

Mike Pettit
Assistant County Executive Officer

Kaye Mand
County Chief Financial Officer

Shawn Atin
Assistant County Executive Officer/
Human Resources Director
Labor Relations

September 1, 2020

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

SUBJECT: Fiscal Year 2020-21 Revised Recommended Budget for the County of Ventura General Fund and for the Ventura County Fire Protection District, Ventura County Watershed Protection District, Ventura County Waterworks Districts, County Service Areas and All Other Non-General Funds; Approve Applications for and Acceptance of Specified Grants; Adopt Resolution Delegating Specified Contracting Authority to Director of Area Agency on Aging; Receive and File FY 2020-21 Capital Projects and Summary of Recommended Priority Capital Projects.

RECOMMENDATIONS:

1. Receive the Fiscal Year (FY) 2020-21 Revised Preliminary/Recommended Budget to be used in the FY 2020-21 Budget Hearings for the County of Ventura General Fund, Ventura County Fire Protection District, Ventura County Watershed Protection District, Ventura County Waterworks Districts, County Service Areas and all other Non-General funds.
2. Instruct the Clerk of the Board to publish a notice as prescribed in Government Code section 29080 and make available a copy of the FY 2020-21 Revised Recommended Budget to members of the public pursuant to Government Code sections 29065.
3. Direct the Clerk of the Board to schedule budget hearings on all budgets listed in Recommendation #1 above to begin on Monday, September 14, 2020, at 1:30 p.m., receive public testimony at 6:00 p.m. that evening, and continue during the week as necessary thereafter beginning daily at 9:00 a.m. until the FY 2020-21 budget hearings are closed. By law, the public hearings must be completed within fourteen days after the budget hearings begin.

4. Approve the filing of applications for and the acceptance of the grants listed in Attachment B in accordance with the guidelines of the Administrative Policy Manual Chapter II-5.
5. Approve and authorize the Chair to sign the Resolution in Attachment B delegating authority to the Director of the Area Agency on Aging to sign contracts and amendments with the California Department of Aging, subject to review and approval by the County Executive Office and County Counsel.
6. Receive and file Attachment C to be incorporated into the FY 2020-21 to FY 2024-25 Five-Year Capital Improvement Plan.
7. Direct the County Executive Office (CEO) to revise the Revised Recommended Budget to reflect the actions of the Board in developing the Adopted Budget during the budget hearings pursuant to Government Code section 29083(b).

INTRODUCTION

According to the Government Code, budget allocation authority resides solely with the Board of Supervisors. In conjunction with that authority, the Board of Supervisors must annually adopt a County budget. The Board of Supervisors also serves as the Board of Directors for the Fire Protection District, Watershed Protection District, and various other special districts and must also adopt budgets for these organizations.

Due to the uncertainty resulting from the COVID-19 pandemic, and projected substantial impacts to State and Federal funding levels for counties, the budget process for FY 2020-21 was revised as allowed under the California Government Code. On June 9, 2020, the FY 2020-21 Recommended Budget was presented to your Board for review. On June 16, 2020, the Recommended Budget document was approved by your Board as a spending plan until September when a revised recommended budget would be presented to your Board for public hearings and adoption. This additional time provided the opportunity to clarify funding support from the State, refine revenue projections, receive further guidance regarding the appropriate use of CARES Act funding and better identify the ongoing staffing and resources needed to respond to the virus and its impacts to our community.

The attached County Executive Office Fiscal Year 2020-21 Revised Preliminary Budget document is the revised balanced budget and constitutes the Recommended Budget. Also attached is the Auditor-Controller's Revised Recommended Budget, which is based on the same figures as the CEO's Revised Preliminary Budget but is formatted in accordance with State Controller guidelines.

FY 2020-21 REVISED PRELIMINARY BUDGET DISCUSSION

As we know, the COVID-19 pandemic has caused severe economic and health impacts in our community. It has also had a significant impact on our County finances. Local revenues have dropped while, at the same time, there has been an increased need for health, social and business services.

The County's strong fiscal position allowed it to act quickly to provide significant services and supplies in response to the pandemic. Your Board was able to use available reserves to quickly ramp up supportive programs such as providing housing and meals to at risk populations, testing and tracing resources and PPE and hospital surge capacity preparation. Most of the reserves will be replenished through reimbursement from Federal and State resources.

