 519,537 | 677,550,003 |
| Capital Projects Fund | - | 1,550,510 | - | 1,550,510 | - | $ 1,550,510 |
| Enterprise Fund | 7,363,992 | 75,101,766 | - | 82,465,758 | - | 82,465,758 |
| Internal Service Fund | 8,178,058 | 96,989,007 | - | 105,167,065 | 21,000 | $ 105,188,065 |
| **Total** | **$ 43,689,120** | **$ 1,133,223,670** | **$ 3,937,819** | **$ 1,180,850,609** | **$ 664,977** | **$ 1,181,515,586** |

## 2016–2017 FIRST QUARTER OVERVIEW

The primary focus of the First Quarter Financial Report is to provide an update on the current status of the County budget, correct any errors or omissions that may have occurred in the Adopted Final Budget, and make any required adjustments resulting from State Budget actions, changes in accounting methodologies, or changed economic conditions. Current revenue and expenditure patterns are also reviewed to ensure that budgets are on track to end the year in a positive fiscal position.

The Chief Executive Office's first quarter recommendations include a total increase in estimated revenue of $601,562 and an increase in appropriations of $664,977. If approved, the recommendations contained in this report will result in an increase in the use of fund balance/retained earnings of $63,415.

The recommended increase in estimated revenue is primarily due to District Attorney grant funding and the success of the Symbiosis festival benefitting the Parks and Recreation budget. Recommended appropriation increases are mostly due to technical adjustments in the Public Works and Treasurer-Tax Collector - Admin/Taxes budgets. Department budgets within A Safe Community will increase $1 million in response to the early implementation of Public Safety Restoration Phase III, approved in the Adopted 2016-2017 Final Budget. Transfer of this funding, previously reserved in Appropriations for Contingencies, to department contingency accounts, has no net effect on the overall budget.

The following chart illustrates the beginning fund balances on July 1, 2016, for the various fund types, as well as the projected year-end balances adjusted for the recommendations contained in this report.

| Summary of Fund Balance by Fund Type | | | | | |
|---|---|---|---|---|---|
| **Fund Type** | **Beginning Fund Balance on 7/1/2016** | **Operating Budget Revenue on 9/30/2016** | **Operating Budget Appropriations on 9/30/2016** | **First Quarter Recommendation Use of Fund Balance** | **Projected Fund Balance on 6/30/2017** |
| General Fund | $ 165,156,110 | $ 286,906,302 | $ 314,636,810 | $ (161,560) | $ 137,587,162 |
| Special Revenue Fund | 220,009,188 | 639,585,345 | 677,030,466 | 203,975 | 182,360,092 |
| Capital Projects Fund | 4,691,877 | 885,000 | 1,550,510 | - | 4,026,367 |
| Enterprise Fund | 63,668,530 | 65,637,211 | 82,465,758 | - | 46,839,983 |
| Internal Service Fund | 26,132,459 | 99,862,887 | 105,167,065 | 21,000 | 20,807,281 |
| **Total** | **$ 479,658,164** | **$ 1,092,876,745** | **$ 1,180,850,609** | **$ 63,415** | **$ 391,620,885** |

## DISCRETIONARY REVENUE

As of September 30, 2016, $11.3 million in discretionary revenue was received, which represents approximately 5.8% of the 2016-2017 Adopted Final Budget of $193.9 million. For the last five years, discretionary revenue collected by the end of first quarter ranged from 4.7% to 6.3% of the final budget and from 4.3% to 5.6% of the year-end actual totals. The current year discretionary revenue at first quarter is within the mentioned budget range and above the actual range, which is an early indication that the County is on target to achieve projected revenues by fiscal year-end. Of note, the 2016-2017 first quarter revenue of $11.3 million is above the five-year average of actual first quarter revenues of $8.5 million, further demonstrating a positive trend in discretionary revenue receipts. The following chart shows a five-year comparison of first quarter activity.

### General Fund—Discretionary Revenue Five Year Comparison

It is important to note that the year-end actuals for Fiscal Years 2012-2013, 2014-2015 and 2015-2016 included significant one-time revenues. Fiscal Year 2012-2013 included one-time revenue of $11.9 million, of which $8.4 million was for repayment of property tax monies borrowed by the State pursuant to Proposition 1A (2004) and $3.5 million was for dissolution of the Redevelopment District Agencies. The one-time revenue for Fiscal Year 2014-2015 included $5.4 million for pre-2004 Senate Bill (SB) 90 payments and $0.6 million for the Proposition 172 allocation correction by the State Board of Equalization, for a total of $6.0 million. Significant one-time revenue received in Fiscal Year 2015-2016 included approximately $1.6 million for interest payment on SB 90 Mandate pre-2004 claims, $1 million from the sale of the Medical Arts building which has been assigned for future support of the Veterans Facility, $1 million from post-2004 SB 90 claims, and a $1.8 million technical accounting adjustment to correctly record the payoff of 2006 Tobacco debt for the Coroner's Facility, for a total of $5.4 million.

The Chief Executive Office closely monitors discretionary revenue and may recommend changes as necessary with the Mid-year Financial Report in March 2017 when additional months of revenue will be realized. While it is too early to establish any trend in the sales tax revenue since only two months of actual revenue generally posts by the end of the first quarter, the 2016-2017 advances show a 3.5% increase from the prior year. Sales tax advances are now based on the full 1% of sales due to the end of "Triple Flip" in Fiscal Year 2015-2016. For the Proposition 172 Public Safety sales tax revenue, only the first monthly advance is posted by the end of first quarter, which is up approximately 12% for first quarter 2016-2017 from the same period last year. The first installment of the other major source of discretionary revenue, property tax and related revenue, will be received in December. Each year only a small portion of the discretionary revenue posts by the end of the first quarter and any adjustments to this budget are generally postponed until six months of actuals are posted.

# A Safe Community

CEO-OES/Fire Warden
CEO-Capital Projects
CEO-County Operations
District Attorney
Grand Jury
Integrated Criminal Justice Information System
Probation
Public Defender
Sheriff

# A Safe Community

## OVERVIEW

Ensuring a safe community and protecting the safety of the residents of Stanislaus County continues to be a top priority of the Board of Supervisors. Departments assigned to the Board of Supervisors' priority area of A Safe Community include: Chief Executive Office - Office of Emergency Services/Fire Warden, District Attorney, Probation, Public Defender and Sheriff. The revenue used to pay for these services comes primarily from local taxes such as property tax and sales tax, fees, franchises, charges for services, and a variety of other discretionary revenue sources. Public Safety Sales Tax revenue (Proposition 172) is also used to partially fund the District Attorney, Probation, and Sheriff's Department budgets. These departments also receive dedicated funds for specific grant funded programs.

## DEPARTMENTAL REVENUE

For the departmental budgets that are part of the Board of Supervisors priority area of A Safe Community as of September 30, 2016, actual revenue collected is $10 million, which represents 13% of the estimated annual revenue. This is within the range when compared to the first quarter point of the prior three years when collections ranged from 11% to 13% of the final actual revenue.

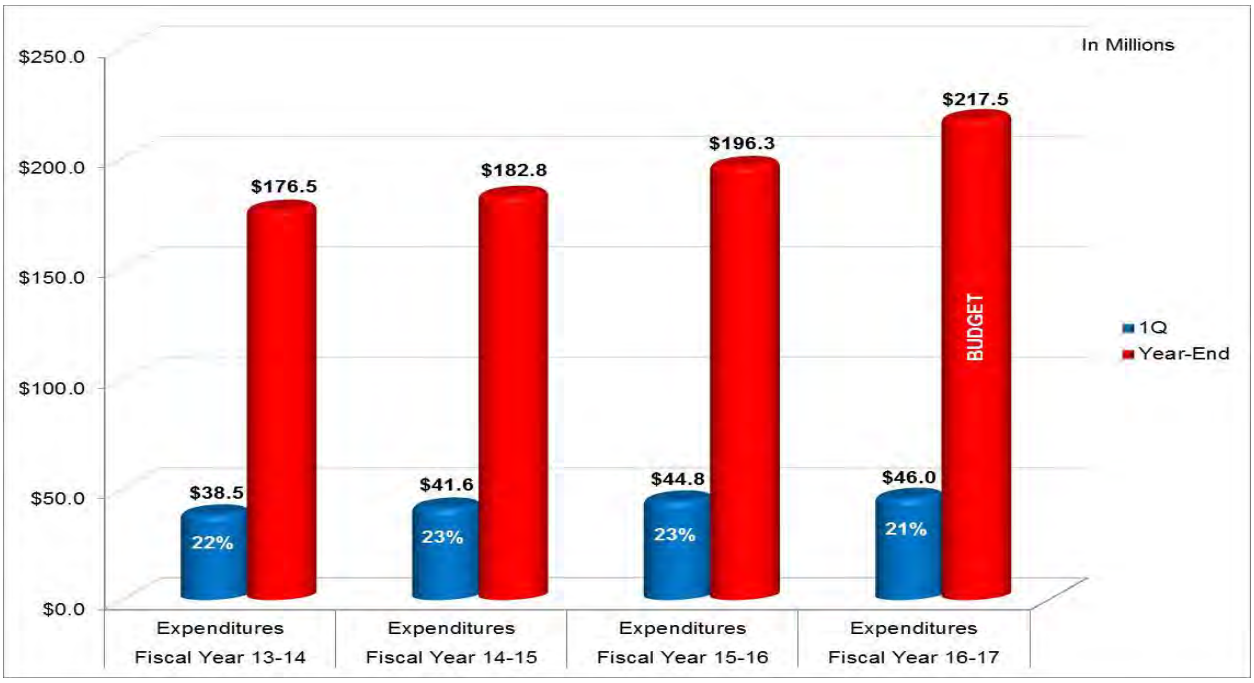
**A Safe Community**
**Four-Year Revenue Comparison**

## DEPARTMENTAL EXPENDITURES

As of September 30, 2016, expenditures are $46 million, representing 21% of the budgeted appropriations. Expenditures at the first quarter point of the prior three years ranged from 22% to 23% of the final actual

expenditures, placing this year slightly below the range. This is primarily due to the planned timeline for expenditures in Sheriff - Adult Detention Expansion; initial occupancy will occur in March of 2017.

## A Safe Community
## Four-Year Expenditure Comparison




Overall, the departments within A Safe Community are on track to end the year within budget and in a positive fiscal position.

**Public Safety Restoration Update**

As part of the Fiscal Year 2014-2015 Mid-Year Financial Report, the Board of Supervisors approved recommendations to support Public Safety Restoration (PSR) to fund critical public safety services in four departments; the District Attorney, Public Defender, Probation and Sheriff. The Board approved PSR funding of up to $2 million in Fiscal Year 2014-2015 and $4 million in Fiscal Year 2015-2016 to support 39 full-time positions in Phase I. The Adopted Proposed Budget for 2016-2017 included an additional $2 million in PSR funding for a total of $6 million to support 63 full-time positions in Phase II. Phase II funding has been allocated to departments, with the majority of funding in their base budgets for support of positions already filled, and with the remainder of the funds in department contingency accounts. The Board of Supervisors has previously authorized the Chief Executive Office to transfer funds from department contingency to operations as positions are filled.

Phase III of PSR was planned for implementation in Budget Year 2017-2018 with an additional $2 million in funding, bringing the total ongoing support dedicated to public safety departments to $8 million upon the full implementation of the PSR program. Upon approval of the 2016-2017 Adopted Final Budget, the Board dedicated $1 million from the one-time benefit of the elimination of Negative Bailout from Fiscal Year 2015-2016 to accelerate the implementation of PSR Phase III to begin on January 1, 2017. This advanced funding for Phase III of PSR will now complete the Board's full commitment to PSR funding through Budget Year 2017-2018.

With approval of the accelerated Phase III plan in the Adopted Final Budget, public safety departments were asked to review their original Phase III staffing plans to update their requests based on current public safety priorities. The First Quarter Report includes recommendations to implement the updated staffing requests, which include the addition of 19 positions for Phase III PSR effective January 1, 2017. Approving these recommendations will bring the total number of full-time positions approved with PSR to 82; this includes positions funded directly by PSR General Fund contributions and positions leveraged through other non-General Fund resources.

At the time of the First Quarter Financial Report, 45 of the 63 original full-time positions authorized in Phase I and Phase II were filled by September 30, 2016, along with five extra-help positions for a total of 50 filled positions. The five extra-help positions are not counted within the 45 authorized full-time positions approved for PSR, although funding is provided for the extra-help salaries, as included on the attached PSR table. The following is an update by department on the implementation status of previously approved PSR services:

District Attorney

- The District Attorney has filled all four Phase I approved positions.
- For Phase II, the Department has received funding for two Criminal Investigator positions and one Deputy District Attorney V position, none of which have been filled at this time.

Probation

- Probation has filled all 13 Phase I approved positions.
- For Phase II, the Department has received funding for three Deputy Probation Officer I/II positions, one Deputy Probation Officer III position and one Supervising Deputy Probation Officer position using Senate Bill (SB) 678 funding for one year. Of these positions, the Deputy Probation Officer III position and the Supervising Deputy Probation Officer position has been filled.
- The Department is able to leverage Youthful Offender Block Grant funding to augment PSR, for additional staff to include: six Probation Corrections Officers and one Supervising Probation Corrections Officer. Of these positions, the Supervising Probation Corrections Officer position has been filled.

Public Defender

- The Public Defender has filled all four Phase I approved positions.
- For Phase II, the Public Defender did not receive additional positions through Public Safety Restoration.

Sheriff

- The Sheriff has filled all Phase I approved positions. This does not include six of the extra help Deputy Sheriff Intern positions. The Sheriff anticipates filling these positions in the 2016-2017 Fiscal Year.
- For Phase II, the Department has received funding for two Assistant Cooks, six Deputy Sheriffs, one Manager IV and .5 of a Sergeant. All of these positions, with the exception of the six Deputy Sheriff positions have been filled.

The chart on the following page summarizes the implementation of approved services, filled positions and budget authority related to Public Safety Restoration.

## Public Safety Restoration - Quarterly Update

Data as of September 30, 2016

### District Attorney

| Positions/Services Approved | Implementation Status | PSR Funds to be Used in FY 2016-2017 |
|---|---|---|
| Lieutenant - Investigations Unit | Initiated in Q4 FY 14-15 | $185,000 |
| System Technician I - IT Support and Automation | Initiated in Q4 FY 14-15 | $80,000 |
| Deputy District Attorney V ( Replaced a Criminal Investigator II) | Initiated in Q1 FY 15-16 | $117,500 |
| Victim Advocate II - Victim Services | Initiated in Q1 FY 15-16 | $77,500 |
| (2) Criminal Investigator (1 position replaced by the Attorney V) | In Progress | $0 |
| Deputy District Attorney V | In Progress | $0 |
| **PSR savings roll forward from 2015-2016 will support one-time equipment support costs of $41,245.** | Total Funds Appropriated | $460,000 |
| | Total Approved for FY 16-17 | $876,000 |
| | Balance to be Transferred upon Hire | $416,000 |

### Probation

| Positions/Services Approved | Implementation Status | PSR Funds to be Used in FY 2016-2017 |
|---|---|---|
| Supv. Probation Officer - Day Reporting Center | Initiated in Q3 FY 14-15 | $145,962 |
| Deputy Probation Officer III - Day Reporting Center | Initiated in Q3 FY 14-15 | $135,150 |
| Deputy Probation Officer I/II - Day Reporting Center | Initiated in Q4 FY 14-15 | $126,500 |
| Supv. Probation Corrections Officer - Alternative to Custody Program | Initiated in Q4 FY 14-15 | Funded in JJCPA |
| (2) Probation Corrections Officer III - Institutions Programs | Initiated in Q4 FY 14-15 | Funded in YOBG |
| Manager II - Clerical Management Support | Initiated in Q1 FY 15-16 | $99,189 |
| Systems Technician - IT Support | Initiated in Q2 FY 15-16 | $68,330 |
| (4) Probation Corrections Officer I/II - Institutions Programs | Initiated in Q2 FY 15-16 | Funded by YOBG |
| Crime Analyst - Juvenile Programs | Initiated in Q3 FY 15-16 | Funded by YOBG |
| Supervising Deputy Probation Officer (One year earlier using SB 678 Funding | Initiated in Q1 FY 16-17 | Funded by SB 678 |
| (6) Probation Corrections Officer I/II (YOBG) | In Progress | $0 |
| Supervising Probation Corrections Officer (YOBG) | Initiated in Q1 FY 16-17 | Funded by YOBG |
| (3) Deputy Probation Officer I/II | In Progress | $0 |
| Deputy Probation Officer III | Initiated in Q1 FY 16-17 | $137,150 |
| **PSR savings roll forward from 2015-2016 will support one-time equipment support costs of $54,445.** | Total Funds Appropriated | $712,281 |
| | Total Approved for FY 16-17 | $1,050,000 |
| | Balance to be Transferred upon Hire | $337,719 |

