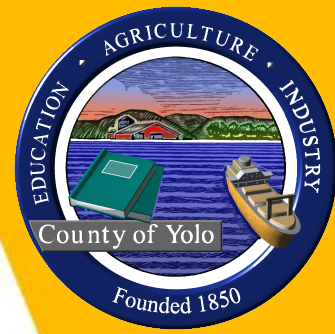


County of Yolo

2025-26 Budget Development Update

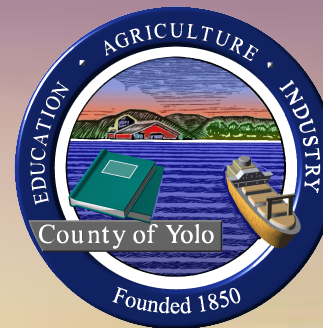
March 11, 2025

Tom Haynes, Chief Financial Officer
Laura Liddicoet, Chief Budget Official



Budget Development Update Overview

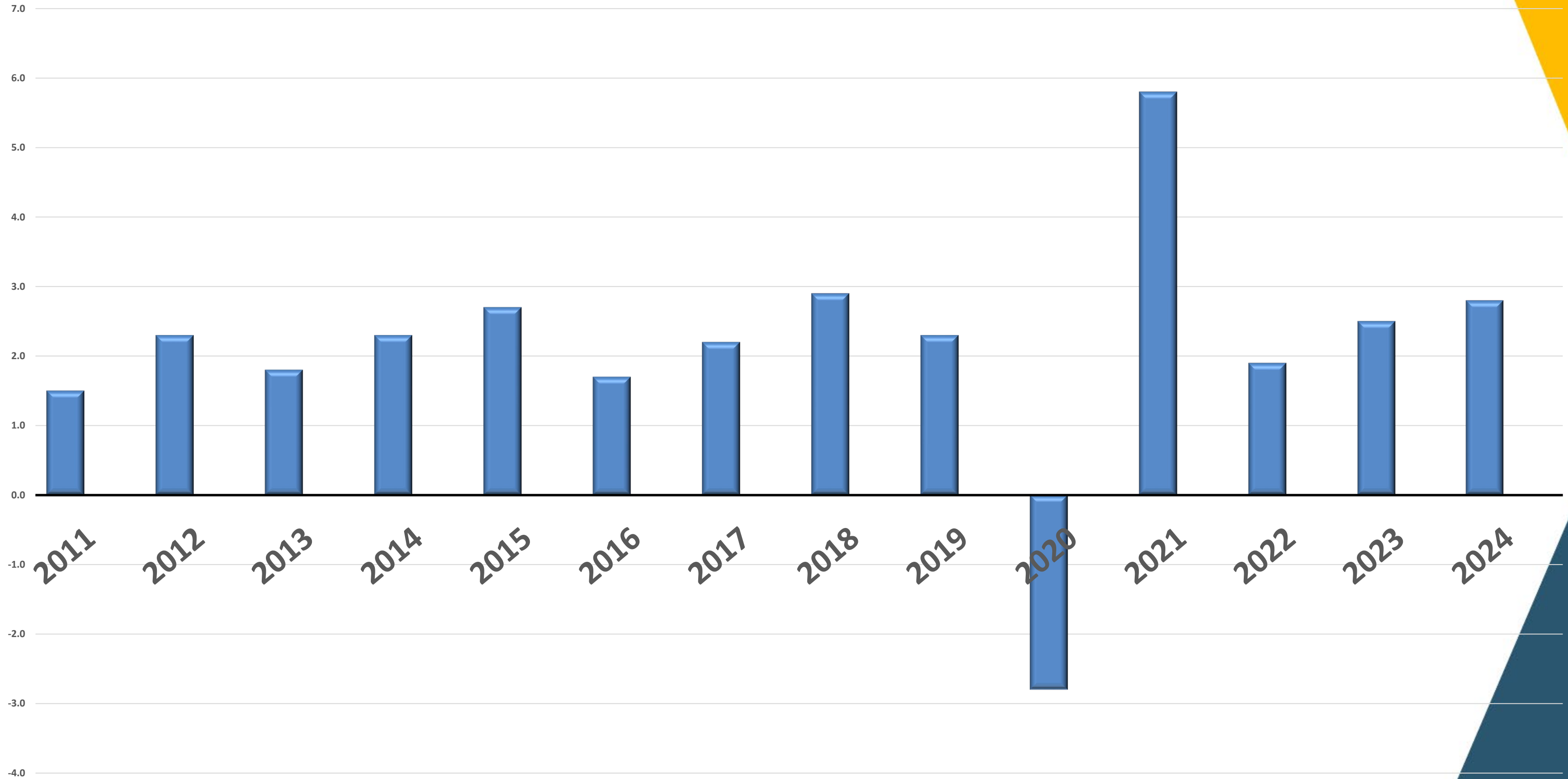
- Begin reviewing 2025-26 budget data in greater detail
- Presentation Overview
 - Review economic outlook & key Yolo County fiscal metrics
 - Overview of key revenue & expenditure drivers
 - Discuss preliminary budget gap and potential balancing options
 - Next steps
- Seeking Board feedback and direction on budget outlook and potential balancing options