Leadership of our response to the virus has been a coordinated and unified team effort involving the Public Health Department, the Sheriff's Office of Emergency Services and our office. This team coordination has included the Health Care Agency, Emergency Medical Services, the Ventura County Medical System, Human Services Agency, Area Agency on Aging, Resource Management Agency, County Counsel, General Services Agency, and the Information Technology Services Department, along with the full support of all of the County Agencies/Departments and their employees reassigned as Disaster Service Workers. It also involved active collaboration with our local cities, community-based organizations, chambers of commerce, education leaders and state and federal agencies.

The Original Preliminary Budget presented to your Board on June 9, 2020 was intended to serve as an operating and spending plan to provide additional time for our office and departments to better evaluate the impact of COVID-19 on the Budget. Since then, we have achieved greater clarity on these impacts and have adjusted the recommended budget accordingly.

With this Revised Preliminary Budget, we have now incorporated the projected COVID-19 related losses in revenues, increases in CARES Act revenues, Realignment backfill and increases in COVID-19 related expenditures. The combination of these adjustments, pension savings, taxpayers continuing to make payments despite economic hardships, as well as departments' efforts to closely manage their expenses, has resulted in our ability to recommend a balanced budget to your Board.

The Revised Preliminary Budget is balanced and sustains critical core services such as health, safety and social services and significantly enhances public health capacity in order to continue to respond to this virus as well potential future contagious diseases. It includes adjustments to appropriations and revenues including Realignment and

Proposition 172 sales tax projections, additional CARES Act revenue and previously Board approved items for FY 2020-21.

The pandemic has had an extraordinary impact on a number of revenue sources. These revenue losses are not considered permanent and are expected to gradually return to near current levels as the economy recovers. A significant offset in addressing these temporary shortfalls resulted from the allocation of CRF funds towards anticipated labor costs of County employees primarily dedicated to responding to the COVID-19 public health emergency and its impacts.

The budget incorporates the following changes: a reduction in Realignment revenue of \$26 million, \$10 million in funding from the State to partially backfill this loss of realignment revenue; Proposition 172 revenue decrease of \$8.6 million; \$23.3 million in one-time CARES Act revenue to fund COVID related expenditures – such as costs of department staff substantially dedicated to the COVID effort, and Disaster Service Workers assigned to the COVID response effort. The Preliminary Budget also includes an additional \$45.9 million in one-time COVID related appropriations and revenues to fund numerous COVID support programs such as rental assistance, housing for vulnerable populations, meals for seniors, PPE purchase and other items.

To date, the County has received \$147 million in CARES Act funds. An additional \$19.5 million will be allocated from the State. In addition, funding for the COVID-19 effort has been received directly by other agencies such as Public Health, Area Agency on Aging and Ventura County Medical Center. As noted above, the funding has been, and is recommended to continue to be, dedicated to funding testing, tracing, providing meals to vulnerable populations, housing medically fragile or over 65 individuals who are homeless, purchase of PPE, hospital surge preparation, support for cities and non-profit hospitals, rental assistance as well as future business assistance grants. We also recommend holding a reserve of CARES funds considering significant unknowns such as the length of the pandemic, possible changes in permissible use of the funds such as to cover lost revenue, the deadline for expenditure of the funds and the availability of additional state or federal funds. Additional detail is provided in **Attachment A**.

KEY BUDGET DATA & INFORMATION

Total County appropriations = \$2.45 billion, up \$140.6 million or 6.1% from prior year; If one-time COVID appropriations of \$45.9 million are excluded, the increase from prior year is 4.1%.