### Public Defender

| Positions/Services Approved | Implementation Status | PSR Funds to be Used in FY 2016-2017 |
|---|---|---|
| Manager II - Investigations Unit Manager | Initiated in Q2 FY 15-16 | $89,042 |
| Special Investigator - Investigations Unit | Initiated in Q4 FY 15-16 | $76,672 |
| Special Investigator - Investigations Unit (Reallocation of General Fund) | Initiated in Q4 FY 15-16 | In Base |
| Attorney V - General Defense | Initiated in Q3 FY 15-16 | $107,437 |
| **PSR savings roll forward from 2015-2016 will support one-time equipment support costs of $47,800.** | Total Funds Appropriated | $273,151 |
| | Total Approved for FY 16-17 | $330,000 |
| | Balance to be Transferred upon Hire | $56,849 |

### Sheriff

| Positions/Services Approved | Implementation Status | PSR Funds to be Used in FY 2016-2017 |
|---|---|---|
| Lieutenant - Watch Commander | Initiated in Q3 FY 14-15 | $168,517 |
| (.5) Lieutenant - Emergency Services/County Security (.5 CEO-OES) | Initiated in Q4 FY 14-15 | $84,259 |
| (16) Deputy Sheriff - Community Resources, Investigations, etc. | Initiated in Q4 FY 14-15 & Q3 15-16 | $2,131,200 |
| (5) Deputy Sheriff Intern - extra help (1st Training Academy) | Initiated in Q4 FY 14-15 | $54,500 |
| (5) Deputy Sheriff Intern - extra help | In Progress | $0 |
| (2) Assistant Cooks | Initiated in Q1 FY 16-17 | $74,636 |
| (6) Deputy Sheriff - Community Resources, Investigations, etc | In Progress | $0 |
| Manager IV - Info Tech (Exchanged a Deputy Sheriff position) | Initiated in Q1 FY 16-17 | $147,000 |
| (.5) Sergeant | Initiated in Q1 FY 16-17 | $96,028 |
| **PSR savings roll forward from 2015-2016 will support one-time support costs of $233,100.** | Total Funds Appropriated | $2,756,140 |
| | Total Approved for FY 16-17 | $3,744,000 |
| | Balance to be Transferred upon Hire | $987,861 |

### Summary Total

| | |
|---|---|
| Total Funds Appropriated | $4,201,572 |
| Total Approved for FY 16-17 | $6,000,000 |
| Balance to be Transferred upon Hire | $1,798,429 |

## FIRST QUARTER ISSUES AND RECOMMENDATIONS

### DISTRICT ATTORNEY

In the 2016-2017 Adopted Final Budget, the Board of Supervisors approved $876,000 for the District Attorney Phase II Public Safety Restoration (PSR). The Board approved an additional $1 million to accelerate Phase III to begin six months ahead of schedule on January 1, 2017, of which the District Attorney's share is $145,650.

The District Attorney's original Phase III PSR plan included the addition of two positions:

- Senior Investigator
- Paralegal

The District Attorney's updated Phase III PSR plan includes the transfer of one previously approved position out of the PSR program and the addition of four positions as follows:

- End funding for the Victim Advocate II position effective January 1, 2017, as allocated as part of the Phase I PSR program. This position would transfer to the District Attorney – Victim Services Program and filled once approved for funding by the California Governor's Office of Emergency Services County Victim Services Program grant. If by Mid-Year 2017-2018 the grant has not been extended or renewed, the Department will take the necessary steps to delete this position effective no later than March 31, 2018 to ensure no General Fund obligation materializes.

- Deputy District Attorney V – The Department is requesting to add a Deputy District Attorney V to prosecute cases to reduce backlog of open cases.

- Manager I/II – The Clerical Manager will have oversight of all clerical staff and direct supervision of four Supervising Legal Clerks. In addition, the position will lead the clerical unit toward online innovation with the implementation of new processes and procedures to increase efficiency.

- Legal Clerk I/II/III – This position will be assigned to the Bureau of Investigations. Due to the increasing volume of the District Attorney's Homicide caseload, additional support staff is needed to maintain efficient and effective services to the Deputy District Attorneys assigned to prosecution.

- Supervising Legal Clerk I/II – This position will be assigned to supervise all Legal Clerks assigned to the Bureau of Investigations. Currently, a Lieutenant is assigned to supervise the support staff in addition to Criminal Investigators. The Supervising Legal Clerk will supervise nine Legal Clerks. This will alleviate the assignment from a Lieutenant and allow the Criminal Investigators to be evenly distributed between two Lieutenants. With the addition of the new Criminal Investigator positions in Phase II, each Lieutenant will supervise 10 assigned staff, which includes part-time extra help and Personal Service Contract Staff.

**Additional requests for the District Attorney at First-Quarter:**

Office of Traffic Safety Impaired Driver Vertical Prosecution – The grant funding for this budget is on a Federal fiscal year. In the 2016-2017 Adopted Final Budget, estimated revenue and appropriations were established for the first quarter of the fiscal year due to the timing of the award. The Department is requesting that estimated revenue and appropriations be increased by $145,859 in the District Attorney – Office of Traffic Safety Impaired Driver Vertical Prosecution budget.

Unserved/Underserved Victim Advocacy – On June 14, 2016, the Board of Supervisors authorized the District Attorney to accept the awarded grant from the California Governor's Office of Emergency Services for Unserved/Underserved Victim Advocacy and Outreach Program for Fiscal Year 2015-2016 through Budget Year 2017-2018. At that time, 2015-2016 appropriations were approved to carry over to 2016-2017 through the Funds Available process. The Department is requesting a technical adjustment at this time to increase the estimated revenue of the grant by $153,003 and the General Fund Contribution by $16,700.

| Budget Unit | Recommended | | | | Description |
|---|---|---|---|---|---|
| | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost | |
| District Attorney - Criminal Division | $0 | $145,650 | $0 | $145,650 | Increase in appropriations due to the accelerated Phase III Public Safety Restoration Funding. |
| District Attorney- Impaired Driver Vertical Prosecution | $145,859 | $145,859 | $0 | $0 | Increase estimated revenue and appropriations for the grant award. |
| District Attorney- Unserved/Underserved Victim Advocacy | $153,003 | $16,700 | ($153,003) | $16,700 | Increase estimated revenue for the grant award. Add general fund contribution to the budget unit as required by the grant. |
| **Total** | **$298,862** | **$308,209** | **($153,003)** | **$162,350** | |

**Staffing Requests:** As part of the accelerated Phase III of PSR, the Department is requesting to restore three unfunded positions: one block-budgeted Attorney V, one block-budgeted Supervising Legal Clerk II, and one block-budgeted Legal Clerk III. The Department is also requesting to add one new block-budgeted Manager II position as part of PSR.

| DISTRICT ATTORNEY STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT | | | | | |
|---|---|---|---|---|---|
| BUDGET UNIT NAME | POSITIONS | POSITION NUMBER | CLASSIFICATION | REQUEST | RECOMMENDATION |
| Criminal Division | 1 | 6236 | Attorney V-BB | Restore unfunded position | Restore position |
| | 1 | 2222 | Supervising Legal Clerk II-BB | Restore unfunded position | Restore position |
| | 1 | 3680 | Legal Clerk III-BB | Restore unfunded position | Restore position |
| | 1 | NEW | Manager II-BB | Add new position | Manager II-BB |
| **DA CHANGES** | **4** | | | | |
| **Beginning Allocation** | **139** | | | | |
| **Changes in Allocation** | **4** | | | | |
| **Ending Allocation** | **143** | | | | |

**Recommendation:** It is recommended to increase estimated revenue by $298,862 and appropriations by $308,209 with a $153,003 contribution to fund balance, a contribution of $16,700 from General Fund Contribution to other Programs and a transfer of $145,650 from Appropriations for Contingencies. It is also recommended that the staffing changes described and outlined in the table above be adopted.

## PROBATION

In the 2016-2017 Adopted Final Budget, the Board of Supervisors approved $1,050,000 for the Probation Department's Phase II Public Safety Restoration (PSR). The Board approved an additional $1 million to accelerate Phase III to begin six months ahead of schedule on January 1, 2017, of which Probation's share is $174,750.

The Probation Department's original PSR plan for Phase III was:

- Supervising Deputy Probation Officer
- Confidential Assistant III

Updated request for Phase III PSR funding:

- One Supervising Deputy Probation Officer previously approved to be funded by Senate Bill (SB) 678 in Phase II and now to be funded with PSR in Phase III.

- As planned in the originally approved Public Safety Restoration plan, the Department will restore one unfunded Confidential Assistant III position.

- Add one K-9 that will be used to locate concealed guns and ammunition during field operations, increasing officer safety. The requested funding includes the purchase of the K-9, training, care, extra pay for the K-9 officer and the purchase of a vehicle to be equipped specifically for the K-9. The vehicle will be included as part of the 2017-2018 Proposed Budget.

**Additional requests for the Probation Department at First-Quarter:**

Juvenile Justice Crime Prevention Act - The Probation Department is requesting an increase in appropriations of $44,099, for an on-site Case Manager for the Gender Responsive Alternatives to Detention (GRAD) program. The Department currently has a contract in place with the Center for Human Services for $44,099, which includes an on-site Case Manager. Fund Balance will be used to support this one-time contract request. This fund is projected to have a remaining fund balance of $2,533,107 at the end of the 2016-2017 Fiscal Year.

| Budget Unit | Recommended | | | | Description |
|---|---|---|---|---|---|
| | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost | |
| Probation - Field Services | $0 | $174,750 | $0 | $174,750 | Increase in appropriations due to the accelerated Phase III Public Safety Restoration Funding. |
| Probation - Juvenile Justice Crime Prevention Act | $0 | $44,099 | $44,099 | $0 | Funding for an on-site Case Manager at Center for Human Services. |
| **Total** | **$0** | **$218,849** | **$44,099** | **$174,750** | |

**Staffing Requests:** As part of the accelerated Phase III of PSR, the Department is requesting to fund one existing Supervising Probation Officer with PSR funding, and to restore one unfunded Confidential Assistant II position in Institutional Services, transfer to Field Services and reclassify upward to Confidential Assistant III.

| PROBATION STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT | | | | | |
|---|---|---|---|---|---|
| BUDGET UNIT NAME | POSITIONS | POSITION NUMBER | CLASSIFICATION | REQUEST | RECOMMENDATION |
| Field Services | 0 | 14303 | Supervising Probation Officer | Shift to PSR funding | Shift to PSR funding |
| | 1 | 3327 | Confidential Assistant II | Transfer in; Reclassify upward | Transfer from Institutional Services; Reclassify upward to Confidential Assistant III |
| Institutional Services | 0 | 3327 | Confidential Assistant II | Restore unfunded position; Transfer out | Restore position; Transfer to Field Services |
| **PROBATION CHANGES** | **2** | | | | |
| **Beginning Allocation** | **286** | | | | |
| **Changes in Allocation** | **1** | | | | |
| **Ending Allocation** | **287** | | | | |

**Recommendation:** It is recommended to increase appropriations by $218,849 with the use of $44,099 in Fund Balance and $174,750 through a transfer from Appropriations for Contingencies. It is also recommended that the staffing changes described and outlined in the table above be adopted.

**PUBLIC DEFENDER**

In the 2016-2017 Adopted Final Budget, the Board of Supervisors approved $330,000 for the Public Defender Department's Phase II Public Safety Restoration (PSR). The Board approved an additional $1 million to accelerate Phase III to begin six months ahead of schedule on January 1, 2017, of which the Public Defender's share is $55,640.

The Public Defender's original PSR plan for Phase III was:

- Deputy Public Defender

Updated request for Phase III PSR funding:

- As planned in the originally approved Public Safety Restoration plan, the Department is requesting one Deputy Public Defender (Attorney I-V) position.

- Add one Supervising Legal Clerk I/II who will manage the clerical unit. As a budget balancing strategy during the economic downturn, the Public Defender eliminated this position in 2010. Since that time, a Legal Clerk IV has taken on the role of a "lead" to assist in the managing of the Clerical Unit. Clerical operations are a critical component in the quality and efficiency for legal defense services and will support improved processing of cases administered through the Public Defender. The current annualized cost of the position is estimated to be $32,643, which includes $1,500 in anticipated one-time costs to support the position. In viewing the Public Defender's position request for Public Safety Restoration, it was determined that the Department could fill an additional lower level position with the remaining funding.

Indigent Defense – The Public Defender's Department along with the Chief Executive Office are working on a Request for Proposal for a Conflicts III Contract. When the Public Defender's Department is unable to represent an indigent individual due to legal conflict of interest, separate counsel must be provided. For this purpose, the County currently contracts with two local law firms, Conflicts I and Conflicts II. Based on the number of multi-defense cases and the cost exposure, the Department is looking at the option of a Conflicts III Contract**.** The Request for Proposal will be developed to see if other outside firms would contract with the County, and any recommendations would be brought to the Board of Supervisors for approval. Once developed and implemented, it is anticipated that Conflicts III could provide savings to the Indigent Defense budget by relieving costs that have been attributed to appointed attorneys.

| Budget Unit | Recommended | | | | Description |
|---|---|---|---|---|---|
| | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost | |
| Public Defender | $0 | $55,640 | $0 | $55,640 | Increase in appropriations due to the accelerated Phase III Public Safety Restoration Funding. |
| **Total** | **$0** | **$55,640** | **$0** | **$55,640** | |

**Staffing Requests:** As part of the accelerated Phase III of PSR, the Department is requesting to restore one unfunded block-budgeted Attorney V position and to add one new block-budgeted Supervising Legal Clerk II position.

| PUBLIC DEFENDER STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT | | | | | |
|---|---|---|---|---|---|
| BUDGET UNIT NAME | POSITIONS | POSITION NUMBER | CLASSIFICATION | REQUEST | RECOMMENDATION |
| Public Defender | 1 | 1866 | Attorney V-BB | Restore unfunded position | Restore position |
| | 1 | NEW | Supervising Legal Clerk II-BB | Add new position | Supervising Legal Clerk II-BB |
| PUBLIC DEFENDER CHANGES | 2 | | | | |
| Beginning Allocation | 45 | | | | |
| Changes in Allocation | 2 | | | | |
| Ending Allocation | 47 | | | | |

**Recommendation:** It is recommended to increase appropriations by $55,640 funded through a transfer from Appropriations for Contingencies. It is also recommended that the staffing changes described and outlined in the table above be adopted.

## SHERIFF

In the 2016-2017 Adopted Final Budget, the Board of Supervisors approved $3,744,000 for the Sheriff's Department Phase II Public Safety Restoration (PSR). The Board approved an additional $1 million to accelerate Phase III to begin six months ahead of schedule on January 1, 2017, of which the Sheriff's share is $623,960.

The Sheriff's original PSR plan for Phase III was:

- Eight Deputy Sheriff positions

Updated request for Phase III PSR funding:

- As planned in the originally approved Public Safety Restoration plan, the Department is requesting one Deputy Sheriff position. The goal of the Department is to increase the presence in the community and reduce the average wait times for calls for service.

- Administrative Clerk III - The Sheriff's Office is requesting to add an additional Administrative Clerk III to the Operations Division to help facilitate some of the administrative work associated with the growth of the Department. This position will be used to coordinate training and travel for all employees of the Department. This position will also keep employee-training records up to date by entering information into the Department's training management system as well as the California Peace Officer Standards and Training (POST) system.

- Operations Sergeant (three positions): - As part of PSR, the Sheriff's Office is requesting three additional Sheriff Sergeant positions to assist with patrol supervision. Currently, there is one sergeant assigned to each primary patrol shift. That sergeant is not only responsible for the supervision and direction of critical incidents and patrol functions in the field, but also processing and approving crime reports which have sensitive timelines. Additionally, a significant number of deputies assigned to the Patrol Division have less than three years of experience, requiring significantly more supervision and direction. In addition to the request for three Sergeant positions, the Sheriff is reallocating an existing position to add a total of four positions to Operations Patrol. Those additions will equate to two sergeants assigned to each day and night shift. Law enforcement risk management is a top priority, particularly in light of the challenges experienced by many agencies across the nation. Adding these positions is critical to public safety and reducing liability. Included in this request are two vehicles to support the positions.

- Community Service Officer (four positions) — The Department is requesting an additional four CSO positions so that they can take some of the lower level calls for service that come to the

Sheriff's Department. This will provide the County with a better level of service and free up Deputies to handle calls for service that require the response of a sworn deputy. Included in this request are four vehicles to support the CSO positions.