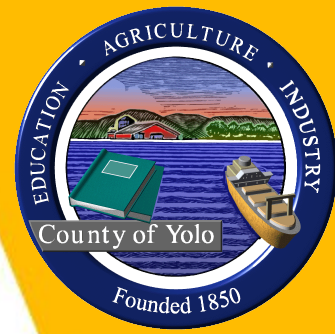


Economic Outlook

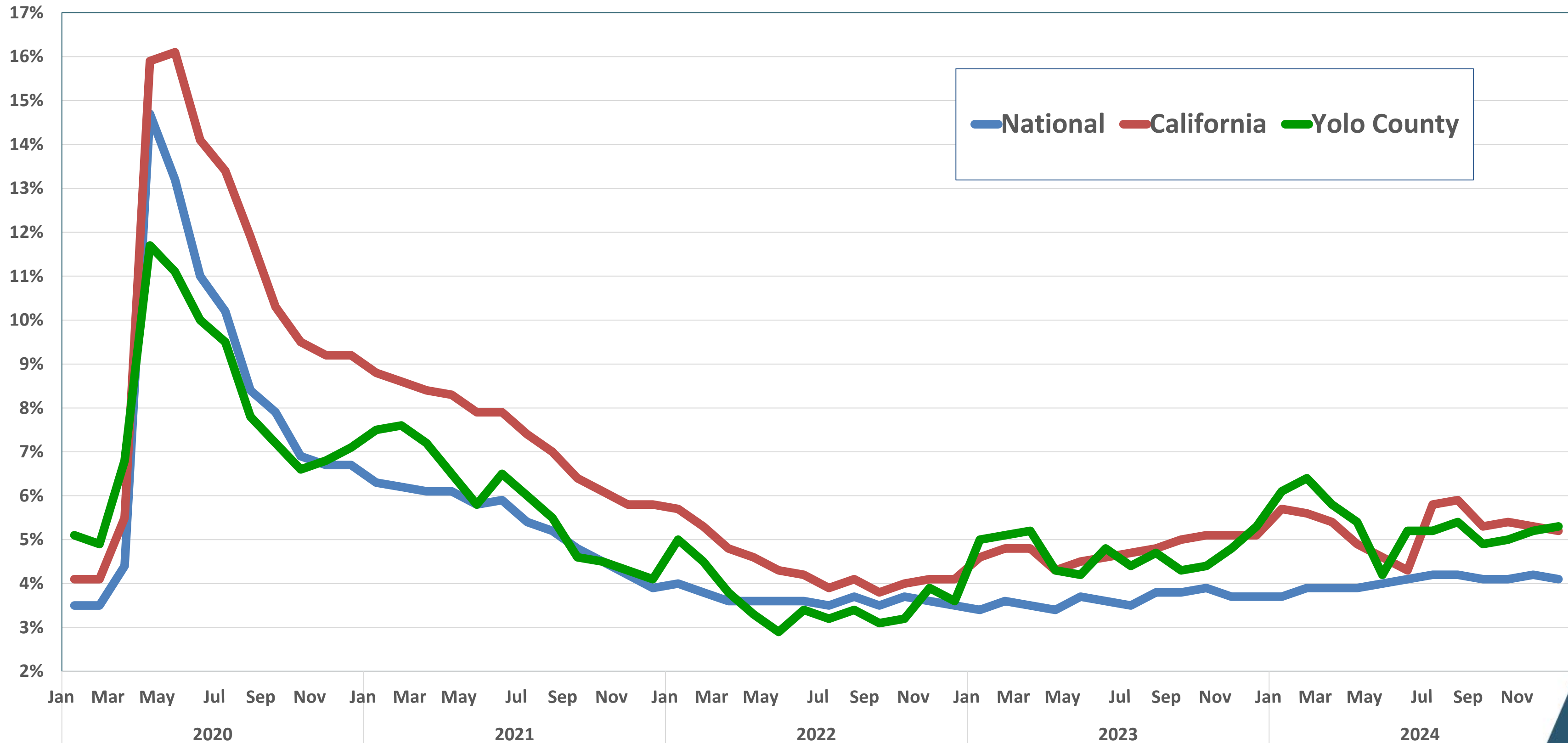


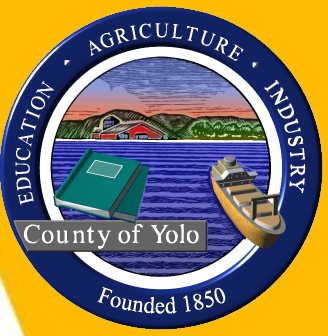
