

County of Yolo

2023-24 Budget Workshop



March 13-14, 2023

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Laura Liddicoet, Chief Budget Official

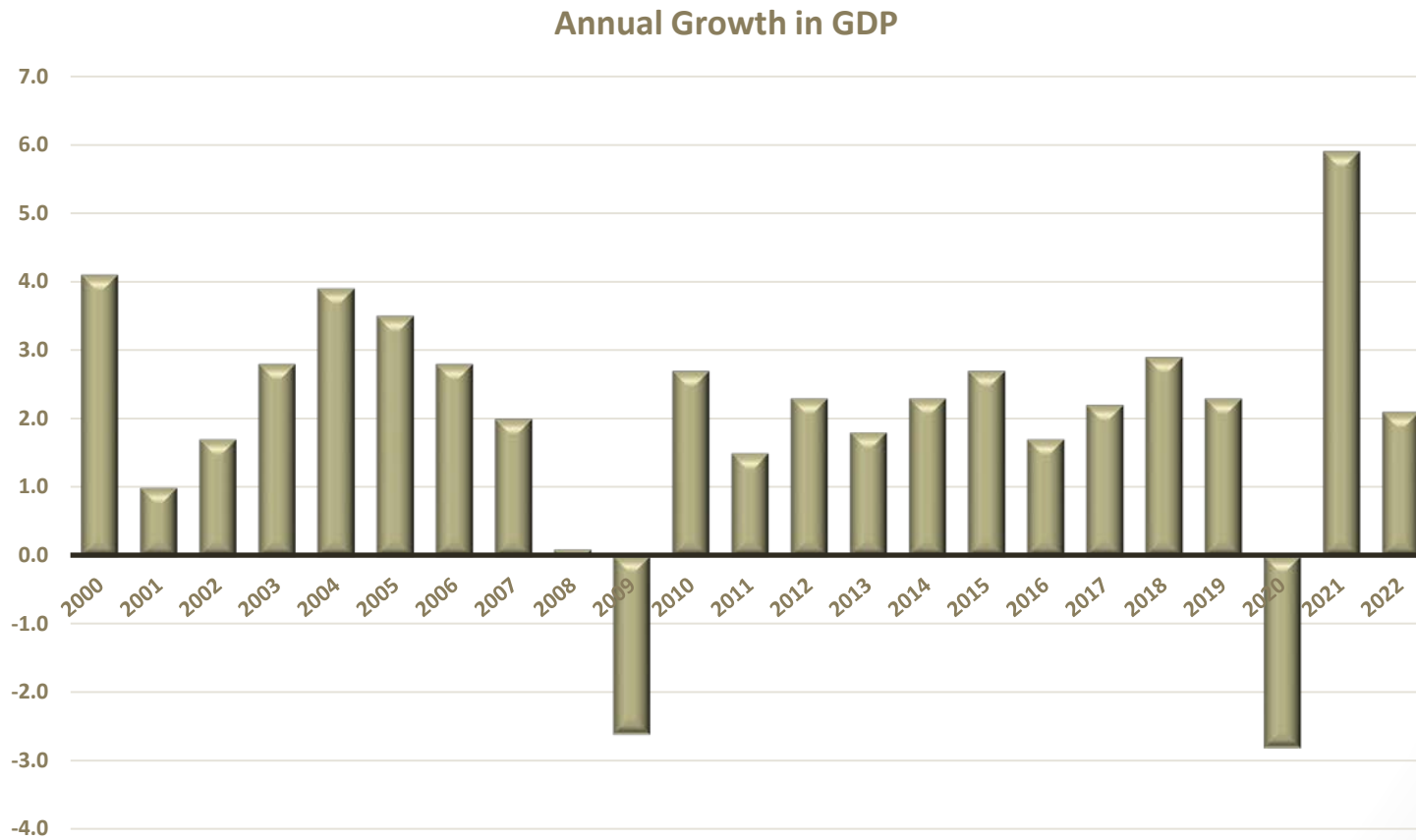
Budget Workshop Overview

- Sets the stage for the 2023-24 budget process
 - Review of economic conditions and outlook
 - Overview of key County revenue & expenditure drivers
 - Annual update from each department
- Board to surface interests that will be considered in the budget development process