- Crime Analyst Technician - The Identification (ID) unit has been staffed by four Crime Analyst Technicians since the 2009 staff reductions. With the Operations Division being rebuilt through the PSR program, the Department is identifying areas where non-sworn positions are needed to keep up with the increased workload produced by the additional deputies. The Department believes that adding an additional Crime Analyst Technician will keep the processing of crime scene evidence moving smoothly.

- Confidential Assistant III - Currently the Department has one Confidential Assistant III who helps coordinate the background process and makes sure that the paperwork for all potential employees is in order. With the expansion of the Detention Division and the continued support of the PSR program, the backgrounds unit has been extremely busy and requires an additional Confidential Assistant to share the workload.

- Manager II **-** The Department is requesting one additional Manager II position to take over the management functions of the Property and Evidence unit as well as the ID Unit. Currently this function is overseen by a Sergeant; however, the Department feels that this position is better suited to a civilian position because the position requires extended training and experience to properly manage a Sergeant in the position and the position is rotated about the time the Sergeant is fully trained and operating efficiently. This additional manager position will provide stability within the unit as well as an additional civilian management position that will help the Department create a longer career path for non-sworn individuals. The Sergeant position will be transferred to the Operations Division to support patrol.

- Additionally, the Sheriff has requested a Staff Services Coordinator position to support the Investigations Unit to coordinate all of the data compilation and analysis currently conducted by the Crime Analyst and create customized investigative tools, and share those out to the affected areas of the Department as well as other law enforcement partners. At this time, the Chief Executive Office is working with the Sheriff's Department to determine the appropriate classification for this position. The position, once determined, will be included for the Sheriff's Department in the Mid-Year Financial Report.

In order to support the four Sergeant and four CSO positions, the Sheriff's Department is requesting to purchase six new vehicles; two vehicles for the Sergeants and four for the CSOs. The Department has worked with General Services Agency – Fleet Services and the new vehicles will be consistent with existing vehicles and options that are necessary for the environment in which the vehicles operate. The estimated cost of these vehicles totals to $210,000. The addition of these vehicles to support PSR outside of the annual budget process, is in compliance with the General Services Agency – Fleet Policy, which allows the Chief Executive Officer to recommend vehicles when needed for emergencies.

<u>One-Time Public Safety Restoration Funding:</u>

Once all of the above positions are filled, it is estimated that approximately $347,000 of funds will still be available to fund one-time costs to support the PSR positions. It is recommended to allow the Sheriff's Department the authority to use these one-time remaining funds for a variety of improvements at the Training Center. The Sheriff's Department has identified improvements at the Training Center that include

placement of a modular system and a Force Simulator. Also included in the request is digital evidence examination equipment. These project plans will be developed with detailed specifications and timelines, consistent with purchasing guidelines. Once the Sheriff's Department has developed the full scope and cost of the projects, the Department will return to the Board of Supervisors for final approval.

Modular Classroom - The Sheriff is requesting to install a modular room at the Training Center. An estimate of the cost is approximately $150,000 Currently, there are three main rooms outfitted with equipment and utilized for all training associated with the Basic Academy, Corrections Academy, and all required State mandated training. Due to the significant increase in hiring and the associated mandatory training requirements for existing personnel, room availability and scheduling has become a significant logistical challenge. By adding one additional modular classroom at the facility, the Training Center will be able to stay in compliance with existing training mandates as well as offer more training locally instead of having to send personnel out of County.

Use of Force Simulator - Use of force events around the nation have brought the use of force by law enforcement to the forefront. Policing in today's society is very complex, and violent encounters with police are on the rise. Additionally, law enforcement encounters with mentally ill offenders are also on the rise, a significant source of dangerous encounters. Locally, Deputy Sheriff staff attend Crisis Intervention Training (CIT) in partnership with Behavioral Health and Recovery Services in an effort to recognize the signs and symptoms of mental illness. While this has been excellent training for staff, the Department has also identified a broader need to expose staff to more scenario-based training. Simulation training has been identified as a "best practice" among many progressive law enforcement agencies, and in fact, the newly designed Basic Academy program is a scenario-based model. The use of force simulator is interactive video equipment and allows the Department to expose personnel to hundreds of different real-life scenarios. This gives the Sheriff's Department the ability to sharpen decision-making skills in a safe environment. While the Sheriff's Department enjoys widespread community support, relationships will be that much stronger with proactive approaches in training to avoid potentially violent encounters. It is anticipated that the Use of Force Simulator would cost approximately $90,000.

Digital Evidence Examination Equipment – Prior to the reductions in force during the economic downturn, the Sheriff's Department had personnel with appropriate equipment assigned to the "High Tech Crime Unit". As part of the reductions in force, that unit was completely dissolved. However, crimes involving the use of computers and smart phones have increased significantly. As part of the PSR plan, the Sheriff intends to expand criminal investigative services to include digital evidence. This equipment will be used to conduct forensics on the latest computer and communication devices, which the Department does not currently have the capability to do. It is anticipated that the Digital Evidence Examination Equipment would cost approximately $100,000.

| Budget Unit | Recommended | | | | Description |
|---|---|---|---|---|---|
| | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost | |
| Sheriff - Operations | $0 | $623,960 | $0 | $623,960 | Increase in appropriations due to the accelerated Phase III Public Safety Restoration Funding. |
| Sheriff - Operations | $0 | ($221,636) | $0 | ($221,636) | Transfer Public Safety Restoration Funding to Administration and Detention for positions that have been filled. |
| Sheriff - Administration | $0 | $147,000 | $0 | $147,000 | Transfer of Public Safety Restoration Funding for the Manager IV IT position. |
| Sheriff - Detention | $0 | $74,636 | $0 | $74,636 | Transfer of Public Safety Restoration Funding for the two Assistant Cook positions. |
| **Total** | **$0** | **$623,960** | **$0** | **$623,960** | |

**Staffing Requests:** As part of the accelerated Phase III of PSR, the Department is requesting to add twelve new positions in Operations and study one position, as described above.

| SHERIFF OFFICE STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT | | | | | |
|---|---|---|---|---|---|
| BUDGET UNIT NAME | POSITIONS | POSITION NUMBER | CLASSIFICATION | REQUEST | RECOMMENDATION |
| Operations | 1 | NEW | Manager II-BB | Add new position | Manager II-BB |
| | 3 | NEW | Sergeant | Add new positions | Sergeant |
| | 1 | NEW | Deputy Sheriff | Add new position | Deputy Sheriff |
| | 1 | NEW | Confidential Assistant III | Add new position | Confidential Assistant III |
| | 1 | NEW | Crime Analyst Technician | Add new position | Crime Analyst Technician |
| | 1 | NEW | Administrative Clerk III | Add new position | Administrative Clerk III |
| | 4 | NEW | Community Services Officer | Add new positions | Community Services Officer |
| SO CHANGES | 12 | | | | |
| Beginning Allocation | 669 | | | | |
| Changes in Allocation | 12 | | | | |
| Ending Allocation | 681 | | | | |

| SHERIFF OFFICE TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION | | | | | |
|---|---|---|---|---|---|
| BUDGET UNIT NAME | POSITIONS | POSITION NUMBER | CLASSIFICATION | REQUEST | RECOMMENDATION |
| Operations | 1 | NEW | Staff Services Coordinator | Study new position | Study |

**Recommendation:** It is recommended to increase appropriations by $623,960 funded through a transfer from Appropriations for Contingencies. It is also recommended that the staffing changes described and outlined in the table above be adopted.

# A Healthy Community

Area Agency on Aging/Veterans Services
Behavioral Health and Recovery Services
CEO-Stanislaus Veterans Center
Child Support Services
Children and Families Commission
Community Services Agency
Health Services Agency

# A Healthy Community

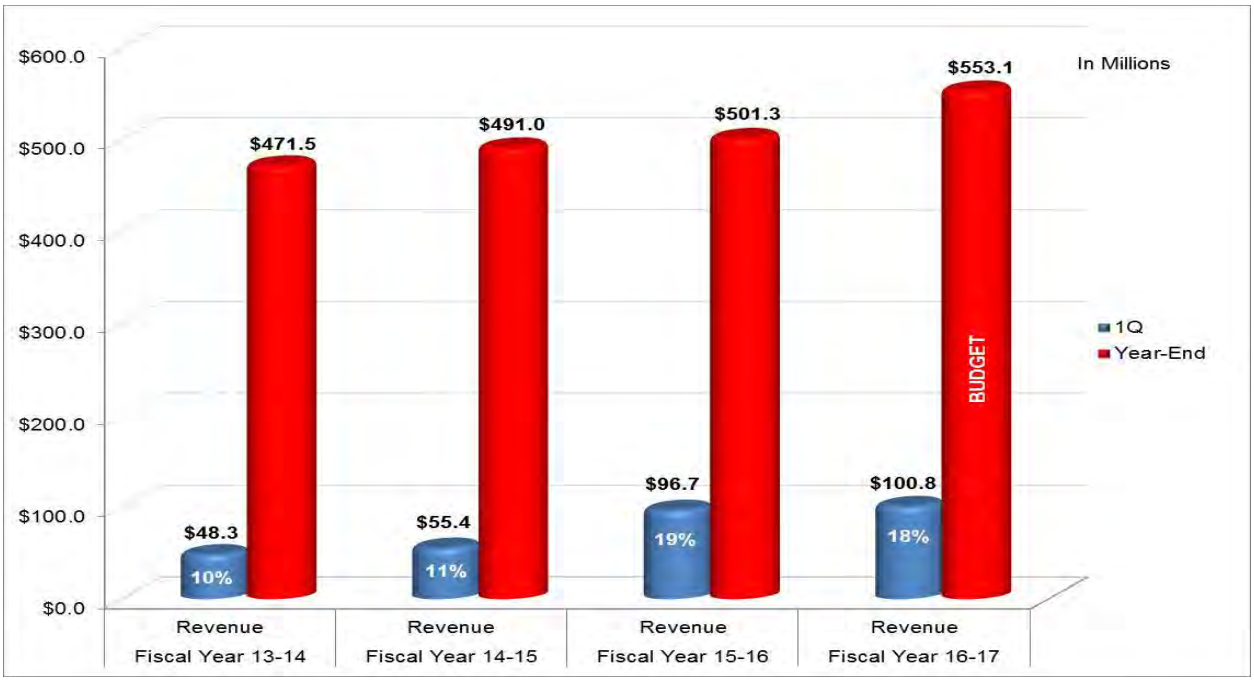
## OVERVIEW

The Board of Supervisors' priority area of A Healthy Community is vital to the quality of life for County residents. The departments assigned to this priority area focus on protecting and promoting the health and well-being of County residents including preventing disease, disability and death. Protecting emotional safety addresses the social problems that include homelessness, incarceration, and fragmented families with financial and emotional needs. The departments assigned to this priority area include: Area Agency on Aging and Veterans Services, Behavioral Health and Recovery Services, Child Support Services, Children and Families Commission, the Community Services Agency, and the Health Services Agency. The major funding sources for these programs include Federal and State funding and, where required, local discretionary funds used primarily to match other governmental funding in support of these programs.

## DEPARTMENTAL REVENUE

For the departmental budgets that are part of the Board of Supervisors' priority area of A Healthy Community, as of September 30, 2016, actual revenue is $100.8 million, which represents 18% of the estimated annual revenue. This is within the range compared to the first quarter of the prior three years when collections ranged from 10% to 19%.

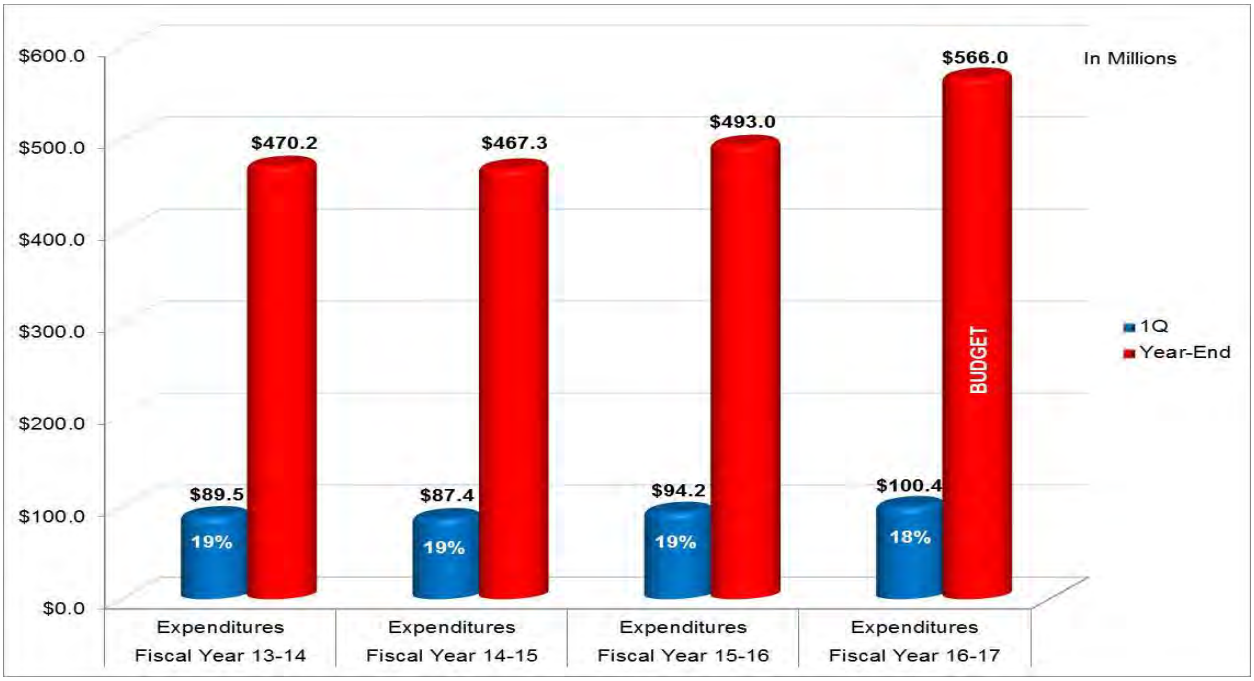
### A Healthy Community
### Four-Year Revenue Comparison



## DEPARTMENTAL EXPENDITURES

As of September 30, 2016, expenditures were $100.4 million, representing 18% of the budgeted appropriations. Expenditures at the first quarter point of the three prior years were 19% of the final annual expenditures, placing this year's expenditures slightly below the range. This is primarily due to the timing of payment for services attributed to Health Services Agency – Clinics and Ancillary Services and programs funded by the Behavioral Health and Recovery Services - Mental Health Services Act (MHSA). Further, the variance reflects the continued trend in reduced program spending in the Community Services Agency Public Assistance programs reflecting an increase in family self-sufficiency.

### A Healthy Community
### Four-Year Expenditure Comparison




Overall, the departments within A Healthy Community are on track to end the year within budget and in a positive fiscal position.

## FIRST QUARTER ISSUES AND RECOMMENDATIONS

### AREA AGENCY ON AGING AND VETERANS SERVICES

The Department is requesting a transfer of $50,000 in appropriations from Services and Supplies to Fixed Assets. The Department will be moving into the new Stanislaus Veterans Center by the end of this year and appropriations are needed to purchase necessary office furniture for the new facility. These appropriations are funded by a one-time allocation from the State Department of Aging.

| Budget Unit | Recommended | | | | Description |
|---|---|---|---|---|---|
| | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost | |
| Area Agency on Aging | $0 | $50,000 | $50,000 | $0 | Transfer appropriations into Fixed Assets from Services and Supplies -Contracts, to purchase office furniture for the new Stanislaus Veterans Center |
| Area Agency on Aging | $0 | ($50,000) | ($50,000) | $0 | Transfer appropriations out of Services and Supplies -Contracts into Fixed Assets to purchase office furniture for the new Stanislaus Veterans Center |
| **Total** | **$0** | **$0** | **$0** | **$0** | |

**Summary of Recommendations:**
It is recommended to transfer $50,000 in appropriations from Services and Supplies to Fixed Assets for the Area Agency on Aging Veterans Services to support the purchase of office furniture for the new Veterans Center.

## COMMUNITY SERVICES AGENCY

**Staffing Requests:** In efforts to support the Department's reorganization of their Human Resources Division, the Department is requesting to add one new Manager IV position, one new block-budgeted Manager III position, reclassify upward one Manager I position to a block-budgeted Manager III, and to reclassify upward a Staff Services Analyst position to a Confidential Assistant IV.

In order for the Community Services Agency (CSA), the largest County Department, to support the overall human resource functions of a large, complex workforce and meet the expectations and requirements of the organization, a restructure needs to occur. The additional management positions are necessary to allow CSA to remain vigilant and responsive to the changing and growing workforce. In addition, these changes will include adding functions to CSA Human Resources which include strategic planning, emergency and disaster preparedness, and legislative analysis. The Manager IV will oversee the HR Division; the new Manager III will oversee the Emergency Preparedness function and the Risk/Disability Management function; the other Manager III will oversee the discipline, labor relations and performance management; and the Confidential Assistant IV will serve as the Department's Risk Analyst.