GDP Growth Remains Relatively Strong





Unemployment Rate Rising Gradually

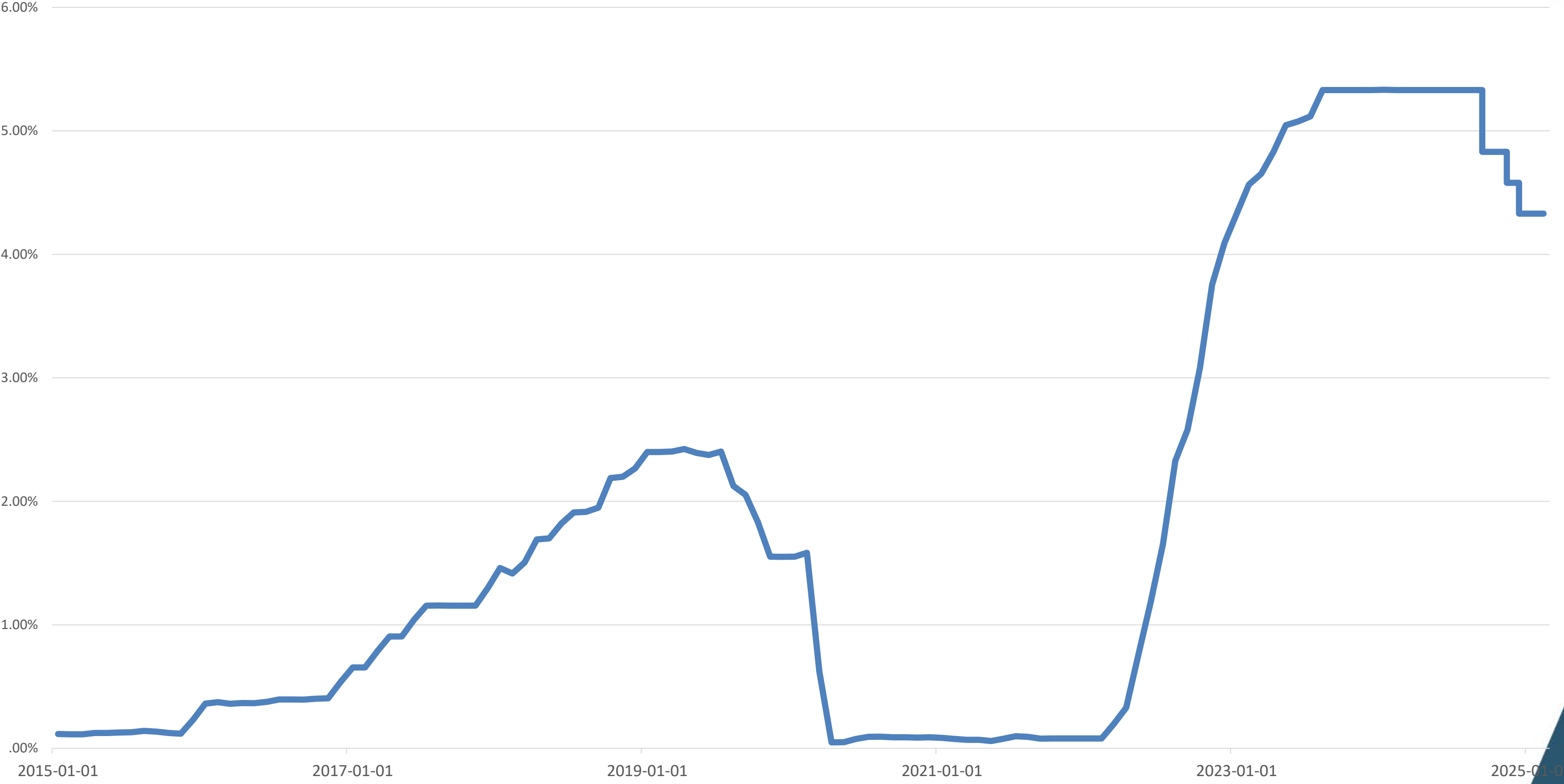
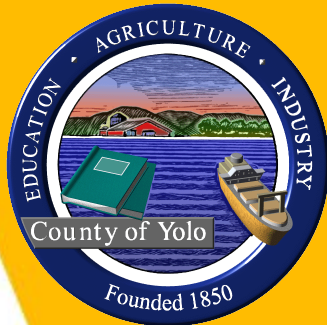