- General Fund appropriations = \$1.20 billion, up \$53.7 million or 4.7% from prior year. If one-time COVID appropriations of \$43.4 million are excluded, the increase from prior year is 0.9%
- General Fund estimated revenues = \$1.21 billion, up \$67.4 million or 5.9% from prior year. If one-time COVID revenues of \$43.4 million, offset by like appropriations are excluded, the increase from prior year is 2.1%.
- General Fund General Purpose Revenues = \$459.0 million, up \$21.7 million or 5.0% from prior year; excluding one-time COVID revenue, the increase is 2.0%
- Full-time equivalent (FTE) position allocations are up 174 FTEs from the prior year to 9,011 FTEs: General Fund FTE position allocations are up by 49 from prior year to 5,254 primarily related to Public Health capacity (25 FTEs) and in Area Agency on Aging (11 FTEs) to support services for seniors. Non-General Fund allocations are up by 125 to 3,757 primarily due to additions at VCMC to address staffing requirements including union contract requirements and to support expanded operations, increased demand and to assist with VCMC's on-going transformation. Most of these positions were approved last fiscal year. **Exhibits 12 and 13.**
- The budget assumes a 3.5% increase in secured property assessed valuations; actual assessed valuation increased 3.9%. Assessed valuation increased by 4.6% in FY 2019-20.
- The budget reflects negotiated salary and benefit increases.
- Salaries and Benefits also incorporate an approximate \$40 million decrease in retirement costs due to the complete amortization of a portion of the Unfunded Actuarial Accrued Liability from prior year losses. In order to avoid basing department budgets on this extraordinary reduction and to provide funds for future rate stabilization, actuarially based rate smoothing was implemented for General Fund departments to set aside part of the savings to mitigate any future rate volatility due to severe market fluctuations or changes in actuarial assumptions. It will also help mitigate impacts of increased pension costs on the delivery of core programs such as health, safety and social services. These unrealized savings are set aside in a General Fund Pension Mitigation Reserve in the amount of \$12.5 million. See additional detail in **Attachment A.**

- Service rates and fees as presented to the Board on June 9, 2020 are included in department revenues estimates. In consideration of business impacts, some fees were reduced and with others, there was a focused effort to maintain and minimize fee increases through cost control efforts and targeted General Purpose Revenue contributions.
- The Fiscal Year 2020-21 Revised Preliminary Budget contains over one billion in revenue from Charges for Services, some of which are generated from service rates and fees. Rates include the impact of salaries and benefits increases due to negotiated agreements. Most revenue increases are driven by increases in demand and levels of service, not rate increases.
 - As detailed in the June 9, 2020 Service Rates and Fees Board letter, to help address the financial impact of the COVID-19 pandemic on businesses, the County has kept many rates and fees related to businesses flat. In addition, the Resource Management Agency (RMA) and Fire Protection District will be reducing or waiving fees for those businesses impacted by and subject to closure due to the COVID-19 pandemic. This will reduce inspection revenue collected by RMA and the Fire Protection District by approximately \$1.6 million and \$50,000 respectively. Also, the General Fund has offset Public Works Agency's Development Services rates due to nonstandard and extraordinary operational impacts to Development Services resulting from non-permitted activity inspections, reporting and litigation. This will mitigate increases in rates that would otherwise have to be charged by the Public Works Agency.
 - General Fund revenue from Charges for Services is budgeted to increase by \$4.9 million, which represents a 2.5% increase from the FY 2019-20 Adopted Budget. This increase is primarily driven by a \$1.0 million increase in Elections for election services charges related to the upcoming November Presidential elections; a \$674,000 increase in Animal Services city contracts; and a \$604,000 increase in Resource Management Agency charges related to Planning and Engineering Services.
 - Non-General Fund revenue from Charges for Services is budgeted to increase by approximately \$24.1 million, which represents a 2.7% increase from the FY 2019-20 Adopted Budget. Much of the increase is attributable to increases in Ventura County Medical Center charges: \$14.6 million is related to increases in rates and services provided and to internal service fees for information technology network support service charges of \$3.5 million.

- Internal Service Funds (ISFs) budget total = \$332.0 million, up \$3.9 million or 1.2% from prior year.

The ISFs are excluded in the total preliminary budget appropriations as they are already included in departments' total appropriations through user charges. The budget reflects a 1.2% increase from prior year. ISFs include several funds, some examples are: General Services Agency (GSA), Information Technology Services Department (ITSD), Risk and Workers' Compensation Funds, Personnel Medical Insurance, and Public Works Agency: Central Services and Water & Sanitation. Majority of the growth in appropriations is due to the impact of increases in salaries and benefits.

- Enterprise Fund budget total = \$702.1 million, up \$56.0 million or 8.7% from prior year. These totals include \$568 million for the Ventura County Medical Center (VCMC) budget, an increase of \$41 million or 7.8% from prior year. VCMC is estimating a net income of \$2.2 million for next budget year as it works to improve operational and fiscal performance through a number of initiatives. For FY 2019-20, VCMC is reporting a positive net income of \$19.5 million. Additional detail is provided in **Attachment A**.

