

March 12, 2019

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: Acceptance of the Fiscal Year 2019-20 Budget Development Manual, Internal Rates and Charges for Working Purposes, and Budget Process Calendar and Authorization for the County Executive Officer to Make Any Necessary Changes to the Manual and Calendar.

RECOMMENDATIONS:

1. Accept the Fiscal Year (FY) 2019-20 Budget Development Manual (BDM) for department use during the County's FY 2019-20 budget process (attached as Exhibit 2), and authorize the County Executive Office (CEO) to modify the BDM as necessary during the coming fiscal year's budget process.
2. Accept the FY 2019-20 internal rates and charges, included in Sections V and VI of the BDM, for working purposes during the budget process. Actual Board adoption of the final FY 2019-20 internal rates will coincide with approval of the final budget.
3. Approve the following FY 2019-20 budget process calendar and authorize the CEO to make any necessary changes:

Monday, April 1	Requested Non-General Fund budgets due from Agencies/Departments.
Monday, April 8	Requested General Fund budgets due from Agencies/Departments
Tuesday, April 30, May 7 & May 21	Department Budget Presentations
Tuesday, June 4	CEO Preliminary Budget recommendations presentation to the Board of Supervisors
Monday, June 17	Budget Hearings begin

BUDGET DEVELOPMENT MANUAL HIGHLIGHTS:

- Retirement Contribution Rates Increased from 27.09% to 28.49%
- General Services Agency Rates Increased by 3.8%
- Information Technology Services Rates Increased by 1.3%
- Cost Allocation Plan Charges Decreased
- Workers Compensation Rates Increased by 5%
- General Liability Rates Increased by 5%

A goal of your Board has been to minimize overhead expenses in order to preserve funds for direct services. In support of this goal, our office continues to work with the support agencies to achieve operational savings through efficient delivery of supplies, services and support in the most cost-effective manner possible. Increasing inflationary pressures require GSA and Information Technology Services to increase rates for the upcoming fiscal year. The County Executive Office commends GSA and ITSD in their continued efforts over the last seven years to effectively manage inflationary costs through recognized efficiencies and optimized operations. Workers' Compensation and General Liability rate increases reflect program and industry expense increases and ensure proper funding of its net position. Workers' Compensation and General Liability are both fully funded.

BACKGROUND:

The BDM serves as the formal starting point for the County's annual budget process. The BDM is a resource to be used throughout the County's budget process, establishing procedures and guidelines to ensure the standardized preparation and submittal of all departmental budgets. Information included in the BDM is summarized in Exhibit 1.

Over the last several years, the County Executive Office has been working towards implementing two common best practices used by numerous government entities: program level budgeting including prior year actual data and performance measures. Program level budgets have been developed and we are working with departments to identify performance measures for each program level budget. This is an on-going process and departments will continue to evaluate and refine their performance measures. The performance measures will be linked to and support the County's Strategic Plan. This additional detail will provide your Board with important information on individual programs within departments.

DISCUSSION OF RECOMMENDATIONS:

Recommendation #1 approves the BDM as an instructional document for departments' use during the preparation and submittal phase of the FY 2019-20 budget process. Adherence to the BDM guidelines and use of applicable rates and charges provides for a standardized Preliminary Budget document. Publication of the BDM does not preclude the issuance of directives that could change the original guidelines or information during the budget development process. Budget preparation is a process that requires adjustments and revisions as new data develops and circumstances dictate. Recommendation #1 recognizes the necessity of BDM changes and dissemination of information by the County Executive Office to departments through Budget Information Letters.

Recommendation #2 provides that the rates included in the BDM for next fiscal year be used for the development of applicable line-item budget appropriations for user departments. However, future adjustments may still be necessary. Any changes to the rates listed in the BDM will be included in information presented to your Board during the FY 2019-20 budget process.

Recommendation #3 is the adoption of an initial FY 2019-20 budget process calendar as presented in the BDM.

The Auditor-Controller's Office and County Counsel have reviewed this letter. If you have any questions concerning this letter or the FY 2019-20 Budget Development Manual, please contact me at 654-3531.

Sincerely,



Kaye Mand
County Chief Financial Officer



Michael Powers
County Executive Officer

Exhibit 1 – Budget Development Manual Overview
Exhibit 2 – FY 2019-20 Budget Development Manual