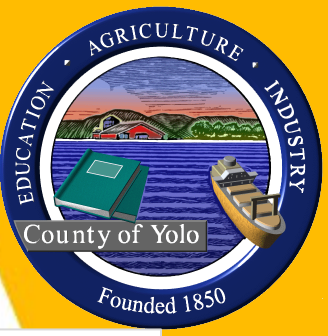


Inflation Lower But Remains Stubborn

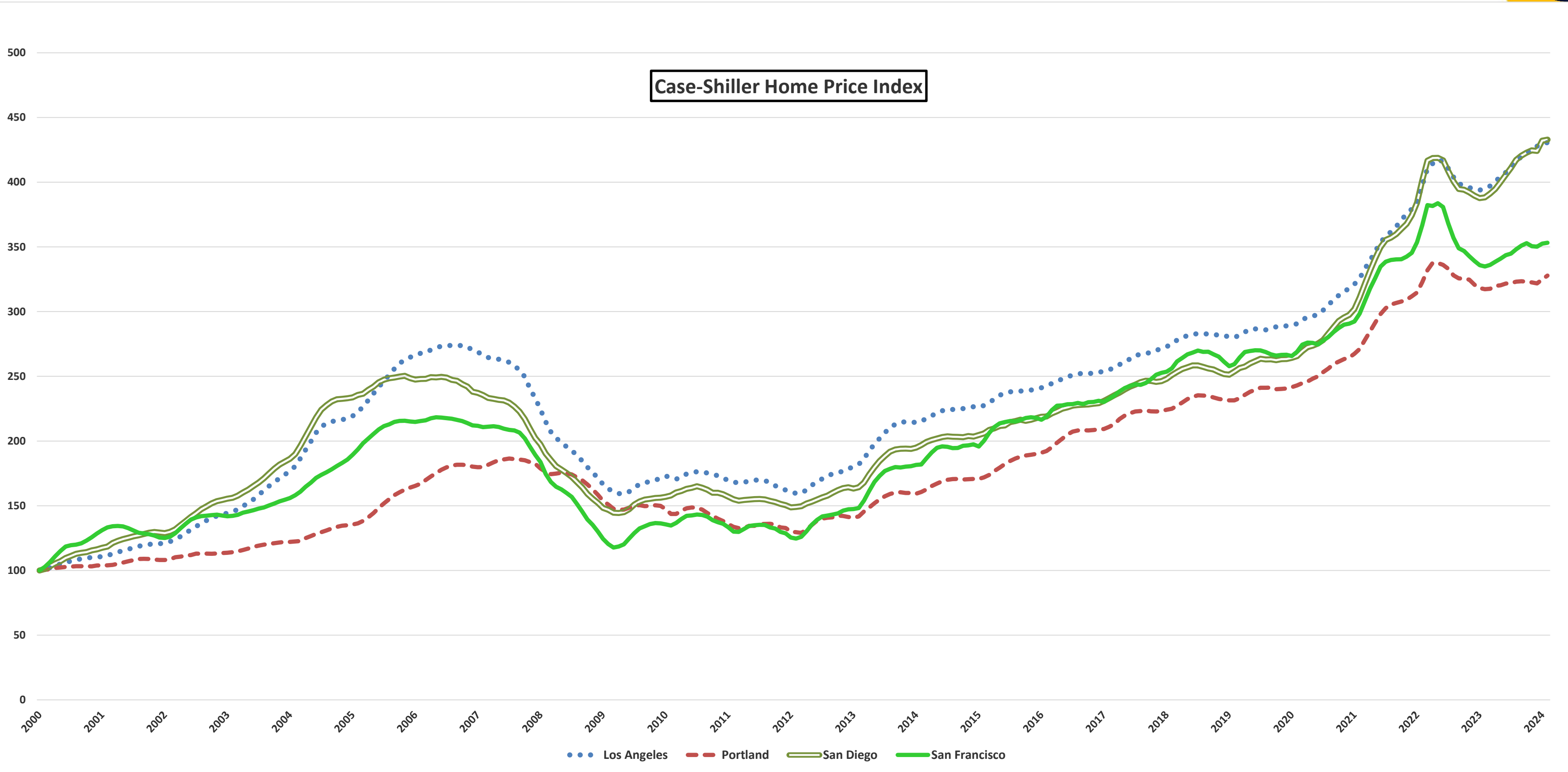


Interest Rates Slowly Declining



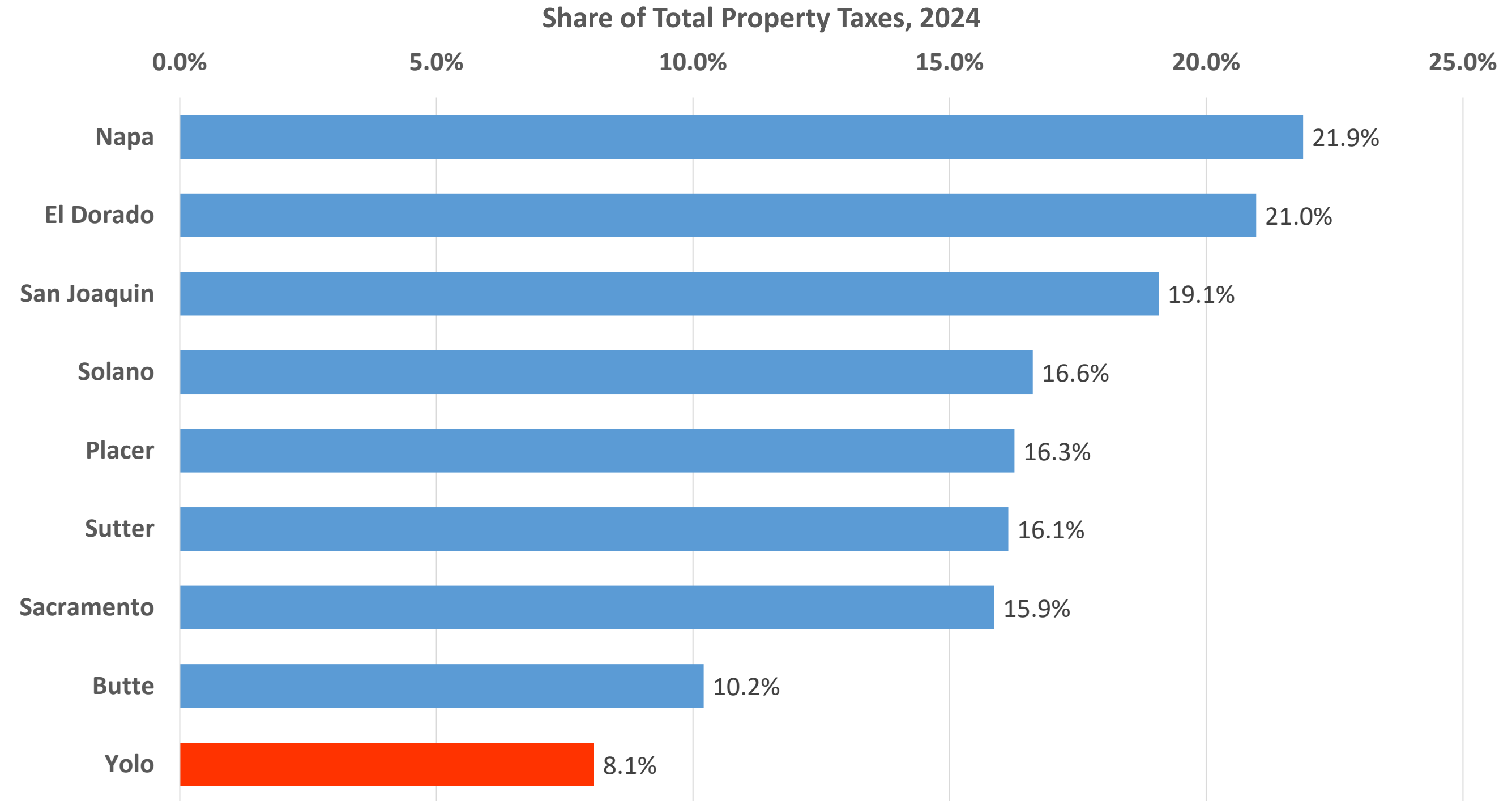


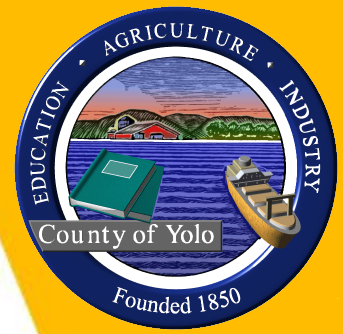
Home Prices Resuming Upward Trend





Yolo Property Tax Share



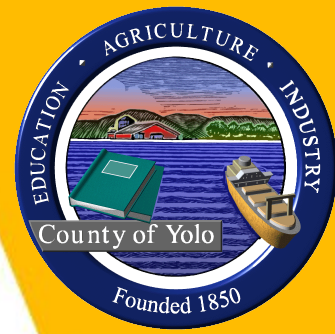


Economic Outlook

- Economy projected to continue growing, but at a slightly slower pace
- Inflation likely to remain above the Fed's 2% target
- Potential impacts resulting from tariffs and deportations will be a point of focus
- High degree of uncertainty in the economic outlook because of federal actions



FY 2025-26 Budget Outlook



Options Presented at the 2024-25 Adopted Budget Hearing