SUMMARY OF THE REVISED PRELIMINARY BUDGET

The following chart summarizes total appropriations (expenditure authorization) by the General Fund and Non-General Fund categories. The total County appropriations are \$2.5 billion. Total appropriations are increasing from the previous year Adopted Budget by 6.1% or 4.1% when adjusted for one-time COVID appropriations. The General Fund reflects a 4.7% increase in appropriations or a 0.9% increase when adjusted for one-time COVID appropriations. Total Non-General Funds appropriations are up by 7.5% or 7.2% excluding one-time COVID appropriations.

	FY 2019-20 Adopted Budget	FY 2020-21 Revised Preliminary Budget *	% Change
Total General Fund	\$1,143,126,096	\$1,196,811,647	4.7%
<i>Less: One-Time COVID related Appropriations</i>		<i>(\$43,399,115)</i>	
Adjusted Total General Fund	\$1,143,126,096	\$1,153,412,532	0.9%
Non-General Funds:			
Ventura Co Medical Center	\$527,333,735	\$568,308,501	7.8%
Other Enterprise Funds	\$118,745,007	\$133,805,963	12.7%
Fire Protection District	\$200,572,624	\$197,477,065	-1.5%
Watershed Protection District	\$58,581,200	\$76,108,200	29.9%
Water & Sanitation Operations	\$69,931,115	\$62,756,500	-10.3%
County Service Areas	\$9,499,635	\$9,432,935	-0.7%
Other Funds	\$181,363,325	\$205,070,197	13.1%
Total Non-General Fund	\$1,166,026,641	\$1,252,959,361	7.5%
Total Appropriations	\$2,309,152,737	\$2,449,771,008	6.1%
<i>Less: One-Time COVID related Appropriations</i>		<i>(\$45,853,876)</i>	
Adjusted Total Appropriations	\$2,309,152,737	\$2,403,917,132	4.1%
Internal Service Funds	\$328,078,935	\$331,992,581	1.2%

*includes \$43.4 million in one-time CARES Act revenue offset by \$43.4 million of one-time appropriations

- Maintains services expanded over the last five years in Affordable Care Act, expansion of Continuum of Care Reform for Foster Youth and Mental Health services related to Laura's Law.
- Maintains services in Adult Protective Services, In-Home Support Services (IHSS), and Children and Family Services in order to achieve best practice caseload levels and protect our most vulnerable population.
- State funding reductions in IHSS, CalWorks and CalFresh, and Mental Health Services.

- VCMC efforts towards implementation and integration of performance-enhancing infrastructure such as Kronos time and attendance system, payroll/productivity reports, budget software, robust financial reporting, and other management tools to enhance leadership effectiveness.
- Cost containment from self-managed insurance plans including the Ventura County Health Care Plan (VCHCP), Workers' Compensation, and General Liability.
- Continue to adapt to the changing landscape of State criminal justice law as reflected in Public Safety Realignment and the passage of Propositions 47 & 57, Assembly Bill 1810 mental health diversion, and Senate Bill (SB) 144, the recent legislative efforts to reduce or completely eliminate criminal justice fees. Also, the passage of bail reform has been put on hold until November 2020 due to an initiative on the ballot.
- Watershed Protection District (WPD) increase in appropriations is due to maintenance and capital projects budgeted for FY 20-21, mainly in WPD Zone 2 including the SCR-3 Levee Rehabilitation, SCR-1 Levee, Cavin Debris Basin Retrofits and tsumas creek-Hueneme Road to Jane Road projects.
- The FY 2020-21 budget for the Road Fund includes a reduction in gas tax related revenues of \$4.7 million; revenue from SB 1 is budgeted at \$9.8 million, a decrease of approximately \$900,000 from FY 2019-20 adopted budget.
- Increase in Other Funds is mainly due to maintenance and capital projects in the Road Fund.
- Other Enterprise Funds increase is due to improvements and capital projects at Camarillo and Oxnard Airports.
- Value realized through Lean Six Sigma projects and service excellence efforts offsetting specific agency costs.
- Public Employees' Pension Reform Act implementation began January 1, 2013 is generating gradual reductions in pension costs.
- Tobacco Settlement Program (TSP) revenue, consistent with recent years, is budgeted at \$7.05 million. TSP expenditures are aligned with annual revenues received through the Tobacco Settlement/Master Settlement Agreement. The funds

are used towards healthcare expenditures, with a majority provided to the Health Care Agency and a portion allocated to non-governmental community-based organizations that provide health care services.