Economic Outlook

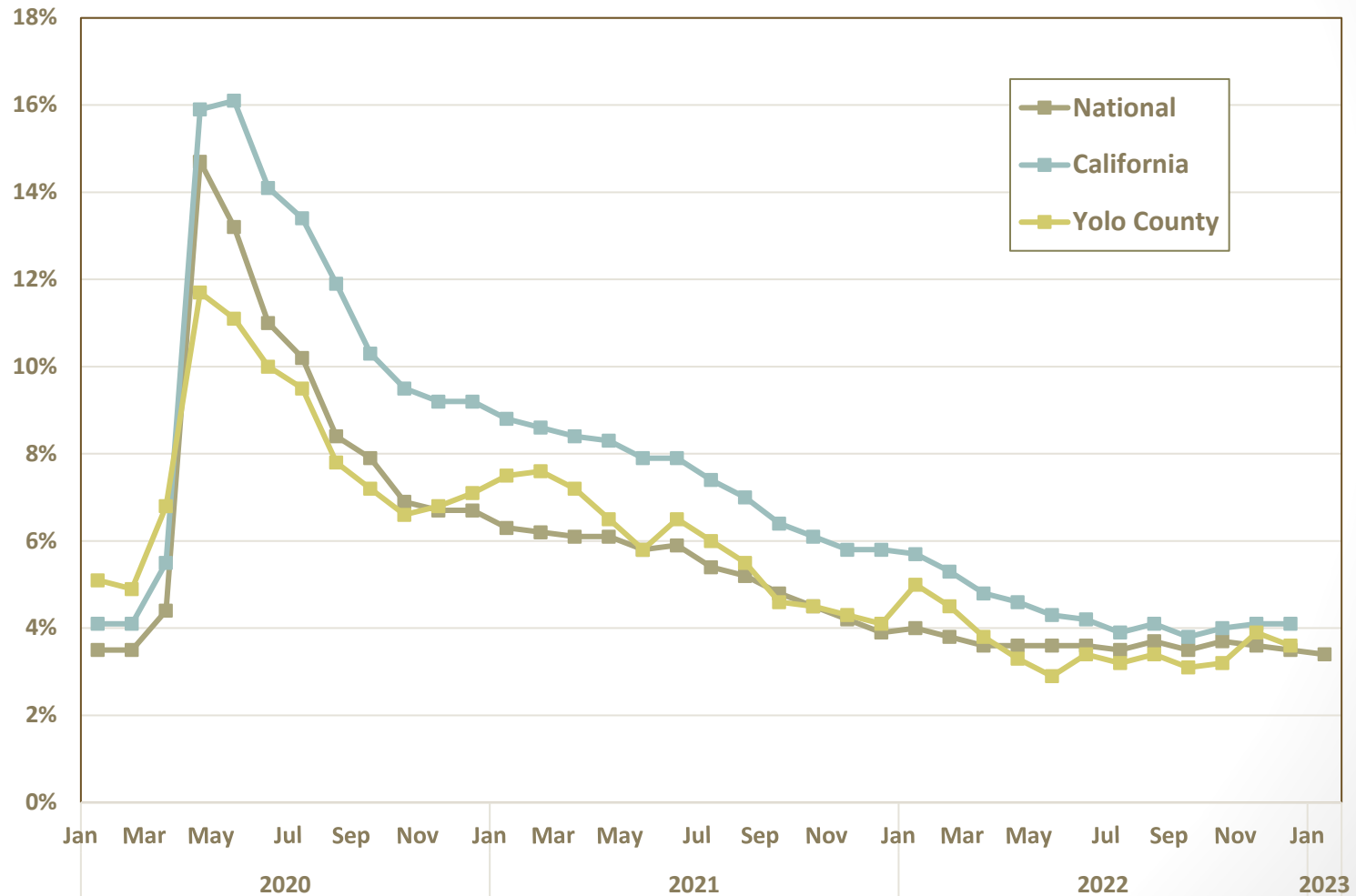


GDP Has Rebounded Strongly from COVID Recession



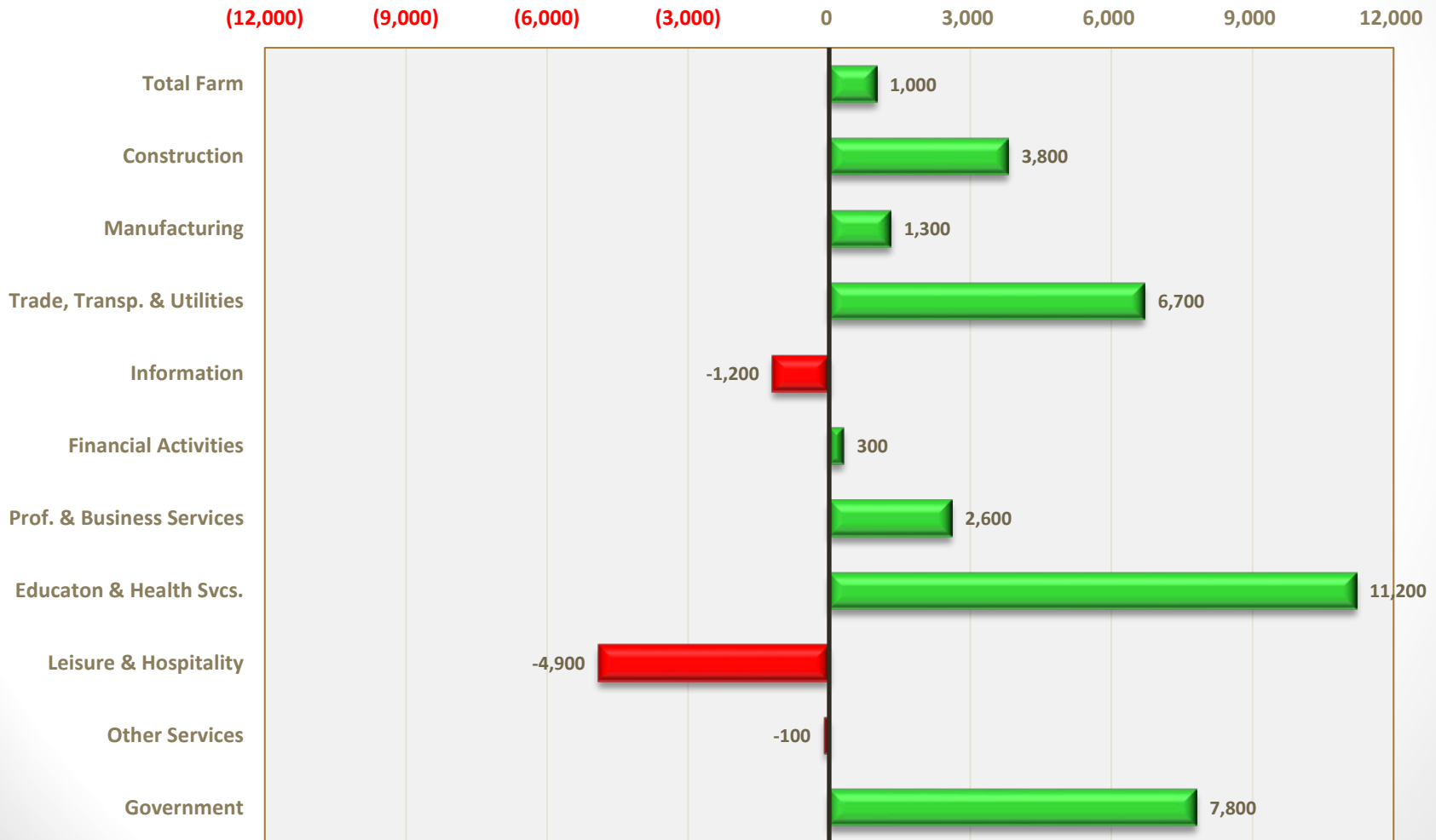
Unemployment Rate below Pre-Pandemic Levels