Hiring Review

Hiring Freeze

Elimination of vacant positions

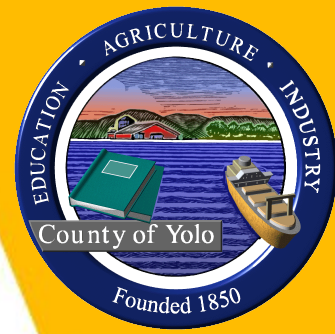
Department Reduction Plans

Mandatory/
Discretionary
Program Analysis

Reduction/elimination
of discretionary
programs

Furlough

Use of Reserves



Addressing Structural Budget Deficit

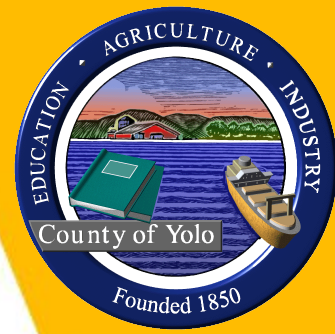
1. Commitment to achieving structurally balanced budget
2. Will require a multi-year process
3. Implement an immediate hiring review
4. Continue to identify one-time funding and solutions to avoid severe program and service impacts
5. Evaluate use of restricted department funding
6. Departmental reduction process
7. Evaluate options for long-term cost savings
8. Evaluate options for ongoing revenue enhancement

2025-26 Budget Principles

Strengthen financial sustainability by working towards achieving a structurally balanced budget. We will do this by seeking out all opportunities for ongoing revenue enhancements and long-term cost savings while considering all options to minimize program reductions.

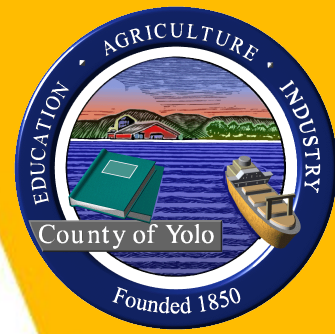
Identify one-time solutions, including funding sources and budgetary solutions, to mitigate program reductions and service impacts, while we develop longer-term solutions.

Pursue grant funding where opportunities exist, provided those opportunities do not lead to ongoing expenses that the County will have to finance in future years.