- The budget includes the following contributions: \$100,000 to the Housing Trust Fund of Ventura County – the first of a total contribution of \$300,000 to be distributed at the rate of \$100,000 per year over three years; \$200,000 contribution to the Ventura County Museum – the third installment of a five year annual contribution; an ongoing \$450,000 contribution to the Boys and Girls Clubs serving three federally identified disadvantaged communities in the unincorporated area of the County.
- The FY 2020-21 Budget includes appropriations of \$650,000 which represents the County's contribution for the annual operational costs of the Knoll Drive shelter which opened in January 2020.

Further explanations for appropriation, revenue, and staffing changes between the Revised Preliminary Budget and the FY 2019-20 Adopted Budget are included in **Attachment A** and in the budget unit narratives for each department contained in the FY 2020-21 Revised Preliminary Budget Book.

GENERAL FUND

The General Fund Preliminary Budget presents the departmental financial plan for next fiscal year. Specific budget information is included in departments' budget narratives.

Overall, General Fund appropriations are budgeted to increase from \$1.143 billion in FY 2019-20 to \$1.197 billion in FY 2020-21. Revenues are budgeted to increase from \$1.140 billion in FY 2019-20 to \$1.207 billion in FY 2020-21. The amounts include \$43.4 million in one-time COVID related appropriations and revenues for programs such as Rental Assistance, Motel Vouchers, Great Plates and Senior Nutrition; amounts do not include the Business Assistance Grant program that was approved in FY 2019-20 in the amount of \$15 million nor the additional \$8.9 million in Business Assistance Grant funding which our office is recommending to your Board today.

The net increase in appropriations is due to several factors: inflationary adjustments in services and supplies plus an increase in medical and laboratory supplies related to the COVID effort; increased appropriations for the rental assistance program; and increase in capital projects for the Property Tax Assessment and Collection System.

General Purpose Revenue is estimated to increase by \$21.7 million to \$459.0 million. This includes \$12.9 million in one-time CARES Act funding for COVID related expenditures. The remaining \$8.8 million is attributable mainly to an increase in property taxes due to an estimated 3.5% increase in secured property assessed valuations offset by decreases in other revenues such as property transfer tax, transient occupancy tax, interest earnings, Teeter penalty revenues, cost allocation plan revenue and savings resulting from prefunding of retirement costs.

Our office will work with departments throughout the year to monitor budgets and maintain a balanced financial plan. These financial management efforts, following adoption of a balanced budget for FY 2020-21, will be essential for the County to address the on-going uncertainty related to the costs of the COVID pandemic, Federal funding and other revenues.

General Fund Appropriations by Program Area

Program Area	FY 2019-20 Adopted Budget	FY 2020-21 * Revised Preliminary Budget	Net Change
General Government	83,121,683	89,921,684	8.2%
Environmental Balance	48,917,644	52,663,071	7.7%
Health & Human Services	444,119,803	475,645,712	7.1%
Administration of Justice	480,337,688	490,624,016	2.1%
Other General Fund	86,629,278	87,957,164	1.5%
Total Appropriations	\$1,143,126,096	1,196,811,647	4.7%
<i>Less: One Time COVID related Appropriations</i>		<i>(\$43,399,115)</i>	
Total Adjusted Appropriations	\$1,143,126,096	\$1,153,412,532	0.9%

*includes \$43.4 million in one-time COVID related appropriations offset by an equal amount of CARES Act revenue

General Fund Revenue by Program Area

Program Area	FY 2019-20 Adopted Budget	FY 2020-21 * Revised Preliminary Budget	Net Change
General Government	\$37,458,586	\$45,015,205	20.2%
Environmental Balance	36,843,362	38,147,108	3.5%
Health & Human Services	389,493,515	410,770,317	5.5%
Administration of Justice	222,749,706	235,523,108	5.7%
Other General Fund	453,280,927	477,784,514	5.4%
Total General Fund Revenue	\$1,139,826,096	\$1,207,240,252	5.9%
<i>Less: One-Time COVID related Revenues</i>		\$43,399,115	
Total Adjusted Revenue	\$1,139,826,096	\$1,163,841,137	2.1%