These positions will be funded through Federal, State, and County revenues, with a County share of approximately 3%. There is no additional impact to the County General Fund.

| COMMUNITY SERVICES AGENCY STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT | | | | | |
|---|---|---|---|---|---|
| BUDGET UNIT NAME | POSITIONS | POSITION NUMBER | CLASSIFICATION | REQUEST | RECOMMENDATION |
| Services & Support | 1 | NEW | Manager IV | Add new position | Manager IV |
| | 1 | NEW | Manager III-BB | Add new position | Manager III-BB |
| **CSA CHANGES** | **2** | | | | |
| **Beginning Allocation** | **1106** | | | | |
| **Changes in Allocation** | **2** | | | | |
| **Ending Allocation** | **1108** | | | | |

| COMMUNITY SERVICES AGENCY TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION | | | | | |
|---|---|---|---|---|---|
| BUDGET UNIT NAME | POSITIONS | POSITION NUMBER | CLASSIFICATION | REQUEST | RECOMMENDATION |
| Services & Support | 1 | 13465 | Manager I | Reclassify upward | Manager III-BB |
| | 1 | 9205 | Staff Services Analyst | Reclassify upward | Confidential Assistant IV |

**Summary of Recommendations:** It is recommended that the staffing changes described and outlined in the table above be adopted.

## HEALTH SERVICES AGENCY

**Staffing Requests:** As part of the 2016-2017 Adopted Proposed Budget, the Department requested a classification study of a Software Developer/Analyst III. The study has been completed and based on the results of the classification study, it is recommended to reclassify this position upward to a Senior Software Developer/Analyst.

| HEALTH SERVICES AGENCY TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION | | | | | |
|---|---|---|---|---|---|
| BUDGET UNIT NAME | POSITIONS | POSITION NUMBER | CLASSIFICATION | REQUEST | RECOMMENDATION |
| Administration | 1 | 2247 | Software Developer/Analyst III | Reclassify upward | Senior Software Developer/Analyst |

**Summary of Recommendations:** It is recommended that the staffing change described and outlined in the table above be adopted.

# A Strong Local Economy

Alliance Worknet
CEO-Economic Development Bank
Library

# A Strong Local Economy

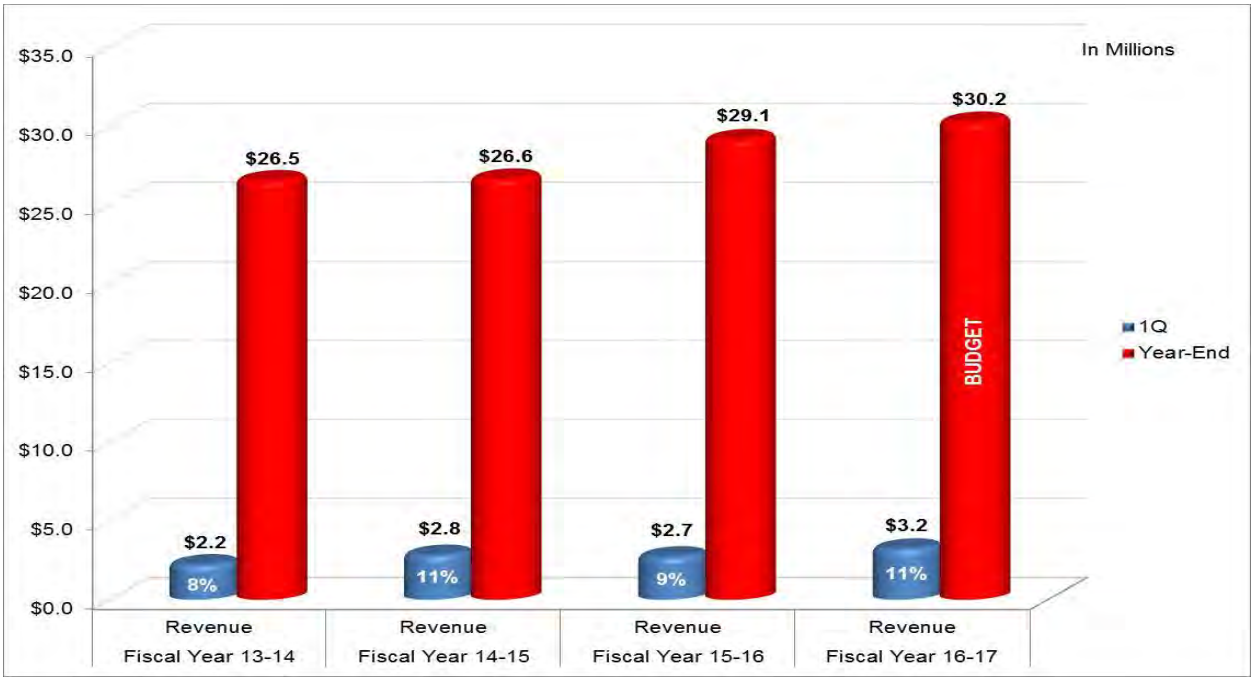
## OVERVIEW

The Board of Supervisors' priority area of A Strong Local Economy recognizes the critical role that County government can play in supporting a local economy that promotes, protects, and sustains our agricultural economies while providing for more diversified economic opportunities that will strengthen our local economy and provide for a better, more stable, quality of life for our residents. Supporting job creation, providing a wide range of employment and training services, and educational resources are key aspects of A Strong Local Economy. Departments and programs assigned to this priority area include: Alliance Worknet, Chief Executive Office - Economic Development Bank, and the Library. The Alliance Worknet's major funding source is Federal funds (Workforce Innovation and Opportunity Act), while the Library is supported by a special 1/8 cent sales tax and a contribution from the General Fund.

## DEPARTMENTAL REVENUE

For the departmental budgets that are part of the Board of Supervisors' priority area of A Strong Local Economy as of September 30, 2016, actual revenue collected is $3.2 million, which represents 11% of the estimated annual revenue. This is within the range when compared to the first quarter of the prior three years when collections were 8% to 11% of the final actual revenue.

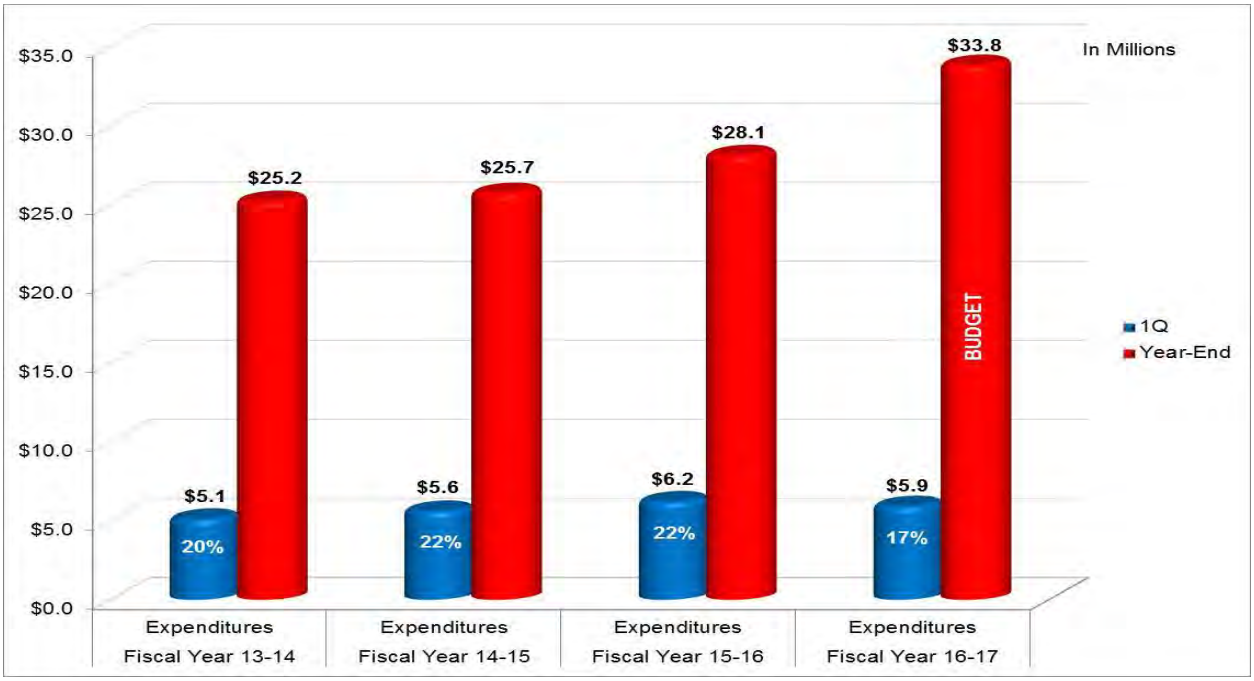
### A Strong Local Economy
### Four-Year Revenue Comparison



## DEPARTMENTAL EXPENDITURES

As of September 30, 2016, expenditures are $5.9 million, representing 17% of the budgeted appropriations. Expenditures at the first quarter point of the prior three years ranged from 20% to 22% of the final actual expenditures, placing this year below the range. This is primarily the result of decreased salary and benefits costs as well as the timing of invoices in Alliance Worknet, $1.5 million in appropriations carried forward from Fiscal Year 2015-2016 in the CEO-Community Development Fund for future projects, and deferred maintenance and technology projects for the Library that have been budgeted but not yet completed.

### A Strong Local Economy
### Four-Year Expenditure Comparison




Overall, estimated revenue and appropriations for the Board of Supervisors' priority area of A Strong Local Economy are projected to meet budget at year-end.

## FIRST QUARTER ISSUES AND RECOMMENDATIONS

There are no recommended budget or staffing changes for this priority.

# A Strong Agricultural Economy/Heritage

Agricultural Commissioner
Cooperative Extension

# A Strong Agricultural Economy/Heritage

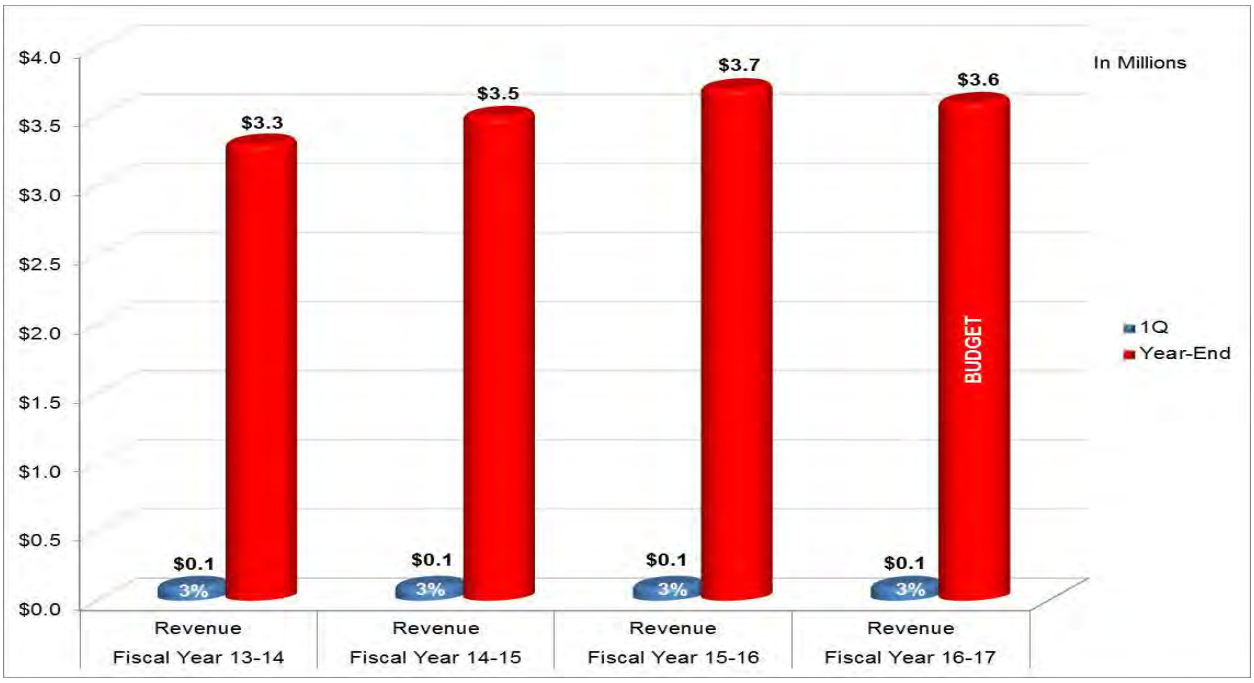
## OVERVIEW

The Board of Supervisors' priority area of A Strong Agricultural Economy/Heritage recognizes the vital role of the County's number one industry that generates nearly $4 billion per year for County residents. Farmland conversion, air pollution, soil salinity and drainage, agricultural water supply and water quality, and preservation of the County's unique agriculture heritage are key aspects of A Strong Agricultural Economy/Heritage. Departments assigned to this priority area include: Agricultural Commissioner's Office and Cooperative Extension. The major funding source for these County budgets includes contributions from the General Fund. The Agricultural Commissioner receives State funding for a number of programs as well as charges for specific services. While not part of the County budget, Cooperative Extension's University of California advisors are funded through the University of California system.

## DEPARTMENTAL REVENUE

As of September 30, 2016, actual revenue collected is $82,978, which represents 3% of the estimated annual revenue. This is within the range when compared to the first quarter of the prior three years when collections were 3% of the final actual revenue.

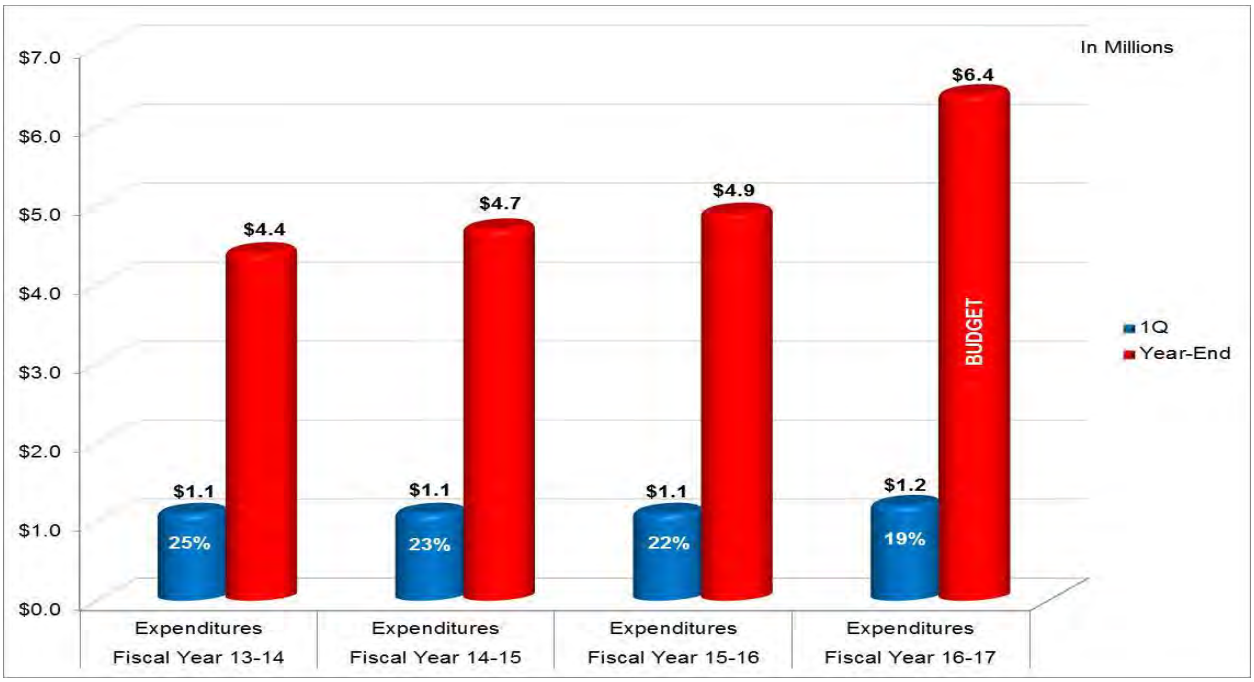
**A Strong Agricultural Economy/Heritage**
**Four-Year Revenue Comparison**



## DEPARTMENTAL EXPENDITURES

As of September 30, 2016, expenditures are $1.2 million, representing 19% of the budgeted appropriations. Expenditures at the first quarter point of the prior three years ranged from 22% to 25% of the final actual expenditures, placing this year below the range. The variance is due to the Agricultural Commissioner's budgeted $1.4 million Net County Cost savings that the Department does not anticipate exhausting in Fiscal Year 2016-2017.