Unemployment Rate

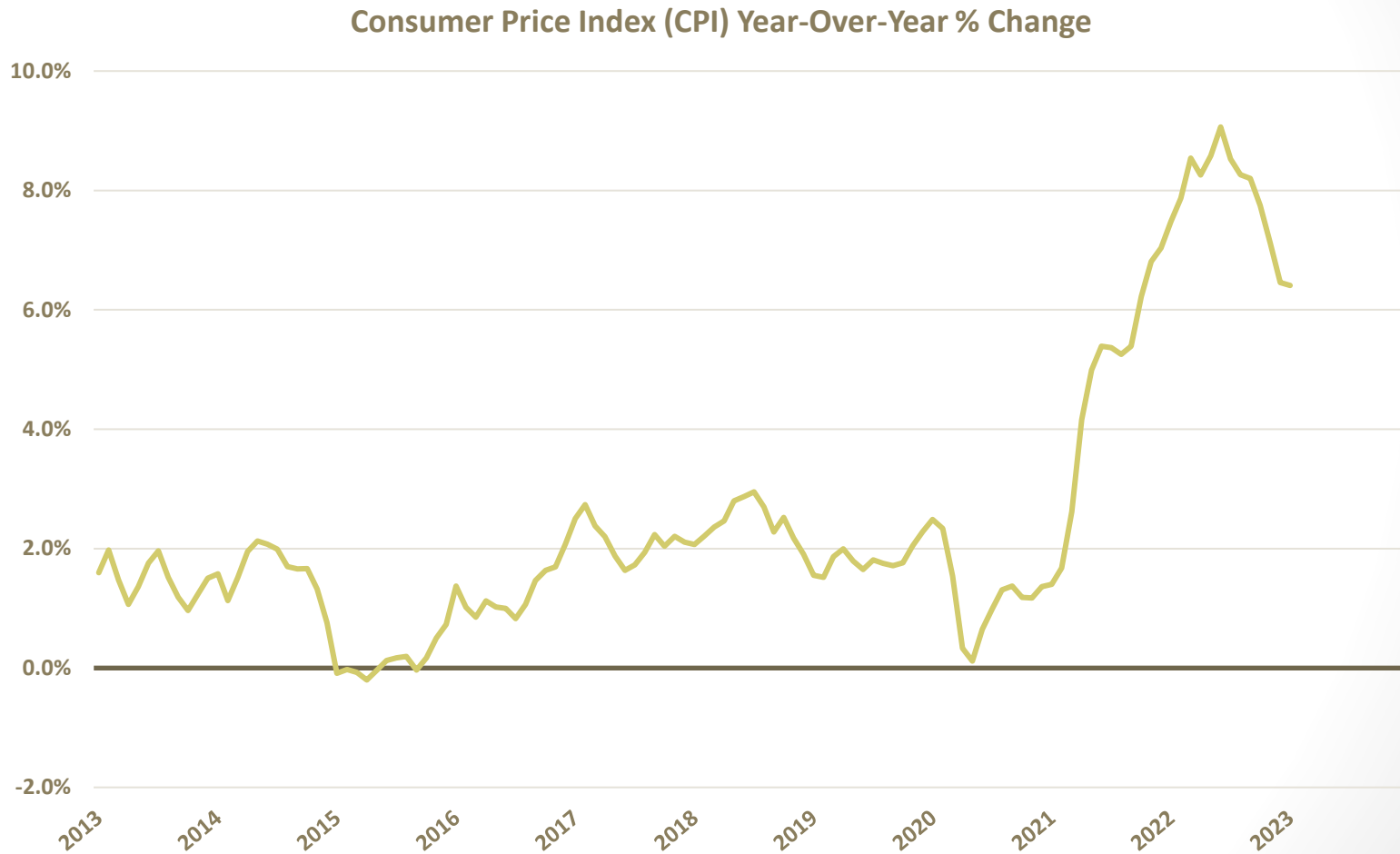


Most industries have recovered

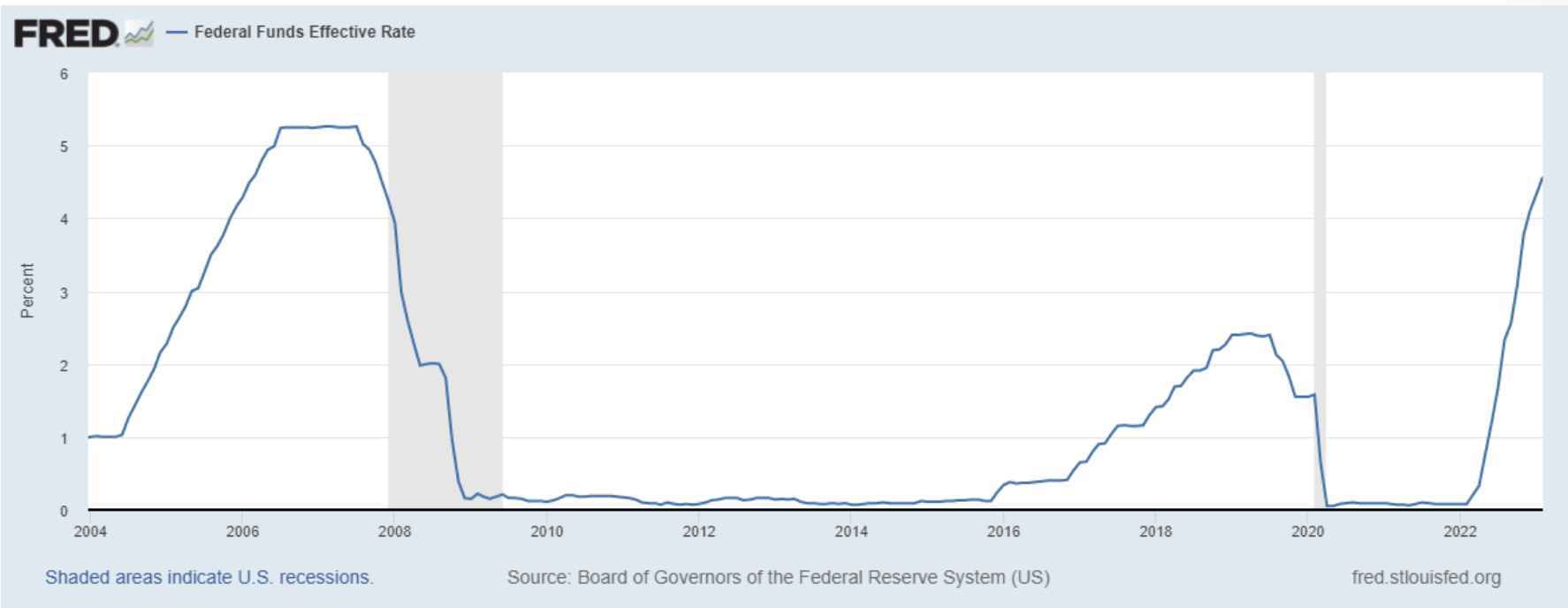
Sacramento MSA
Net Change in Jobs, December 2019 to December 2022