*includes \$43.4 million in one-time CARES Act revenue offset by \$43.4 million of one-time appropriations

CAUTIONARY NOTE

Although the Preliminary Budget is balanced, it must be noted that challenges still exist that could negatively impact the County's current and future financial position. Key areas of concern include: the COVID-19 emergency and the length and severity of its impact regarding the need for additional services and loss of revenues; State or Federal actions requiring expanding service levels or reductions in funding in Health and Human Services and Public Safety. Additionally, the impact of the financial market if investment returns fail to meet the Ventura County Employees' Retirement Association's assumed rate of return on pension asset valuations and its resulting effects on the County's employer contribution. Preliminary estimates of investment returns for the pension system during FY 2019-20 are at 2.7% compared to the assumption rate of 7.25%.

GENERAL FUND - FUND BALANCE RESERVES RECOMMENDATIONS

Strong Fund Balance and reserves play an important role in preserving the County's overall financial health and reinforces the County's overall financial position. A strong Fund Balance prepares the County for future capital needs, establishes the ability to fund one-time expenses without affecting operations, protects the County from shortfalls in response to State actions, and shields the County against extraordinary events and significant fluctuations in revenue and enables our County operations to respond quickly to local disasters. Our continuous improvement toward our long-term Fund Balance goal

reinforces Standard and Poor's and Moody's top ratings allowing the County to lower its borrowing costs.

The Fund Balances are classified as Non-spendable, Restricted, Committed, Assigned, and Unassigned. The Unassigned Fund Balance is the balance we monitor as a percent of General Fund appropriations. The recommended minimum level for the Unassigned Fund Balance is 10% of total appropriations/revenue, with a long-term goal of 15%.

Based on an updated year-end Fund Balance from ongoing operations of approximately \$16.5 million, we are recommending a total of \$2.25 million be allocated to Fund Balance - Unassigned and \$14.25 million to Fund Balance Assigned - Program Mitigation (the "Rainy Day" fund). This will increase the Unassigned Fund Balance amount to \$152 million or approximately 13.2% of appropriations (excluding one-time appropriations associated with CARES Act). A Pension Mitigation reserve in the amount of \$12.5 million was set up to mitigate the impact of retirement increases expected in future years and to help protect the delivery of core services. **Exhibit 5** in the FY 2020-21 Revised Preliminary Budget provides a Fund Balance History for the General Fund.

The recommended changes combined with the other accounting transactions that occurred during the year resulted in a decrease of approximately \$21 million in total General Fund Balance compared to last year's adopted budget. The decrease is mainly due to the need to fund various programs in response to the COVID-19 emergency. During FY 2019-20, Assigned Fund Balance – Program Mitigation was decreased by \$23 million to fund congregate sheltering for the at-risk homeless population, purchase needed services and supplies and provide meals for at risk homebound seniors. Most of the expenditures will be reimbursed from Federal and State sources at which time Fund Balance Assigned – Program Mitigation will be replenished.

GRANT APPLICATIONS AND ACCEPTANCE

Recommendation 4 approves grant applications and delegates, in accordance with the Ventura County Administrative Policy, Chapter II-5, to the County Executive Officer or designee, the authority to accept grants and amendments and to sign grant award and amendment documents, subject to review and approval by County Counsel.

CAPITAL IMPROVEMENT PLAN

The County continues to invest in Infrastructure and Technology including significant upgrades to the County's Integrated Property Tax System, and the Enterprise Content Management System for Administration of Justice and the Next Generation Public Safety Radio Communication System

Recommendation 5 requests your Board receive and file Attachment C to be incorporated into the Fiscal Year (FY) 2020-21 to FY 2024-25 Five-Year Capital Improvement Plan (CIP). The projects listed on Attachment C have been identified as high priorities and include Ventura County Medical Center Fainer Wing remodel, Fillmore Library Improvements, Saticoy Regional Golf Course Clubhouse, replacement of the single-walled underground fuel tanks at the Government Center, and potential improvements at the Camarillo Animal Shelter facility. Each project will be presented to your Board for specific consideration and approval before proceeding.