### A Strong Agricultural Economy/Heritage
### Four-Year Expenditure Comparison




Overall, appropriations and estimated revenue for the Board of Supervisors priority area of A Strong Agricultural Economy/Heritage are projected to meet budget at year-end.

## FIRST QUARTER ISSUES AND RECOMMENDATIONS

There are no recommended budget or staffing changes for this priority.

# A Well Planned Infrastructure System

Environmental Resources
Parks and Recreation
Planning and Community Development
Public Works

# A Well Planned Infrastructure System

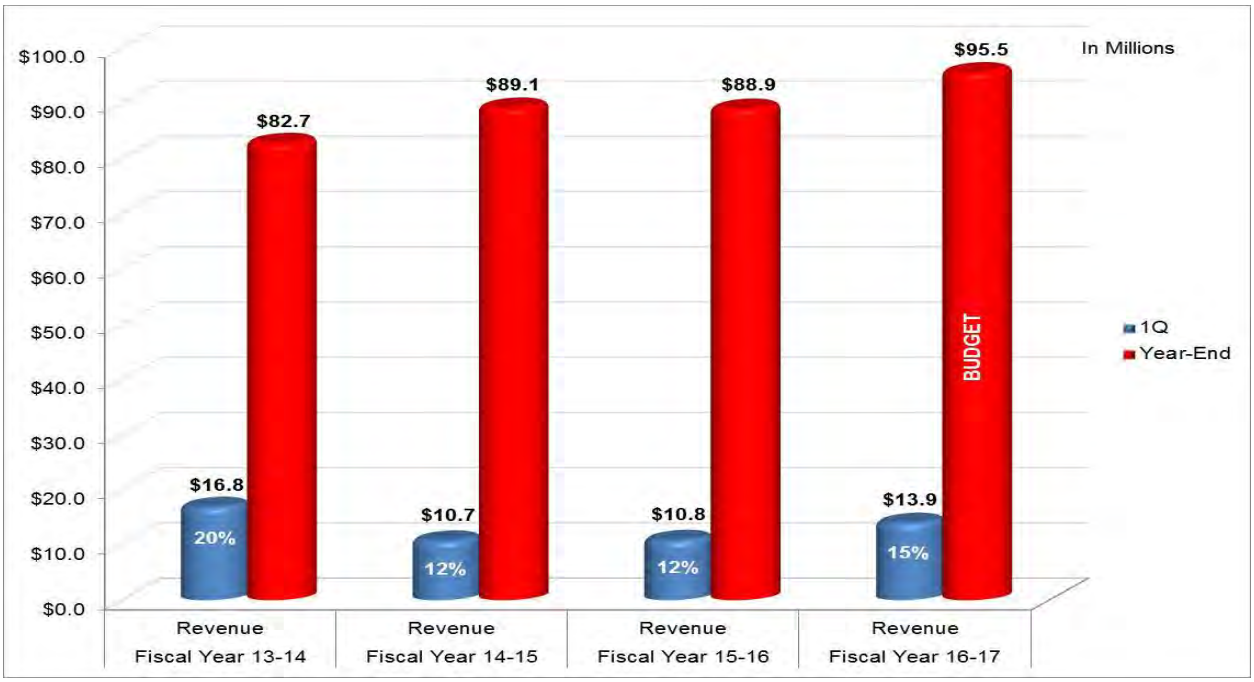
## OVERVIEW

The Board of Supervisors' priority area of A Well Planned Infrastructure System is essential to the quality of life for the residents of Stanislaus County and to the maintenance and expansion of a robust economy. Water quality, effective liquid and solid waste disposal, recreational opportunities, and regional approaches to transportation circulation are critical to A Well Planned Infrastructure System. Departments assigned to this priority area include: Environmental Resources, Parks and Recreation, Planning and Community Development, and Public Works. The major funding sources for these departments include State and Federal funding, fees and charges for services, the General Fund, special revenue grants and tax increment payments.

## DEPARTMENTAL REVENUE

For the departmental budgets that are part of the Board of Supervisors' priority area of A Well Planned Infrastructure System as of September 30, 2016, actual revenue collected is $13.9 million, which represents 15% of the estimated annual revenue. This is within the range when compared to the first quarter of the prior three years when collections ranged from 12% to 20% of the final actual revenue.

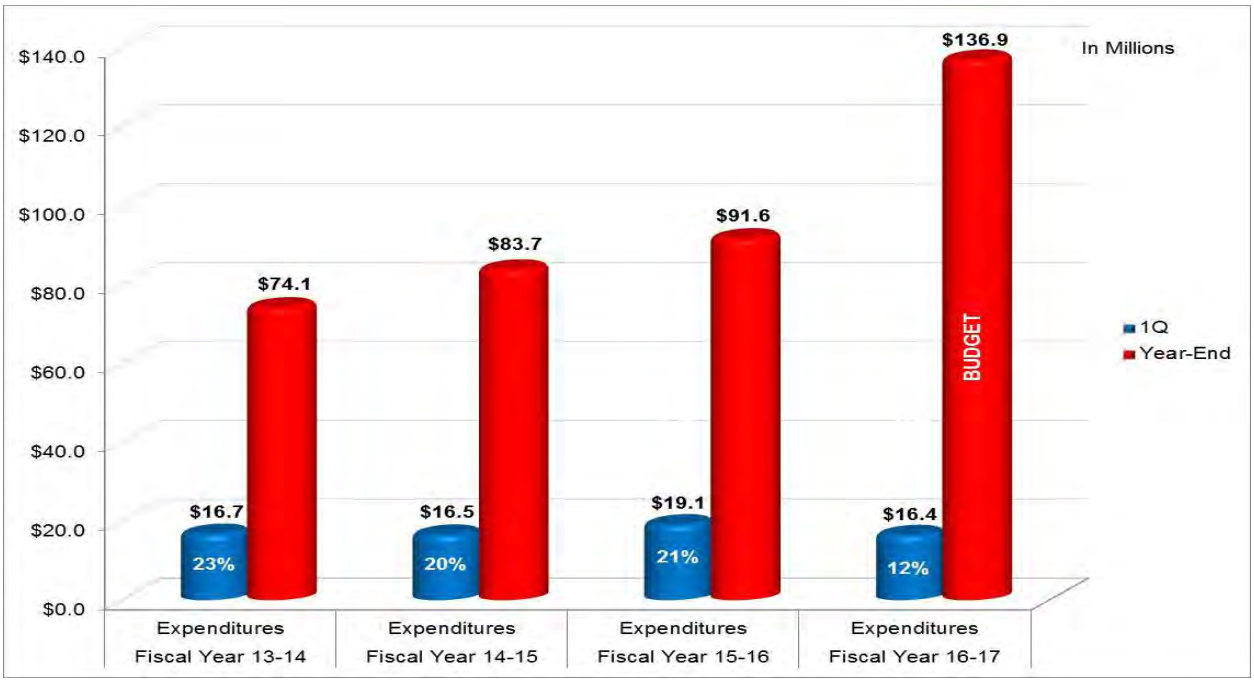
### A Well Planned Infrastructure System
### Four-Year Revenue Comparison



## DEPARTMENTAL EXPENDITURES

As of September 30, 2016, expenditures are $16.4 million, representing 12% of the budgeted appropriations. Expenditures at the first quarter of the prior three years ranged from 20% to 23% of the final actual expenditures, placing this year's expenditures below the range. The lower percentage at first quarter compared to the same time last year is primarily due to a decrease in contract expenses due to the completion of the Claribel Road Widening and SR99/Kiernan Interchange projects, as well as the Parklawn Sewer project. Road capital projects are fully budgeted in the current year; however, actual expenditures occur over multiple years.

### A Well Planned Infrastructure System
### Four-Year Expenditure Comparison




Overall, appropriations and estimated revenue for the Board of Supervisors' priority area of A Well Planned Infrastructure System are projected to meet budget at year-end.

## FIRST QUARTER ISSUES AND RECOMMENDATIONS

### PARKS AND RECREATION

At the time of the Fiscal Year 2016-2017 Proposed Budget, the Department was unsure if South San Joaquin Irrigation District (SSJID) would allow body-to-water contact at Woodward Reservoir after the Labor Day holiday weekend. As a result, the Department took a conservative approach in estimating revenue for the Symbiosis special event held in September this year. After several discussions, the Department and SSJID came to an arrangement to allow body-to-water contact for this special event this year. Actual revenue received was $320,000, which is $100,000 more than the prior year event. Symbiosis will not be returning in Budget Year 2017-2018; however, the Department is exploring other options to bring this special event back in 2018-2019. At mid-year, the Department anticipates bringing forward several park projects, including some improvements on the north side of Woodward Reservoir to allow for special events in that area.

| Budget Unit | Recommended | | | | Description |
|---|---|---|---|---|---|
| | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost | |
| Parks & Recreation | $220,000 | $0 | $0 | ($220,000) | Increase in estimated revenue for Symbiosis special event. |
| Parks & Recreation | $0 | $58,440 | $0 | $58,440 | Increase appropriations for Salaries & Benefits due to classification changes and to add a Marketing Coordinator function (PSC), funded by increased department revenue. |
| **Total** | **$220,000** | **$58,440** | **$0** | **($161,560)** | |

**Staffing Requests:** In the Fiscal Year 2016-2017 Adopted Proposed Budget, the Department reviewed its existing organizational structure and requested classification studies of three Manager I positions and to add a Marketing Coordinator position.

The three Manager I positions are responsible for planning, directing, organizing and managing staff for each of their functional areas that include Modesto and Woodward Reservoirs, Frank Raines and La Grange Off-Highway Vehicle Parks, County Centers, County Parks, and various fishing accesses, cemeteries, and Community Service Areas. Each position provides the primary oversight of personnel, budgeting, compliance reporting, project development, and coordination of special events. These positions report directly to the Department's Assistant Director where previously there was a Manager III position (currently unfunded) to provide this oversight. Based on the absence of the Manager III position and the increased duties and responsibilities of the positions as a result, it is recommended to reclassify the Manager I positions upward to block-budgeted Manager II. The cost of this reclassification is $10,525 for the remainder of the 2016-2017 fiscal year. The Manager I classification is appropriate for an entry level Parks Manager; however, once the incumbent begins to perform complex functions independently, typically after at least two years of experience, the Manager II classification is appropriate.

Additionally, the Department requested a position to focus on its continued marketing efforts. This position will be responsible to continue the full implementation of the Parks Marketing Plan, to research and actively pursue events for the park facilities, and to coordinate all the marketing responsibilities and events. It is recommended to fulfill these needs with a Personal Services Contractor (PSC) at this time and evaluate the marketing functions in future budget cycles. Estimated half-year costs of the PSC are approximately $47,915, funded by Department revenue. Adding this function will continue the ongoing marketing efforts of the Department to monetize park assets with the goal of decreasing the Department's General Fund contribution.

| PARKS AND RECREATION TECHNICAL ADJUSTMENTS TO POSITION ALLOCATION | | | | | |
|---|---|---|---|---|---|
| BUDGET UNIT NAME | POSITIONS | POSITION NUMBER | CLASSIFICATION | REQUEST | RECOMMENDATION |
| Parks and Recreation | 3 | 2095, 2287, 3778 | Manager I | Reclassify upward | Manager II-BB |

**Summary of Recommendations:** It is recommended to increase estimated revenue by $220,000 and appropriations by $58,440 for Parks and Recreation, resulting in a decreased General Fund contribution of $161,560. It is also recommended that the staffing changes described and outlined in the table above be adopted.

## PUBLIC WORKS

In the Fiscal Year 2016-2017 Adopted Final Budget, the Department received approval for five F-250 pick-up trucks and one pavement striper. Updated quotes results in the current pricing increased by a total of $21,000. The Department is requesting to increase appropriations in fixed assets for these purchases,

which will be funded by Morgan Shop retained earnings. The retained earnings balance as of September 30, 2016 was $8.7 million.

On September 20, 2016, the Board of Supervisors approved a contract for professional services to develop two water exploratory boreholes to E-PUR, LLC for the Crows Landing Industrial Business Park project. Funding is available in the Fiscal Year 2016-2017 Crows Landing Air Facility Final Adopted Budget; however, the financial transaction sheet omitted increasing appropriations for Public Works contracts. A technical adjustment is requested to increase appropriations, which is funded by the Crows Landing Air Facility agricultural lease.

| Budget Unit | Recommended | | | | Description |
|---|---|---|---|---|---|
| | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost | |
| Public Works - Engineering | | $312,879 | $312,879 | $0 | Increase contracts for two water exploratory boreholes contract approved by the Board of Supervisors on September 20, 2016. |
| Public Works - Morgan Shop | | $21,000 | $21,000 | $0 | Increase fixed assets due to increased estimate of five F-250 pick up trucks and one pavement striper approved in the 2016-2017 Adopted Proposed Budget. |
| **Total** | **$0** | **$333,879** | **$333,879** | **$0** | |

**Summary of Recommendations:** It is recommended to increase appropriations by $333,879 for Public Works, funded by $21,000 in departmental retained earnings and $312,879 from the Crows Landing Air Facility agricultural lease.

# Efficient Delivery of Public Services

Assessor
Auditor-Controller
Board of Supervisors
Chief Executive Office
Clerk-Recorder
County Counsel
General Services Agency
Strategic Business Technology
Treasurer-Tax Collector

# Efficient Delivery of Public Services

## OVERVIEW

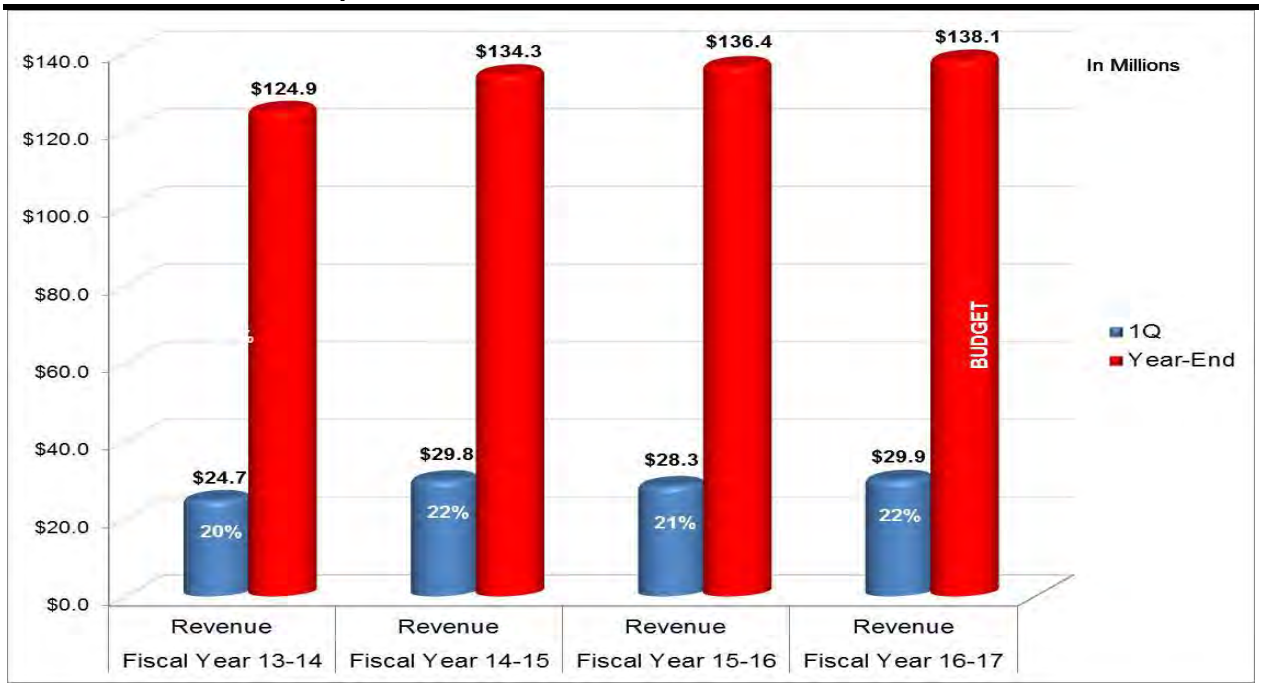
Efficiency is a critical element in the effective operation of government agencies and allows for the sustained provision of valuable services to the community. County departments provide a multitude of services to a diverse customer base. These customers expect government to be responsive to their needs and County departments must work to understand these needs and determine how best to provide the desired services. Customer feedback is a valuable source of insight in this process and encourages departments to remain focused on continuous improvement.