Inflation High but Headed Downward

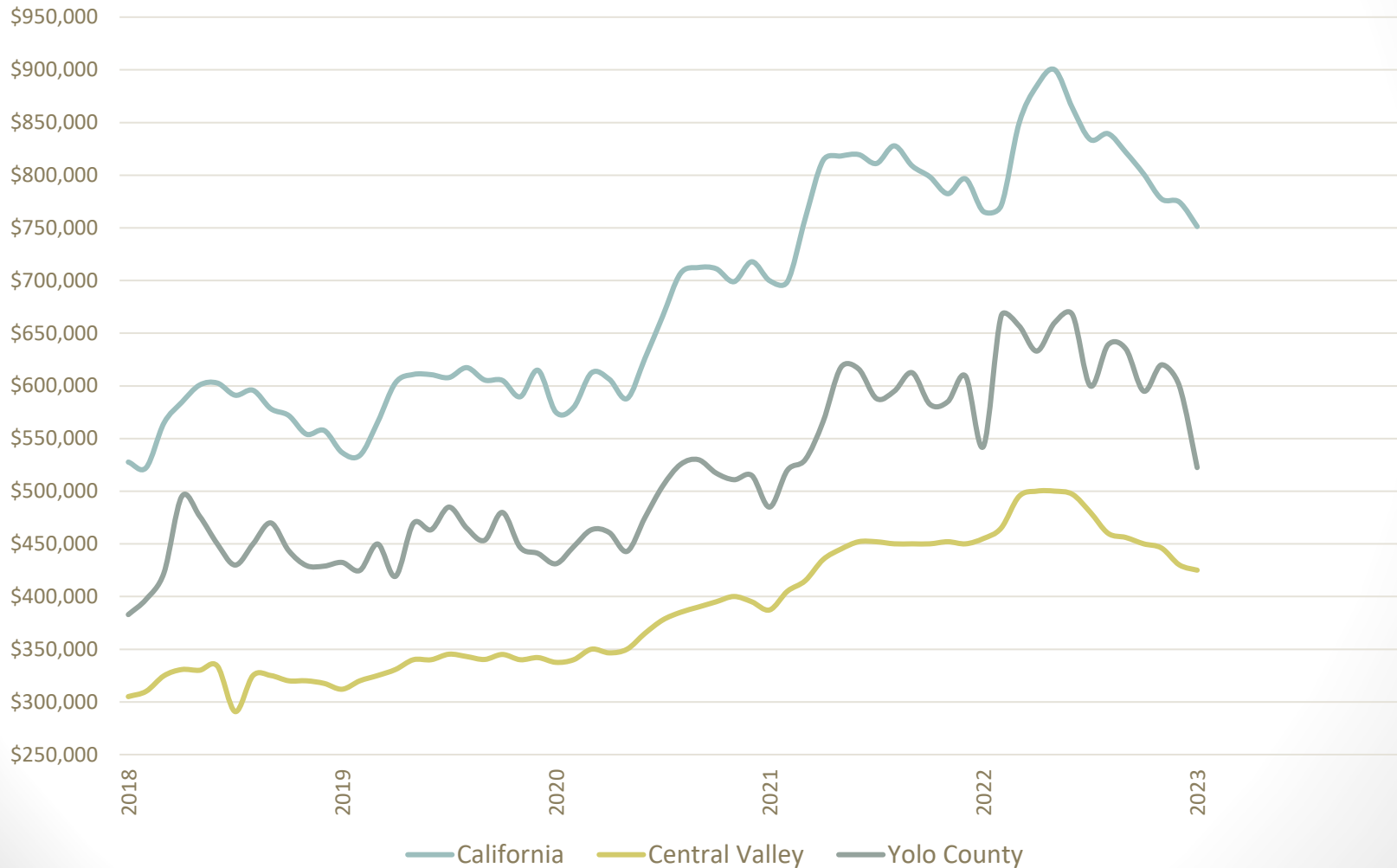


Interest Rates rapidly increasing to fight Inflation

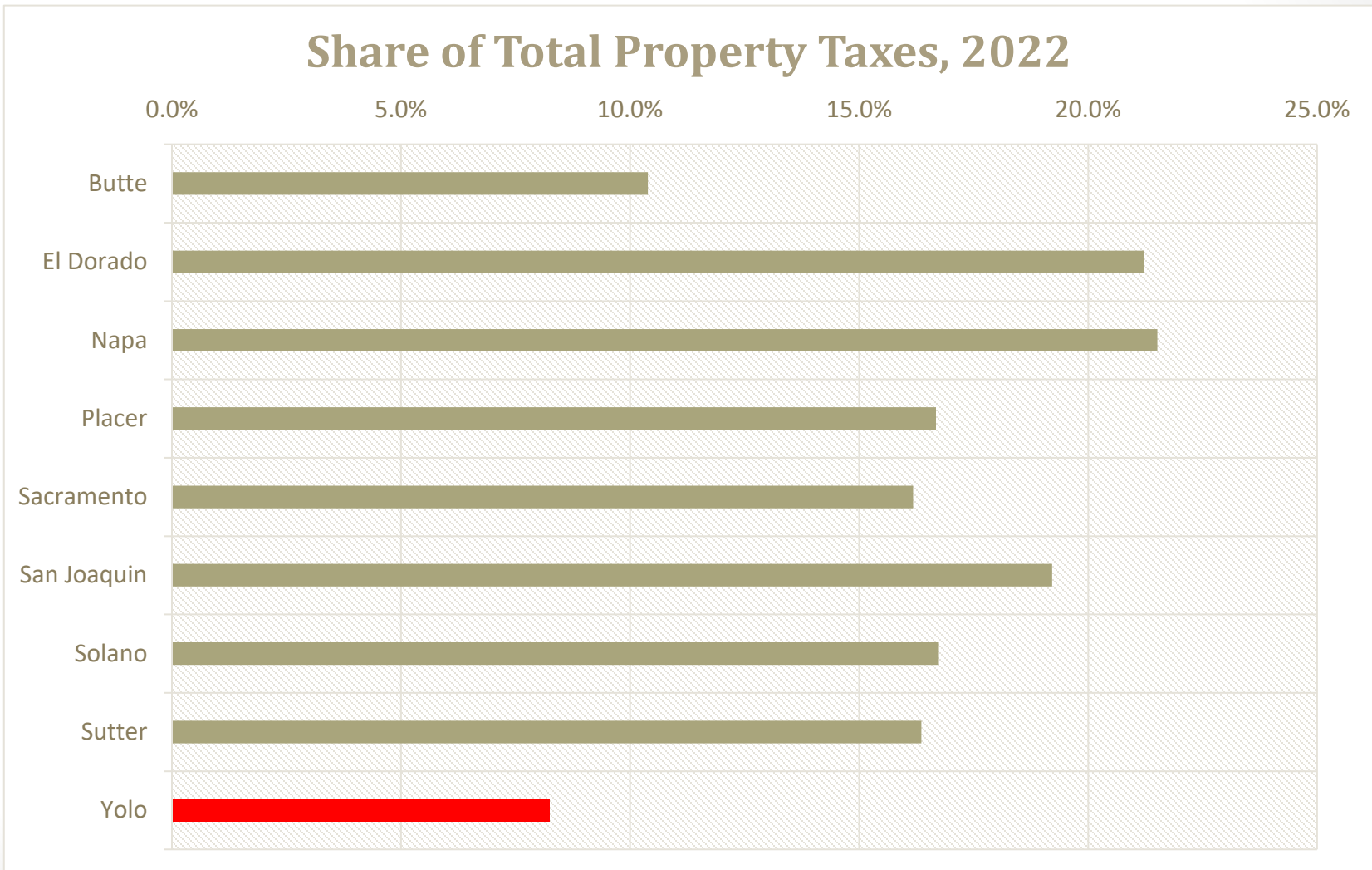


Home Prices are relatively high but Declining

Median Home Sale Price - Existing Single Family Residences



Yolo County's Property Tax Share is one of the Lowest in the State



Economic Outlook

- US economic growth is expected to slow further after the rapid recovery post-pandemic
- Inflation headed downward and expected to continue but take time to return to normal levels.
- Interest rates are expected to increase further before stabilizing and slow economic activity especially in sensitive sectors (ex. housing)
- Concerns exist that recession may materialize in the near term