We have incorporated the review and comment of the recommended CIP projects into the preliminary budget process. The recommended CIP will be combined with projects by the Watershed Protection District, Waterworks District, and Public Works Agency (PWA) - Transportation and placed into a consolidated CIP that will be brought to your Board by PWA for receipt and filing independently. All consolidated projects will be distributed to affected city/County planning agencies for review to ensure General Plan consistency per Government Code Section 65402 (a).

CONCLUSION

The Fiscal Year 2020-21 Revised Preliminary (Recommended) Budget is a comprehensive working document developed based upon your Board's stated priorities and guiding principles. It is compiled and presented to your Board in a format designed to assist you in determining the final Fiscal Year 2020-21 budgetary management of the personnel and financial resources of the County.

The County is focused on long term financial viability and will continue to integrate the use of multi-year forecasts as a guide to maintain balanced budgets. Your Board's adherence to the comprehensive long-term fiscal plan helps to maintain the County's strong financial position. Consistent application of these budget principles has minimized the impact during economic downturns and avoided the need for significant budget cuts during times when these services are needed most. This fiscal discipline has allowed the County to act quickly to fund needed services and supplies in response to the pandemic.

A long-range fiscal perspective is also essential in dealing with significant future costs including: potential capital project needs; Healthcare reform; retirement rates and assumption changes; and the ongoing impact of the virus and the potential negative impact from economic downturns or State and Federal government funding.

We thank the Board for its policy leadership and support as well as the many department and agency personnel who participated in preparation of the County's Fiscal Year 2020-21 Revised Preliminary Budget. We appreciate the cooperation from departments and agencies in working with our office throughout this challenging budget year. They have shown flexibility and resilience in continuing to provide essential services to the community during these extraordinary times.

The pandemic has created both a health and economic crisis. We are very grateful for the continued commitment of our community in following the public health guidance. These actions are bringing down the numbers and saving lives. The sacrifice of our community members, business and community organizations has been profound during a time of much uncertainty. We appreciate the dedicated service of all those who continue to serve our communities in various capacities. From the grocery clerk to the farmworker to the health care provider to the teachers and parents facilitating online learning we have all been impacted by this virus but through it all we are always better and stronger together.

We also thank the taxpayers: the payments you have continued to make during this stressful and uncertain time, have played an indispensable role in supporting our County's response to the virus. Together, we will get through this challenging time. We have faced other recent emergencies and despite those challenges we have overcome and our community spirit of neighbors helping neighbors has been the greatest strength. It is in these trying times that our collective commitment to helping one another shines. We are indeed Ventura County Strong, and our County is committed to supporting all community members in need. We are our community's safety net provider and our commitment to a balanced budget will assure that we can continue to provide much needed services.

The budget is a living document and during the year adjustments will need to be made. As we do every year, we will continue to monitor the County's financial condition with quarterly updates to the Board and recommend adjustments to appropriations and revenues as needed. This year, there is even more uncertainty especially related to the length and severity of the COVID-19 emergency and the resulting economic impact. Additionally, as of this writing, we are still awaiting final decisions from the Federal government about the possibility of additional CARES Act funding, an extension of the current December 30, 2020 date through which COVID-19 eligible expenditures may be funded and the flexibility to use CARES Act funds to offset lost revenue. We will closely monitor developments and will return to your Board to request adjustments, as necessary, once the financial impact to the County is determined.

Final Budget Hearings are scheduled to begin on Monday, September 14th at 1:30 p.m. with a public hearing session to follow at 6:00 p.m. that evening. Agency/departments management will be in attendance and prepared to respond to any Board questions.

Additional information or clarification concerning the Revised Preliminary Budget materials can be obtained by contacting Kaye Mand at 654-3531.

Respectfully,



Kaye Mand
County Chief Financial Officer



Michael Powers
County Executive Officer

Attachments:

- Attachment A: Major Budget Issues, Highlights and Potential Future Impacts
 - Attachment B: Recommended Grant Applications and Resolution
 - Attachment C: Fiscal Year 2020-21 Capital Projects Current Status and
Summary of Recommended Priority Capital Projects
- FY 2020-21 Revised Preliminary Budget (County Executive Office)
FY 2020-21 Revised Recommended Budget (Auditor-Controller's Office)