Departments assigned to the Board of Supervisors' priority area of Efficient Delivery of Public Services include Assessor, Auditor-Controller, Chief Executive Office, Clerk-Recorder/Elections, County Counsel, General Services Agency, Strategic Business Technology, and Treasurer-Tax Collector. The revenue used to pay for the majority of these services comes from local taxes such as property tax and sales tax, fees, franchises, charges for services, and a variety of other discretionary sources.

## DEPARTMENTAL REVENUE

For the departmental budgets that make up the Board of Supervisors' Efficient Delivery of Public Services priority area, the actual revenue collected as of September 30, 2016, totaled $29.9 million. This represents 22% of the estimated annual revenue and is within the normal range when compared to the first quarter point of the prior three years when collections ranged from 20% to 22% of the final actual revenue.

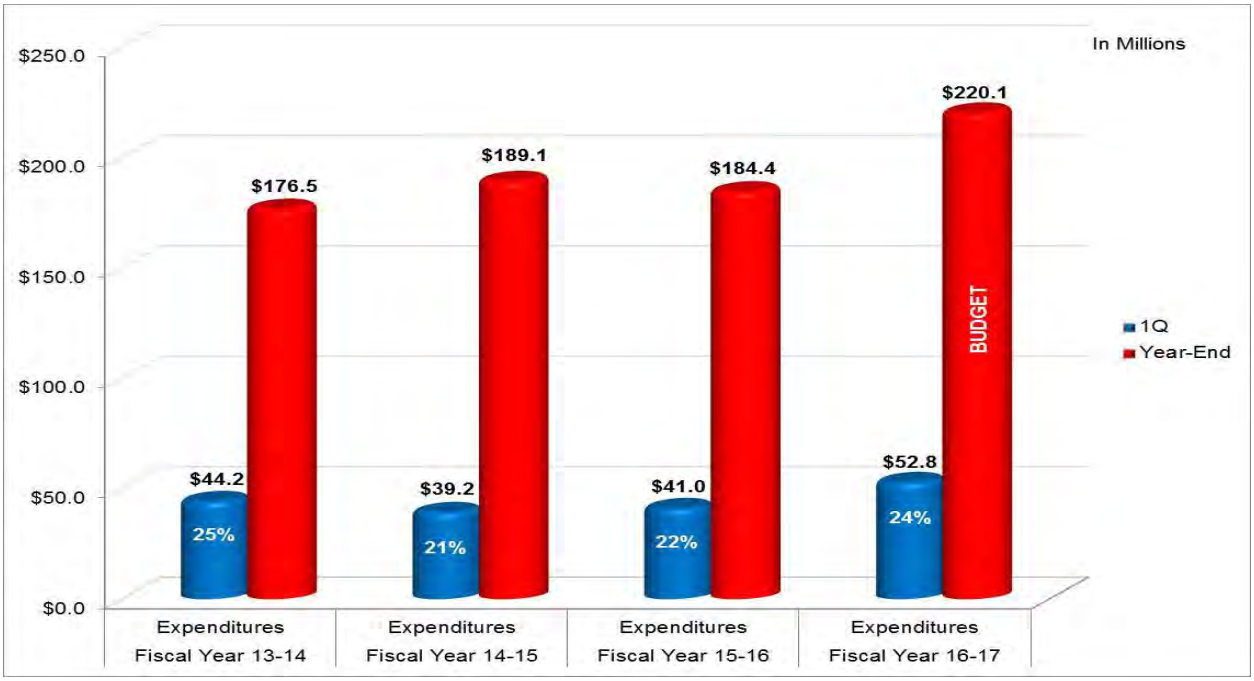
**Efficient Delivery of Public Services**
**Four-Year Revenue Comparison**



## DEPARTMENTAL EXPENDITURES

As of September 30, 2016, expenditures totaled $52.8 million, representing 24% of the budgeted appropriations. Expenditures at the first quarter point of the prior three years ranged from 21% to 25% of the final actual expenditures, placing this year within the normal range.

### Efficient Delivery of Public Services
### Four-Year Expenditure Comparison




Overall, the departments within Efficient Delivery of Public Services are on track to end the year within budget.

## FIRST QUARTER ISSUES AND RECOMMENDATIONS

### CHIEF EXECUTIVE OFFICE – COUNTY OPERATIONS

**Appropriations for Contingencies -** Appropriations for Contingencies serves as a contingency fund for the County to provide sufficient funding for emergencies and unanticipated expenses. Transfers from this fund require a four-fifths vote of the Board of Supervisors. The 2016-2017 Adopted Final Budget included a total of $12,948,261 in appropriations for unexpected fiscal and program financial exposures or emergencies which may occur as a result of economic decline or reductions in Federal and State revenues, to include:

- Zero-Based Budget adjustments,
- Program and community needs, including a countywide Technology Innovation Program,
- Termination cash-out expense,
- Additional staffing and operations of the Assembly Bill (AB) 900 Phase II Public Safety Center Expansion projects,
- Potential costs for expert witnesses needed to support evidence presented for convictions in multi-defendant cases,

- Funding for the 2016 Presidential General Election,
- Future labor opportunities, and
- Public Safety Restoration – Accelerated Phase III in the amount of $1 million.

Through September 30, 2016, transfers from Appropriations for Contingencies were approved by the Board of Supervisors totaling $90,000 for the preparation of an economic analysis in response to the San Francisco Bay/Sacramento-San Joaquin Delta Estuary Phase I Draft Supplemental Environmental document.

At this time, it is requested that appropriations totaling $1,062,960 be transferred as follows:

- $145,650 to the District Attorney – Criminal Division for the early implementation of Public Safety Restoration (PSR) Phase III to support additional PSR positions,
- $174,750 to the Probation Department Division for the early implementation of PSR Phase III to support additional PSR positions,
- $55,640 to the Public Defender for the early implementation of PSR Phase III to support additional PSR positions,
- $623,960 to the Sheriff for the early implementation of PSR Phase III to support additional PSR positions,
- $16,700 to Chief Executive Office – Contributions to Other Programs for the General Fund match requirement for the Unserved/Underserved Victim Advocacy program, and
- $46,260 to the Treasurer-Tax Collector – Admin/Taxes for a technical correction to Net County Cost savings.

Specific to PSR Phase III, it is requested to transfer funding from Appropriations for Contingencies to department contingency accounts until these positions are filled. Once departments bring staff on board, funds will be transferred to the respective department operating budgets.

Following is a summary of recommended adjustments for the Chief Executive Office – Appropriations for Contingencies:

| Budget Unit Name | Requested | | | | Description |
|---|---|---|---|---|---|
| | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost | |
| CEO-Appropriations for Contingencies | $0 | ($145,650) | $0 | ($145,650) | Accelerated Phase III Public Safety Restoration - DA Criminal Division |
| CEO-Appropriations for Contingencies | $0 | ($174,750) | $0 | ($174,750) | Accelerated Phase III Public Safety Restoration - Probation |
| CEO-Appropriations for Contingencies | $0 | ($55,640) | $0 | ($55,640) | Accelerated Phase III Public Safety Restoration - Public Defender |
| CEO-Appropriations for Contingencies | $0 | ($623,960) | $0 | ($623,960) | Accelerated Phase III Public Safety Restoration - Sheriff Operations |
| CEO-Appropriations for Contingencies | $0 | ($16,700) | $0 | ($16,700) | CEO-Contributions to Other Programs Pass-through for DA Grant Match (Unserved/ Underserved Victim Advocacy) |
| CEO-Appropriations for Contingencies | $0 | ($46,260) | $0 | ($46,260) | Technical Adjustment for Treasuer-Tax Collector - Admin/Taxes Net County Cost |
| **Total** | **$0** | **($1,062,960)** | **$0** | **($1,062,960)** | |

**Summary of Recommendations:** It is recommended to transfer appropriations of $1,062,960 from Appropriations for Contingencies, by a fourth-fifths vote of the Board of Supervisors. If the requested use of $1,062,960 is approved, a remaining balance of $11,795,301 would be available for use through June 30, 2017.

**Chief Executive office - General Fund Contributions to Other Programs -** On June 14, 2016, the Board of Supervisors approved a contribution to District Attorney Unserved/Underserved Victim Advocacy in order to bring in grant revenue. The contribution of $16,700 was not included in the Adopted 2016-2017 Final Budget and is included in the First Quarter Financial Report as a technical adjustment.

| Budget Unit Name | Requested | | | | Description |
|---|---|---|---|---|---|
| | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost | |
| CEO-General Fund Contributions to Other Programs | $0 | $16,700 | $0 | $16,700 | Technical adjustment for DA Unserved and Underserved Victim Advocacy |
| **Total** | **$0** | **$16,700** | **$0** | **$16,700** | |

**Summary of Recommendations:** It is recommended to increase appropriations by $16,700 for CEO – General Fund Contributions to Other Programs, funded by a transfer from Appropriations for Contingencies.

## CHIEF EXECUTIVE OFFICE

Operations and Services

**Staffing Requests:** The Department is requesting one new block-budgeted Manager III position. The Tenth Street Place is managed by the Stanislaus County Tenth Street Place Management Committee Joint Powers Authority (JPA) Commission. On June 6, 2016, the JPA approved the Stanislaus County Chief Executive Office to provide Tenth Street building facility support, coordinated by the block-budgeted Manager III position. This Facility Manager position will serve as a key team member and provide critical support, coordination and management of various projects. This position will oversee the Building Maintenance Division and its budget, assist with managing the deferred maintenance and capital improvement plans, coordinate the building security and evacuation plans, and oversee maintenance contracts, including janitorial services. The estimated fully loaded cost of the block-budgeted Manager III is approximately $66,000 for the remainder of Fiscal Year 2016-2017 and will be funded entirely by the JPA.

| Budget Unit Name | Requested | | | | Description |
|---|---|---|---|---|---|
| | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost | |
| CEO-Operations and Services | $66,000 | $66,000 | $0 | $0 | Hire TSP Facility Manager II/III for Tenth Street Place, funded by approved allocations in the TSP JPA Budget |
| **Total** | **$66,000** | **$66,000** | **$0** | **$0** | |

| CHIEF EXECUTIVE OFFICE STAFFING RECOMMENDATIONS AFFECTING ALLOCATION COUNT | | | | | |
|---|---|---|---|---|---|
| BUDGET UNIT NAME | POSITIONS | POSITION NUMBER | CLASSIFICATION | REQUEST | RECOMMENDATION |
| Operations and Services | 1 | NEW | Manager III-BB | Add new position | Manager III-BB |
| **CEO CHANGES** | **1** | | | | |
| **Beginning Allocation** | **74** | | | | |
| **Changes in Allocation** | **1** | | | | |
| **Ending Allocation** | **75** | | | | |

**Summary of Recommendations:** It is recommended to increase appropriations by $66,000 for CEO – Operations and Services, funded by revenue from the Tenth Street Place JPA. It is also recommended that the staffing change described and outlined in the table above be adopted.

## TREASURER-TAX COLLECTOR

Admin/Taxes Division - Through the Net County Cost Savings Program, the Admin/Taxes Division received Net County Cost carryover savings in the amount of $447,701 in the Adopted 2016-2017 Final Budget. However, the Department received revenue during the Fiscal Year 2015-2016 post-close period. This revenue is eligible as part of the Net County Cost Savings Program and should have been included in the Net County Cost carryover savings calculation. The Department is requesting an increase of $46,260 to 2016-2017 appropriations as a technical adjustment.

| Budget Unit | Requested | | | | Description |
|---|---|---|---|---|---|
| | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost | |
| Treasurer-Admin/Taxes | $0 | $46,260 | $0 | $46,260 | Net County Cost Savings adjustments. |
| **Total** | **$0** | **$46,260** | **$0** | **$46,260** | |

**Summary of Recommendations:** It is recommended to increase appropriations by $46,260 for Treasurer-Tax Collector – Admin/Taxes Division as a technical adjustment, funded by transfer from Appropriations for Contingencies.

## FIRST QUARTER FINANCIAL REPORT CONCLUSION

The First Quarter Financial Report shows the County is balanced and actual performance is tracking well with the 2016-2017 Operating Budget and year-end projections. Public Safety Restoration analysis is ongoing and the Department Long Range Model is being fully developed through this process, with a planned report to the Board of Supervisors at Mid-Year. County staff will continue to monitor the 2016-2017 Fiscal Year budget operations and be prepared to make appropriate recommendations and changes at the Mid-Year Financial Report on March 7, 2017. Staff will also closely watch the monthly cash report issued by the State Controller to monitor State inflows of revenue. If more urgent budget adjustments are required prior to the Mid-Year Financial Report, staff will bring appropriate and timely recommendations to the Board of Supervisors for consideration.

## BUDGET SCHEDULE

The following schedule is recommended for the 2016-2017 Mid-Year Financial Report:

- December 2, 2016 — Issue 2015-2016 Mid-Year Budget Instructions
- January 9, 2017 — Departments' Mid-Year Budget Submittals due to CEO
- March 7, 2017 — Mid-Year Financial Report to the Board of Supervisors

# ATTACHMENT B

Staffing Impacts

## STAFFING RECOMMENDATIONS
## 2016-2017 FIRST QUARTER FINANCIAL REPORT--ATTACHMENT B

| DEPARTMENT | BUDGET UNIT | POSITIONS | POSITION | CLASSIFICATION | REQUEST | RECOMMENDATION |
|---|---|---|---|---|---|---|
| | | | | | | |
| Chief Executive Office | Operations and Services | 1 | NEW | Manager III-BB | Add new position | Manager III-BB |
| | | | | | | |
| Community Services Agency | Services and Support | 1 | NEW | Manager IV | Add new position | Manager IV |
| | | 1 | NEW | Manager III-BB | Add new position | Manager III-BB |
| | | 0 | 13465 | Manager I | Reclassify upward | Manager III-BB |
| | | 0 | 9205 | Staff Services Analyst | Reclassify upward | Confidential Assistant IV |
| | | | | | | |
| District Attorney | Criminal Division | 1 | 6236 | Attorney V-BB | Restore unfunded position | Restore position PSR |
| | | 1 | 2222 | Supervising Legal Clerk II-BB | Restore unfunded position | Restore position PSR |
| | | 1 | 3680 | Legal Clerk III-BB | Restore unfunded position | Restore position PSR |
| | | 1 | NEW | Manager II-BB | Add new position | Manager II-BB PSR |
| | | | | | | |
| Health Services Agency | Administration | 0 | 2247 | Software Developer/Analyst III | Reclassify upward | Senior Software Developer/Analyst |
| | | | | | | |
| Parks and Recreation | Parks and Recreation | 0 | 2095, 2287, 3778 | Manager I | Reclassify upward | Manager II-BB |
| | | | | | | |
| Probation | Field Services | 0 | 14303 | Supervising Probation Officer | Shift to PSR funding; prior SB 678 funds | Shift to PSR funding |
| | | 1 | 3327 | Confidential Assistant II | Transfer in; Reclassify upward | Transfer from Institutional Services; Reclassify upward to Confidential Assistant III PSR |
| | Institutional Services | 0 | 3327 | Confidential Assistant II | Restore unfunded position; Transfer out | Restore position; Transfer to Field Services PSR |
| | | | | | | |
| Public Defender | Public Defender | 1 | NEW | Supervising Legal Clerk II-BB | Add new position | Supervising Legal Clerk II-BB PSR |
| | | 1 | 1866 | Attorney V-BB | Restore unfunded position | Restore position PSR |
| | | | | | | |
| Sheriff | Operations | 1 | NEW | Manager II-BB | Add new position | Manager II-BB PSR |
| | | 3 | NEW | Sergeant | Add new positions | Sergeant PSR |
| | | 1 | NEW | Deputy Sheriff | Add new position | Deputy Sheriff PSR |
| | | 1 | NEW | Confidential Assistant III | Add new position | Confidential Assistant III PSR |
| | | 1 | NEW | Crime Analyst Technician | Add new position | Crime Analyst Technician PSR |
| | | 1 | NEW | Administrative Clerk III | Add new position | Administrative Clerk III PSR |
| | | 4 | NEW | Community Services Officer | Add new positions | Community Services Officer PSR |
| | | 0 | NEW | Staff Services Coordinator | Study new position | Study PSR |
| | | | | | | |

| | | | | |
|---|---|---|---|---|
| **CHANGES TO POSITION ALLOCATION REPORT** | | | | **22** |
| **TOTAL CURRENT AUTHORIZED POSITIONS** | | | | **4,318** |
| **Public Safety Restoration (PSR)** | | **Other 1st Quarter Recommendations** | | **TOTAL** |
| Add new positions | 14 | Add new positions | 3 | 17 |
| Restore unfunded positions | 5 | Restore unfunded positions | 0 | 5 |
| **TOTAL PSR** | **19** | **TOTAL OTHER** | **3** | **4,340** |