Fiscal Year 2023-24 Budget



2023-24 Budget Principles

- Recognize increased cost of service delivery including labor, supplies and equipment.
- Prioritize adjusting to higher costs and minimizing operational and service impacts before considering program additions or augmentations.
- Take advantage of opportunities in State and Federal funding
- Budget shall align with the Board's strategic priorities
- Continue to strengthen financial sustainability through additional contributions to reserves and contingencies
- Structurally balanced with ongoing expenditures funded with ongoing revenue

2023-24 Revenue Picture

Revenue Source	2022-23 Adopted	2022-23 Estimated	2023-24 Projected Recommended	Change from 22-23 Adopted
Property Tax	70,191,625	70,133,779	72,981,013	2,789,388
Teeter	2,000,000	2,000,000	2,000,000	-
Sales Tax	4,917,756	5,067,670	5,253,821	336,065
Tribal Proceeds	5,256,000	5,256,000	5,369,004	113,004
Overhead Costs Reimb.	4,400,000	4,400,000	4,400,000	-
Document Transfer Tax	1,518,043	1,518,043	1,518,043	-
Williamson Act	929,490	1,161,281	1,161,281	231,791
Interest Earnings	150,000	225,000	250,000	100,000
Other Government Wldd	546,974	546,974	685,816	138,842
Penalty on Delq Taxes	306,586	306,586	321,915	15,329
Vehicle Code Fines	83,000	49,140	50,000	(33,000)
County Stabilization	574,000	574,000	574,000	-
Franchise Fee/Royalties	700,000	700,000	700,000	-
Hotel/Motel Tax (TOT)	571,162	571,162	628,278	57,116
Justice Collections	664,976	431,742	431,742	(233,234)
Other	1,122,082	1,122,082	1,144,082	22,000
TOTAL REVENUES	\$ 93,931,694	\$ 94,063,459	\$ 97,468,995	\$ 3,537,301

2023-24 Revenue Picture

- Public Safety Prop. 172 sales tax projected growth of \$1.2 million, or approx. 4%
- Public Safety Realignment growth increase by approx. \$1.0 million
- Health & Human Services Realignment growth increase by approx. \$1.0 million

2023-24 Expenditure Picture

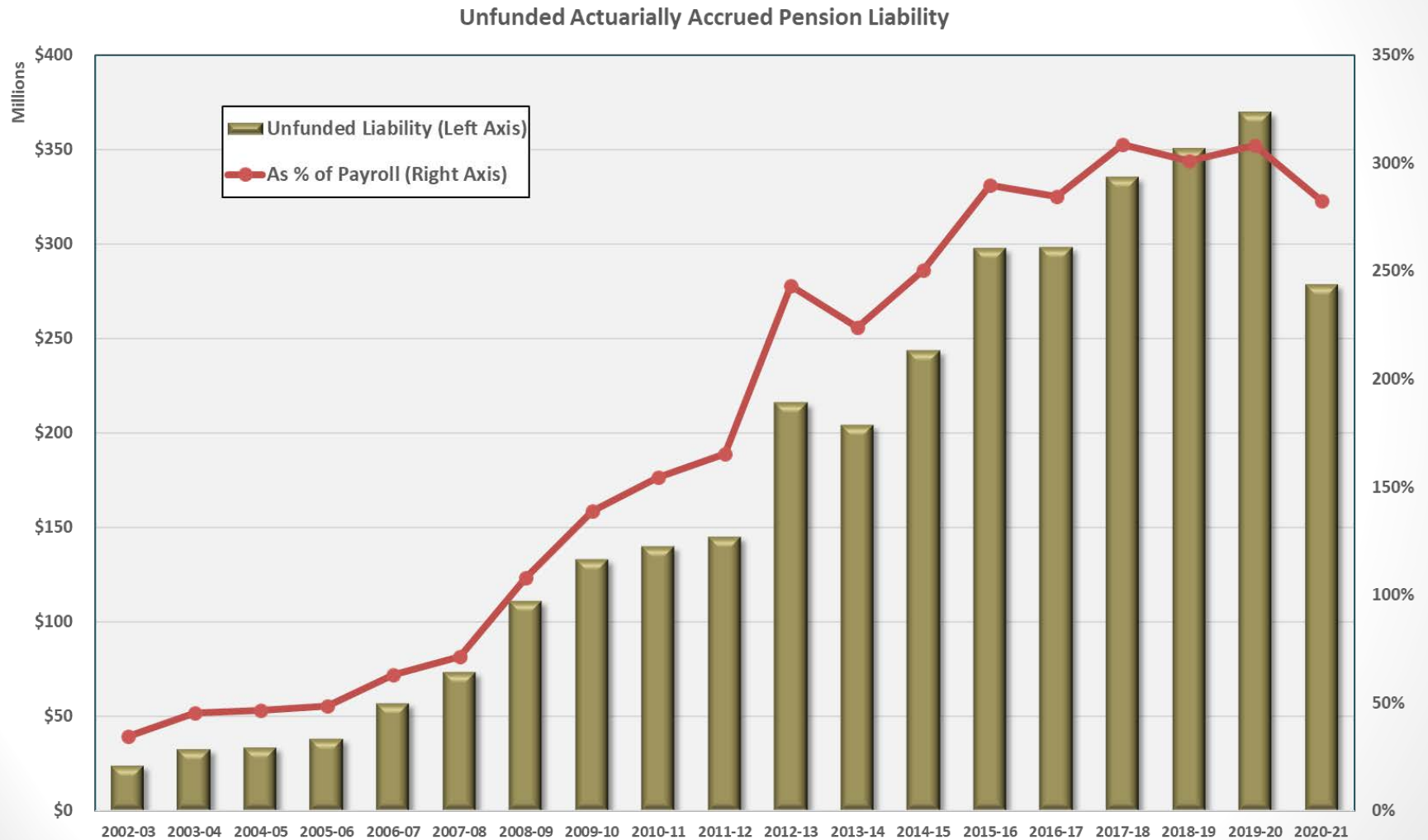
Salary and benefits make up \$282.8 million or 38.8% of total County budget.

- Move to 100% of market
- 2% assumed Cost of Living increase
- Pension costs increasing
 - Charge for pension trust increasing from 1.75% to 2%
- Increase in overtime due to high vacancy rates

2023-24 Expenditure Picture

	2022-23 Adopted Budget	2023-24 Base Request	Change from 2022-23	% change from 2022-23
Salary & Wages	153,386,297	164,068,350	10,682,053	7.0%
Extra Help	6,625,369	5,775,441	(849,928)	-12.8%
Overtime	4,969,444	4,698,386	(271,058)	-5.5%
Retirement	55,528,672	59,156,263	3,627,591	6.5%
OPEB	11,959,121	12,724,312	765,191	6.4%
Other Salary & Benefit Categories	48,749,120	51,688,150	2,896,639	5.9%
Total Salary and Benefits	281,218,023	298,110,902	16,850,488	6.0%

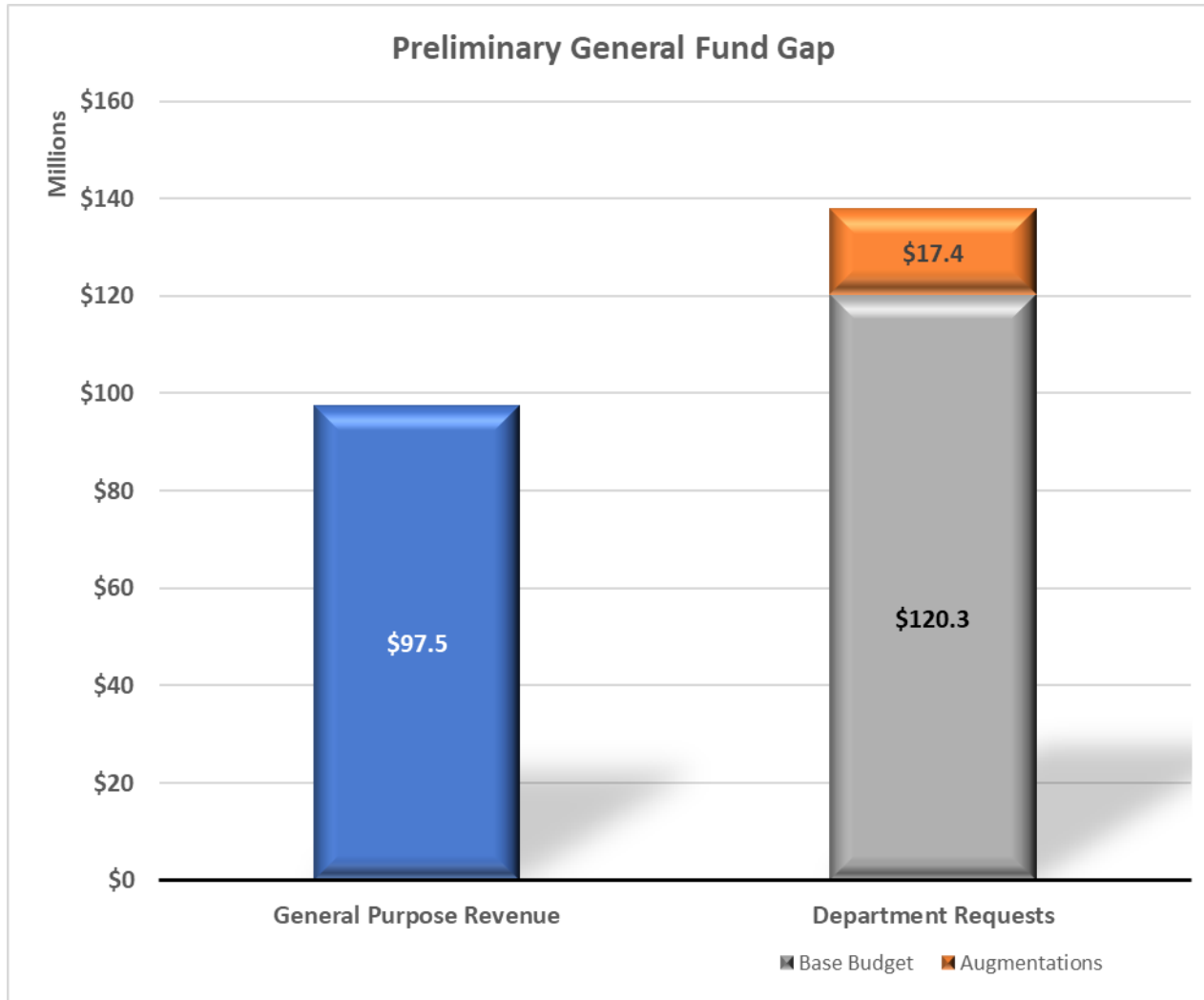
Pension Liability



Employer Pension Contribution Rates