**Legend:**
BB- Block-budget
PSR- Public Safety Restoration

# ATTACHMENT C

Contract Summary Sheet – Contract over $100,000

Attachment C

# Contract Summary Sheet
## Reporting For Three-Year Period Beginning July 1, 2014
## Contracts over $100,000
## 2016-2017 First Quarter

| Department | Budget Unit | Contractor | Brief Description of Service Provided or Position Held | Previous Contractual Amount / Effective Dates | Proposed Contract Amount / Effective Dates | Cumulative Contract Total |
|---|---|---|---|---|---|---|
| Behavioral Health and Recovery Services | Behavioral Health/Mental Health Services Act | Aspiranet | Aspira Stabilization and Children's Crisis Intervention Programs | $613,283<br>7/1/14-6/30/15<br>$1,394,344<br>7/1/15-6/30/16<br>$1,244,344<br>7/1/16-6/30/17 | $300,000<br>7/1/16-6/30/17 | $3,551,971 |
| CEO-Risk Management | General Liability/Professional Liability Self-Insurance | Dan Farrar Attorney at Law | Legal Services | $320,000<br>7/1/14-6/30/16<br>$50,000<br>7/1/16-6/30/17 | $75,000<br>7/1/16-6/30/17 | $445,000 |
| CEO-Risk Management | General Liability Self-Insurance | Borton Petrini | Legal Services | $175,000<br>7/1/14-6/30/16<br>$30,000<br>7/1/16-6/30/17 | $40,000<br>7/1/16-6/30/17 | $245,000 |
| CEO-Risk Management | General Liability Self-Insurance | Jones & Mayer Law Office | Legal Services | $95,000<br>7/1/14-6/30/16<br>$15,000<br>7/1/16-6/30/17 | $25,000<br>7/1/16-6/30/17 | $135,000 |
| CEO-Risk Management | General Liability Self-Insurance | Rivera & Associates | Legal Services | $400,000<br>7/1/14-6/30/16<br>$20,000<br>7/1/16-6/30/17 | $300,000<br>7/1/16-6/30/17 | $720,000 |
| CEO-Risk Management | General Liability Self-Insurance | Arata, Swingle, Sodhi, & Van Egmond | Legal Services | $25,000<br>7/1/15-6/30/16<br>$25,000<br>7/1/16-6/30/17 | $50,000<br>7/1/16-6/30/17 | $100,000 |
| Community Services Agency | Services & Support | Modesto City Schools | ROP/WtW Participant Advisor Services | $138,984<br>7/1/14-6/30/15<br>$277,968<br>7/1/15-6/30/17 | $8,751<br>7/1/15-6/30/17<br>Contract Increase | $425,703 |
| Community Services Agency | Services & Support | Nirvana Drug and Alcohol Treatment Institute | Clean and Sober Living Services and Father Parenting Services | $180,675<br>7/1/14-6/30/15<br>$542,025<br>7/1/15-6/30/18 | $154,873<br>7/1/16-6/30/17 | $877,573 |
| Community Services Agency | Services & Support | Stanislaus Family Justice Center Foundation | Facility Fees | $201,632<br>7/1/14-6/30/15<br>$207,633<br>7/1/15-6/30/16 | $622,899<br>7/1/16-6/30/19<br>Correct Contract Max and Date | $1,032,164 |
| Community Services Agency | Services & Support | Sierra Vista Child and Family Services | Medi-Cal Renewal Assistance | $240,011<br>1/1/16-12/31/16 | $26,676<br>1/1/16-6/30/17<br>Contract Increase and Date Extension | $266,687 |
| Community Services Agency | Services & Support | United Samaritans Foundation | Property Lease at 275 Third Street, Turlock, CA | $160,758<br>8/21/13-8/20/16 | $53,586<br>8/21/16-8/21/17 | $214,344 |
| Community Services Agency | Services & Support | U.S. Bancorp | Vehicle Lease | $263,200<br>5/29/15-5/29/20<br>$99,400<br>6/1/16-5/31/21<br>$180,062<br>7/1/16-6/30/21 | $213,908<br>11/1/16-10/31/21 | $756,570 |

# ATTACHMENT D

Contract Summary Sheet – Contracts between $50,000 and $100,000

Attachment D

# Contract Summary Sheet
## Reporting For Three-Year Period Beginning July 1, 2014
## Contracts between $50,000-$100,000
## 2016-2017 First Quarter

| Department | Budget Unit | Contractor | Brief Description of Service Provided or Position Held | Previous Contractual Amount / Effective Dates | Proposed Contract Amount / Effective Dates | Cumulative Contract Total |
|---|---|---|---|---|---|---|
| Behavioral Health and Recovery Services | Alcohol and Other Drug | Scenic Faculty Medical Group, Inc. | Provide MD to Perform Medical Exams @ Genesis | $22,625 7/01/14-6/30/15 $32,000 7/1/15-6/30/16 $32,000 7/1/16-6/30/17 | $1,600 7/1/16-6/30/17 | $88,225 |
| Chief Executive Office | Office of Emergency Services | Deborah Thrasher | Emergency Management and Grant Related Activities | $41,080 12/1/14-6/30/17 | $50,000 11/08/16-4/30/19 | $91,080 |
| Community Services Agency | Services & Support | Community Housing & Shelter | Emergency Shelter Administration Fee | $42,351 7/1/15-6/30/16 | $35,000 7/1/16-6/30/17 Contract Increase | $77,351 |
| Community Services Agency | Services & Support | Gandelman, Joyce DBA Senior Advocacy Network | Legal Assistance Services | $73,000 7/1/15-6/30/17 | $5,000 7/1/15-6/30/17 Contract Increase | $78,000 |
| Community Services Agency | Services & Support | Youmara, Marian | PSC - Translation and Language Interpretation Services | $39,746 7/1/14-6/30/15 $27,144 7/1/15-6/30/16 | $27,144 7/1/16-6/30/17 | $94,034 |
| Public Works | Engineering | Rumble Tree, Inc. | Tree removal | $0 | $57,400 9/16/16-12/31/16 | $57,400 |

# First Quarter Financial Report

# 2016-2017

**Stan Risen**
**Chief Executive Officer**

# Board Priorities

A Safe Community

A Healthy Community

A Strong Local Economy

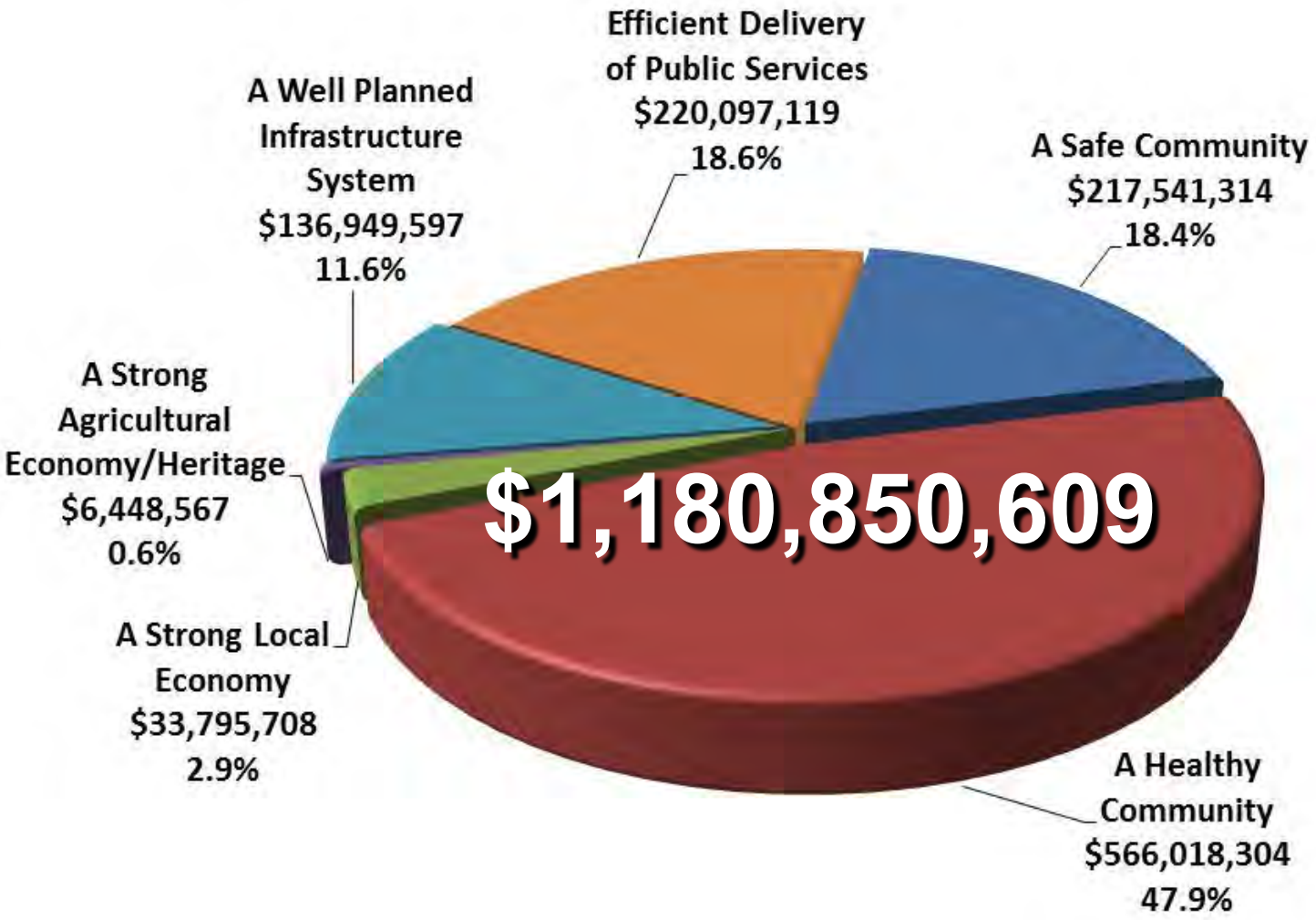
A Strong Agricultural Economy/Heritage

A Well Planned Infrastructure System

Efficient Delivery of Public Services

Effective Partnerships

# Operating Budget *(Sept. 30, 2016)*

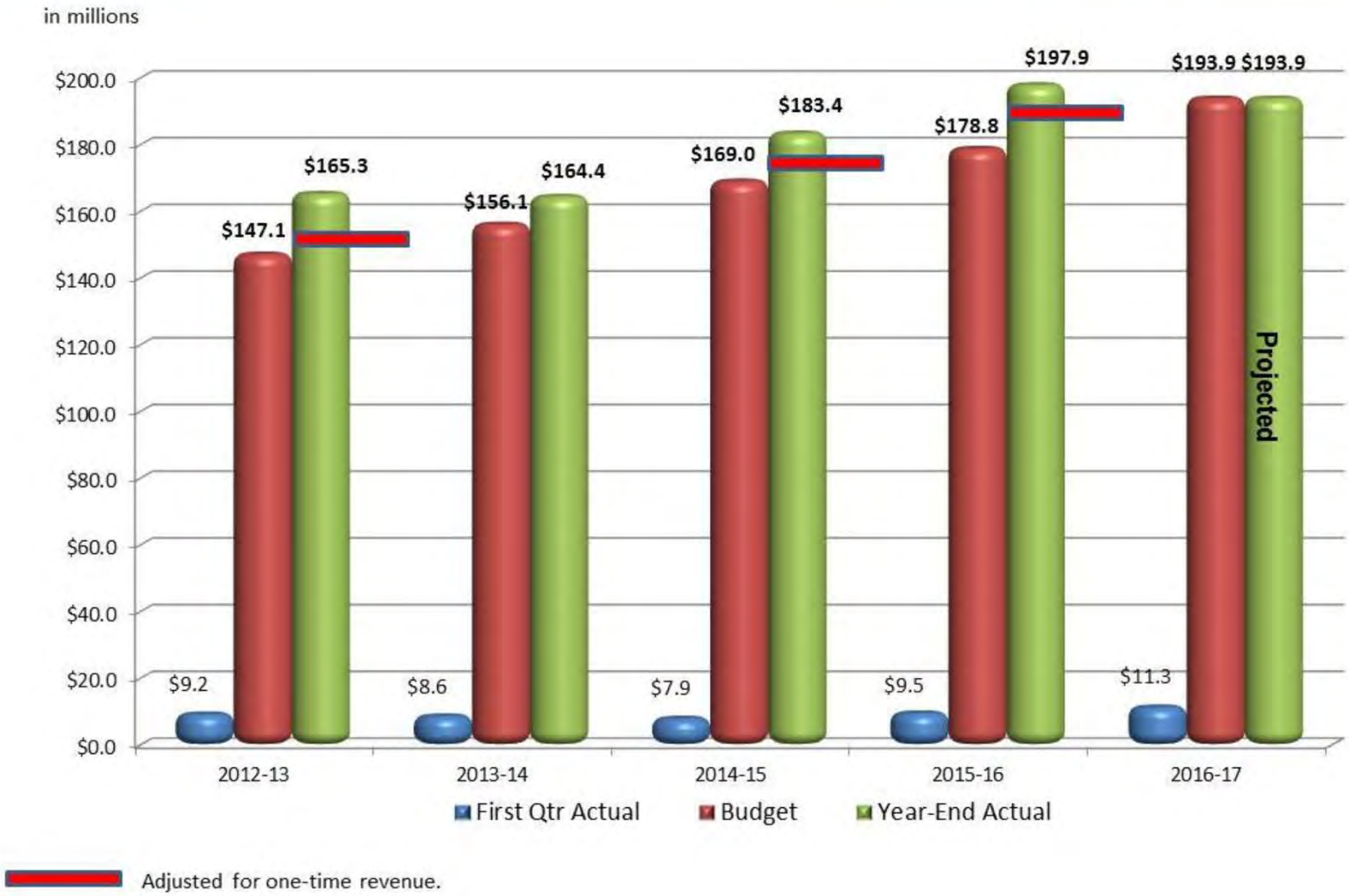


# First Quarter Adjustments

| Summary of First Quarter Adjustments by Fund | | | | |
|---|---|---|---|---|
| **Fund Type** | **Adopted Final Budget 2016-2017** | **First Quarter Operating Budget 2016-2017** | **Recommended First Quarter Adjustments** | **Recommended First Quarter Budget 2016-2017** |
| General Fund | $ 298,235,415 | $ 314,636,810 | 124,440 | $ 314,761,250 |
| Special Revenue Funds | 661,346,972 | 677,030,466 | 519,537 | 677,550,003 |
| Capital Projects Funds | 1,550,510 | 1,550,510 | - | 1,550,510 |
| Enterprise Funds | 75,101,766 | 82,465,758 | - | 82,465,758 |
| Internal Service Funds | 96,989,007 | 105,167,065 | 21,000 | 105,188,065 |
| **Total** | **$ 1,133,223,670** | **$ 1,180,850,609** | **$ 664,977** | **$ 1,181,515,586** |

**$1,133,223,670 $1,180,850 $664,97 $1,181,515,586**

# Discretionary Revenue



# Safe Community

- CEO-OES/Fire Warden
- CEO-Capital Projects
- CEO-County Operations
- District Attorney
- Grand Jury
- Integrated Criminal Justice Information System (ICJIS)
- Probation
- Public Defender
- Sheriff

***Total Increase: $1,206,658***

# Safe Community – *Public Safety Restoration*

| | Phase I | | Phase II | Accelerate Phase III | Phase III |
|---|---|---|---|---|---|
| **Department** | **Fiscal Year 2014-2015** | **Fiscal Year 2015-2016** | **Fiscal Year 2016-2017** | **Early Implementation 1/1/2017** | **Budget Year 2017-2018** |
| District Attorney | $291,300 | $584,000 | $876,000 | $1,021,650 | $1,168,000 |
| Probation | $349,500 | $700,000 | $1,050,000 | $1,224,750 | $1,400,000 |
| Public Defender | $111,280 | $220,000 | $330,000 | $385,640 | $440,000 |
| Sheriff | $1,247,920 | $2,496,000 | $3,744,000 | $4,367,960 | $4,992,000 |
| **Total** | **$2,000,000** | **$4,000,000** | **$6,000,000** | **$7,000,000** | **$8,000,000** |
| | | | | | |
| Funded Positions | 39 | 39 | 63 | 82 | 82 |
| Filled Positions | 12 | 39 | 45 | | |

# Safe Community

| Recommended | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost |
|---|---|---|---|---|
| District Attorney | $298,862 | $308,209 | ($153,003) | $162,350 |

- **District Attorney**
  - Increase in appropriations of $145,650 for accelerated Phase III of Public Safety Restoration in the Criminal Division
  - Increase in appropriations and estimated revenue of $145,859 for the Impaired Driver Vertical Prosecution grant
  - Increase in estimated revenue of $153,003 for the Unserved/Underserved Victim Advocacy grant, along with $16,700 for grant match funded by a General Fund contribution