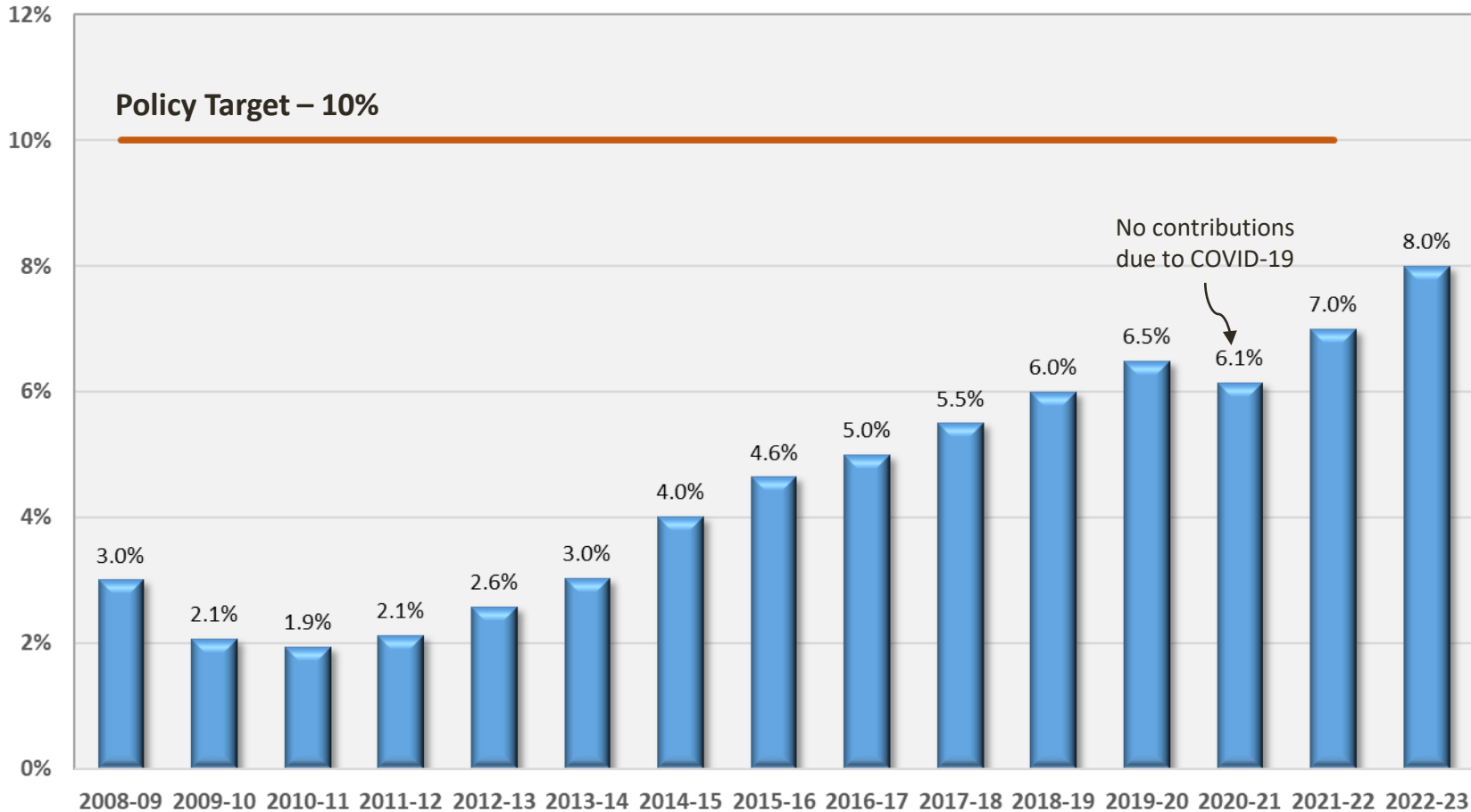
Fiscal Year	Misc	Safety	Trust
2018-19	25.3%	36.0%	1.00%
2019-20	28.4%	40.1%	1.25%
2020-21	30.4%	43.7%	1.25%
2021-22	31.4%	44.4%	1.50%
2022-23	32.7%	46.9%	1.75%
2023-24	32.6%	46.3%	2.00%
2024-25	34.1%	48.8%	2.25%
2025-26	32.4%	48.9%	2.50%
2026-27	32.6%	47.7%	2.50%
2027-28	32.5%	47.4%	2.50%

General Purpose Revenues vs Department Requests



General Reserve Continues to Increase

General Reserve Percentage



Future Challenges

- Increasing salary and benefit costs outpacing revenue growth
 - Move to 100% of market
 - Continued pension increases
 - Service level expectations may call for additional staff the county has limited ability to afford
- Use of vacancy savings to balance the budget
- Reliance on fund balance
- Risk of possible recession on the horizon

Questions?