# Safe Community

- **District Attorney**
  - Original PSR plan for Phase III:
    - Senior Investigator
    - Paralegal
  - Accelerated Phase III PSR plan:
    - Deputy District Attorney (Attorney I-V)
    - Manager I/II
    - Legal Clerk I/II/III
    - Supervising Legal Clerk I/II

# Safe Community

| Recommended | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost |
|---|---|---|---|---|
| Probation | $0 | $218,849 | $44,099 | $174,750 |

- **Probation**
  - Increase in appropriations of $174,750 for accelerated Phase III of Public Safety Restoration in Field Services
  - Increase in appropriations of $44,099 for an on-site Case Manager at the Center for Human Services for the Gender Responsive Alternatives to Detention program, funded by department fund balance

# Safe Community

- **Probation**
  - Original PSR plan for Phase III:
    - Supervising Deputy Probation Officer
    - Confidential Assistant III
  - Accelerated Phase III PSR plan:
    - Supervising Deputy Probation Officer
    - Confidential Assistant III
    - K-9 for Officer Safety

# Safe Community

| Recommended | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost |
|---|---|---|---|---|
| Public Defender | $0 | $55,640 | $0 | $55,640 |

- **Public Defender**
  - Increase in appropriations of $55,640 for accelerated Phase III of Public Safety Restoration

# Safe Community

- **Public Defender**
  - Original PSR plan for Phase III:
    - Deputy Public Defender (Attorney I-V)
  - Accelerated Phase III PSR plan:
    - Deputy Public Defender (Attorney I-V)
    - Supervising Legal Clerk I/II

# Safe Community

| Recommended | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost |
|---|---|---|---|---|
| Sheriff | $0 | $623,960 | $0 | $623,960 |

- **Sheriff**
  - In Operations, increase in appropriations of $623,960 for accelerated Phase III of Public Safety Restoration
  - Technical adjustments to transfer PSR funding from Operations for positions filled:
    - In Detention totaling $74,636
    - In Administration totaling $147,000

# Safe Community

- **Sheriff**
  - Original PSR plan for Phase III:
    - Eight Deputy Sheriffs
  - Accelerated Phase III PSR plan:
    - Deputy Sheriff
    - Administrative Clerk III
    - Three Sheriff Sergeants
    - Four Community Service Officers
    - Crime Analyst Technician
    - Confidential Assistant III
    - Manager II

# Healthy Community

- **Area Agency on Aging/Veterans Services**
- **Behavioral Health and Recovery Services**
- **Child Support Services**
- **Children and Families Commission**
- **Community Services Agency**
- **Health Services Agency**

***No Change***

# Healthy Community

- **Community Services Agency**
  - To meet workload demands and support reorganization of the Human Resources Division, it is recommended to add one Manager IV and one Manager III funded by department revenues

# Strong Local Economy

- **Alliance Worknet**
- **CEO-Economic Development Bank**
- **Library**

***No Change***

# Strong Agricultural Economy/Heritage

- **Agricultural Commissioner**
- **Cooperative Extension**

***No Change***

# Well Planned Infrastructure System

- **Environmental Resources**
- **Parks and Recreation**
- **Planning and Community Development**
- **Public Works**

***Total Increase: $392,319***

# Well Planned Infrastructure System

| Recommended | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost |
|---|---|---|---|---|
| Parks & Recreation | $220,000 | $58,440 | $0 | ($161,560) |

- **Parks and Recreation**
  - Increase of $220,000 in estimated revenue for actual receipts from the Symbiosis event
  - Increase in appropriations of $58,440 for three position upgrades and to fund a Marketing Coordinator using department revenue

# Well Planned Infrastructure System

| Recommended | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost |
|---|---|---|---|---|
| Public Works | $0 | $333,879 | $333,879 | $0 |

- **Public Works**
  - Increase in appropriations of $21,000 in fixed assets using retained earnings to fund a previously approved vehicle and pavement striper after receiving updated price quotes
  - Technical adjustment of $312,879 for professional services for Crows Landing Industrial Business Park

# Efficient Delivery of Public Services

- Assessor
- Auditor-Controller
- Board of Supervisors
- Chief Executive Office
- Clerk-Recorder
- County Counsel
- General Services Agency
- Strategic Business Technology
- Treasurer-Tax Collector

***Total Decrease: $934,000***

# Efficient Delivery of Public Services

| Recommended | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost |
|---|---|---|---|---|
| CEO - Approps. for Conting. | $0 | ($1,062,960) | $0 | ($1,062,960) |

- **CEO – Appropriations for Contingencies**
  - Transfer $1 million to departments for accelerated Phase III of Public Safety Restoration
  - Transfer $16,700 match contribution for the District Attorney Unserved/Underserved Victim Advocacy grant
  - Transfer $46,260 for a technical adjustment to increase Treasurer-Tax Collector Net County Cost Carryover Savings

# Efficient Delivery of Public Services

| Recommended | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost |
|---|---|---|---|---|
| CEO - Contr. to Other Prog. | $0 | $16,700 | $0 | $16,700 |

- **CEO – Contribution to Other Programs**
  - Increase appropriations of $16,700 for pass through funding to District Attorney Unserved/Underserved Victim Advocacy, funded by a transfer from Appropriations for Contingencies

# Efficient Delivery of Public Services

| Recommended | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost |
|---|---|---|---|---|
| CEO - Ops & Services | $66,000 | $66,000 | $0 | $0 |

- **CEO – Operations and Services**
  - To support facilities management of Tenth Street Place (TSP), it is recommended to add one Manager III
  - Increase in appropriations of $66,000 for the TSP Facility Manager position, funded by previously approved allocations from the TSP Joint Powers Authority (JPA)

# Efficient Delivery of Public Services

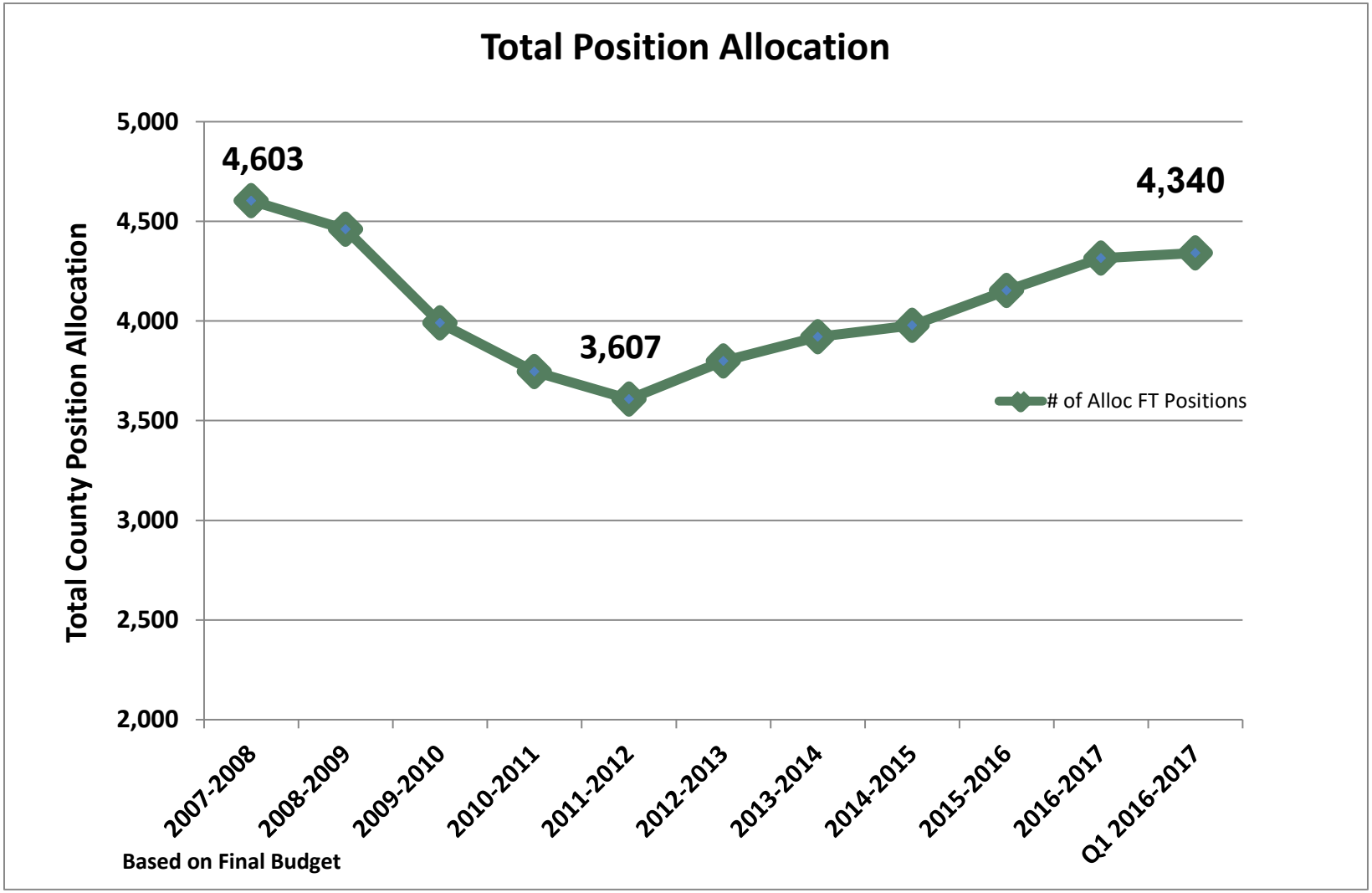
| Recommended | Revenue | Appropriations | Fund Balance/ Retained Earnings | Net County Cost |
|---|---|---|---|---|
| Treasurer-Tax Collector | | $46,260 | $0 | $46,260 |

- **Treasurer-Tax Collector**
  - Increase in appropriations of $46,260 for a technical adjustment to the Treasurer- Tax Collector Admin/Taxes budget to recognize a post-close entry, funded by a transfer from Appropriations for Contingencies

# Staffing – *Recommended Positions*

| | Allocated Positions |
|---|---|
| 2016-2017 Final Budget | **4,315** |
| Positions Added after Final Budget | **3** |
| Total Current Authorized Positions | **4,318** |
| 2016-2017 First Quarter Recommendation | **22** |
| **TOTAL RECOMMENDED AUTHORIZED POSITIONS AS OF NOVEMBER 12, 2016** | **4,340** |

# Staffing – *Allocated Positions*



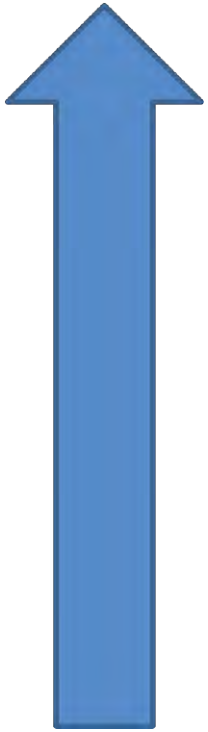
# Challenges and Opportunities

- **Transportation/Roads – deferred maintenance backlog in excess of $280 million**
- **Capital Projects – AB 900 Public Safety Center Expansion Project One and Three on time and under budget**
- **State Budget – revenue trend running below projections**

# Two-Year Budget Cycle

- **Begins in Budget Years 2017-2018 & 2018-2019**
- **Will be distinct, not rolling**
- **Emphasis on financial planning**
- **Enhanced focus on service and financial outcomes**

# Two-Year Budget Cycle



**Department long range planning**

- Base budgeting every 24-months
- Strategic financial planning

**Reporting outcomes (annual reports)**

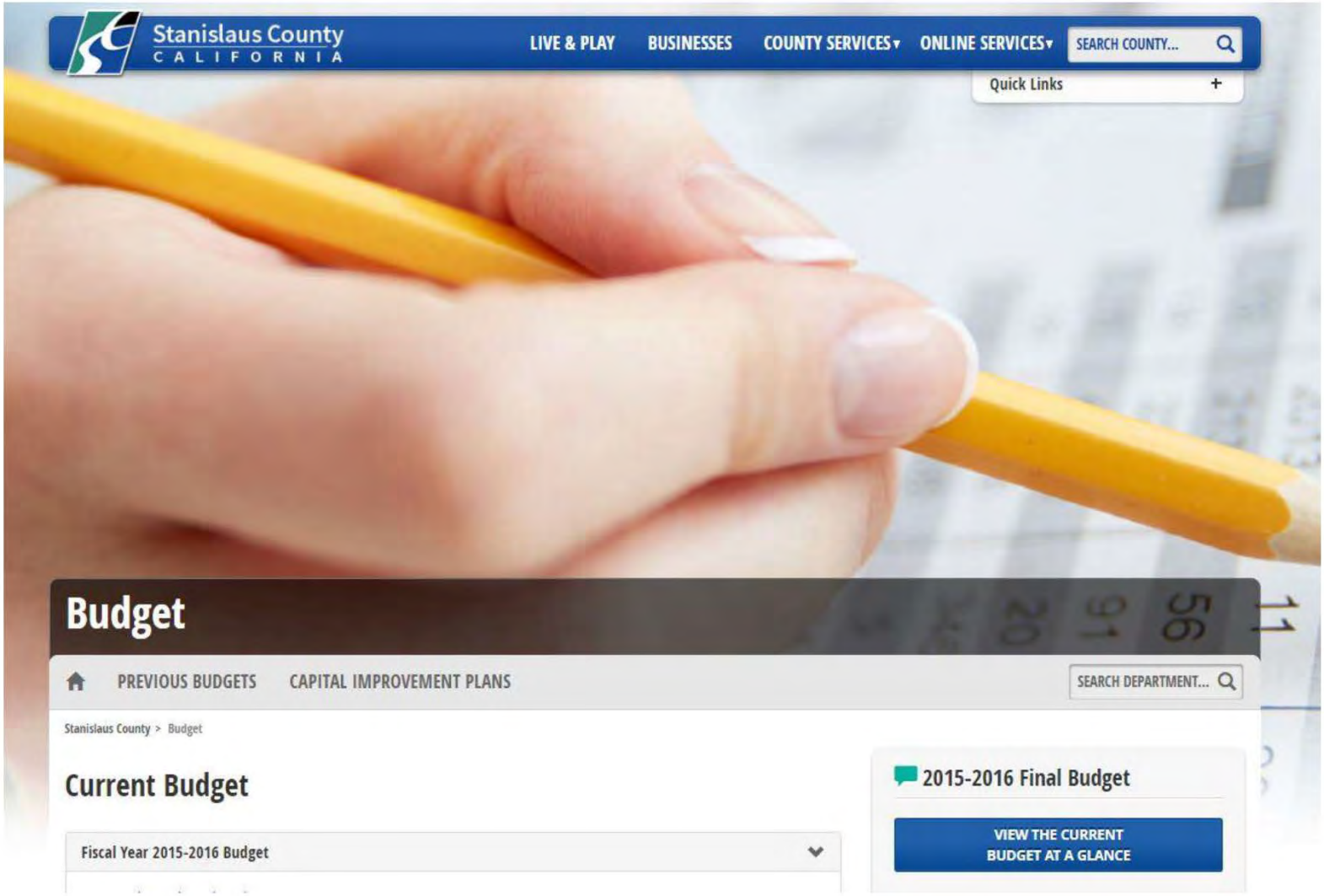
- Financial outcomes
- Operational outcomes
  - Performance visioning
  - Department goals and objectives

# Two-Year Budget Cycle

## Short-term budget procedures

- Reduced emphasis on building short-term budget plans
- Limiting current process focused on quarterly budget requests outside of the context of long-range financial planning
- Control procedures to remain in place to respond to unforeseen economic challenges

# Stanislaus County Budget style



# Staff Recommendations

1. **Accept the Chief Executive Officer's First Quarter Financial Report for Fiscal Year 2016-2017.**
2. **Authorize the Chief Executive Officer and the Auditor-Controller to make the necessary adjustments as recommended in the First Quarter Financial Report.**

# Staff Recommendations

3. **Authorize the use of $1,062,960 in Appropriations for Contingencies as recommended in the First Quarter Financial Report by 4/5 vote of the Board of Supervisors.**

# Staff Recommendations

4. **Amend the Salary and Position Allocation Resolution to reflect the recommendations included as part of the First Quarter Financial Report, as outlined in the Staffing Impacts section of this report and detailed in Attachment B, to be effective the start of the first full pay period beginning on or after November 12, 2016, unless otherwise noted.**

# Staff Recommendations

5. **Approve contracts and/or agreements listed on Attachment C in cumulative amounts of $100,000 or greater since July 1, 2014, and authorize the General Services Agency Director/Purchasing Agent or Department Head to sign.**

# Questions?