2025-26 Revenues

Revenue Source	2023-24 Actual	2024-25 Adopted	2025-26 Projected	Change from 24-25 Adopted
Property Tax	75,521,599	78,626,801	82,206,040	3,579,239
Teeter	1,452,957	2,000,000	2,000,000	-
Sales Tax	6,269,706	5,646,195	5,565,781	(80,414)
Tribal Proceeds	5,342,000	5,369,004	5,342,000	(27,004)
Overhead Costs Reimb.	6,801,954	5,100,000	5,100,000	-
Document Transfer Tax	1,256,041	1,300,000	1,300,000	-
Williamson Act	1,254,149	1,488,486	1,488,486	-
Interest Earnings	1,260,093	750,000	1,250,000	500,000
Other Government Wldd	658,675	685,816	592,498	(93,318)
Penalty on Delq Taxes	364,566	365,000	365,000	-
Vehicle Code Fines	68,425	63,000	63,000	-
County Stabilization	574,000	574,000	574,000	-
Franchise Fee/Royalties	1,006,567	1,000,000	1,000,000	-
Hotel/Motel Tax (TOT)	509,616	581,246	616,635	35,389
Justice Collections	639,963	304,000	304,000	-
Other	1,190,096	1,158,992	1,183,492	24,500
TOTAL REVENUES	\$ 104,170,407	\$ 105,012,540	\$ 108,950,932	\$ 3,938,392

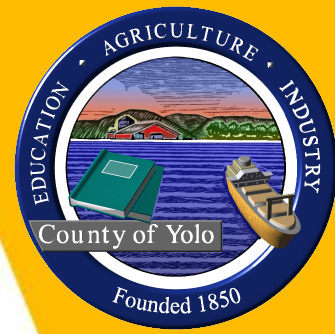


2025-26 Revenues

- Public Safety Prop. 172 Sales Tax:

Department	2024-25 Adopted	2025-26 Projected	Variance
Sheriff	\$ 17,095,031	\$ 17,414,642	\$ 319,611
Probation	\$ 5,698,344	\$ 5,804,881	\$ 106,537
District Attorney	\$ 5,698,344	\$ 5,804,881	\$ 106,537
Grand Total	\$ 28,491,718	\$ 29,024,403	\$ 532,685

- Public Safety Realignment growth decrease by approx. \$27K
- Health & Human Services Realignment growth increase by approx. \$164K



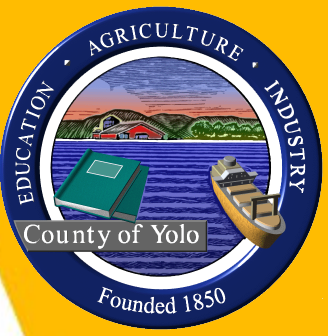
2025-26 Expenditures

- Salaries & benefits make up \$323 million or 43% of the County's operating budget
 - 3% Cost of Living Adjustments across all bargaining groups
 - Second year of phased in equity adjustments

- Pension rates continue to increase

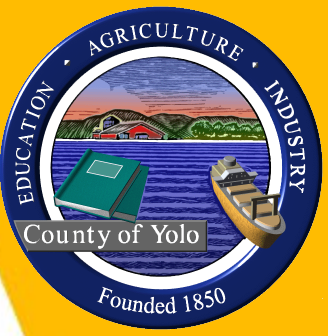
	2024-25	2025-26	Change
Misc. Plan	33.7%	33.2%	-0.5%
Safety Plan	50.0%	50.9%	0.9%
Supplemental	0.0%	2.25%	2.25%

- Energy and insurance costs reflect continued sharp increases



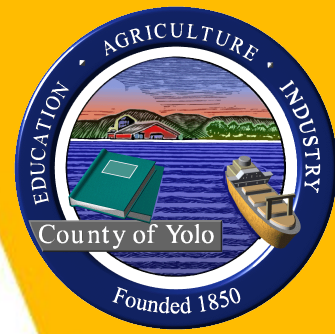
2025-26 Expenditures

Expenditure Category	Base Expense	Percentage of Budget
Salaries and Benefits	322,620,493	43.3%
Services and Supplies	230,341,536	30.9%
Other Charges	126,742,402	17.0%
Capital Assets	27,959,915	3.7%
Other Financing Uses	16,161,542	2.2%
Contribution to Fund Balance	20,602,301	2.8%
Total	744,428,189	100%

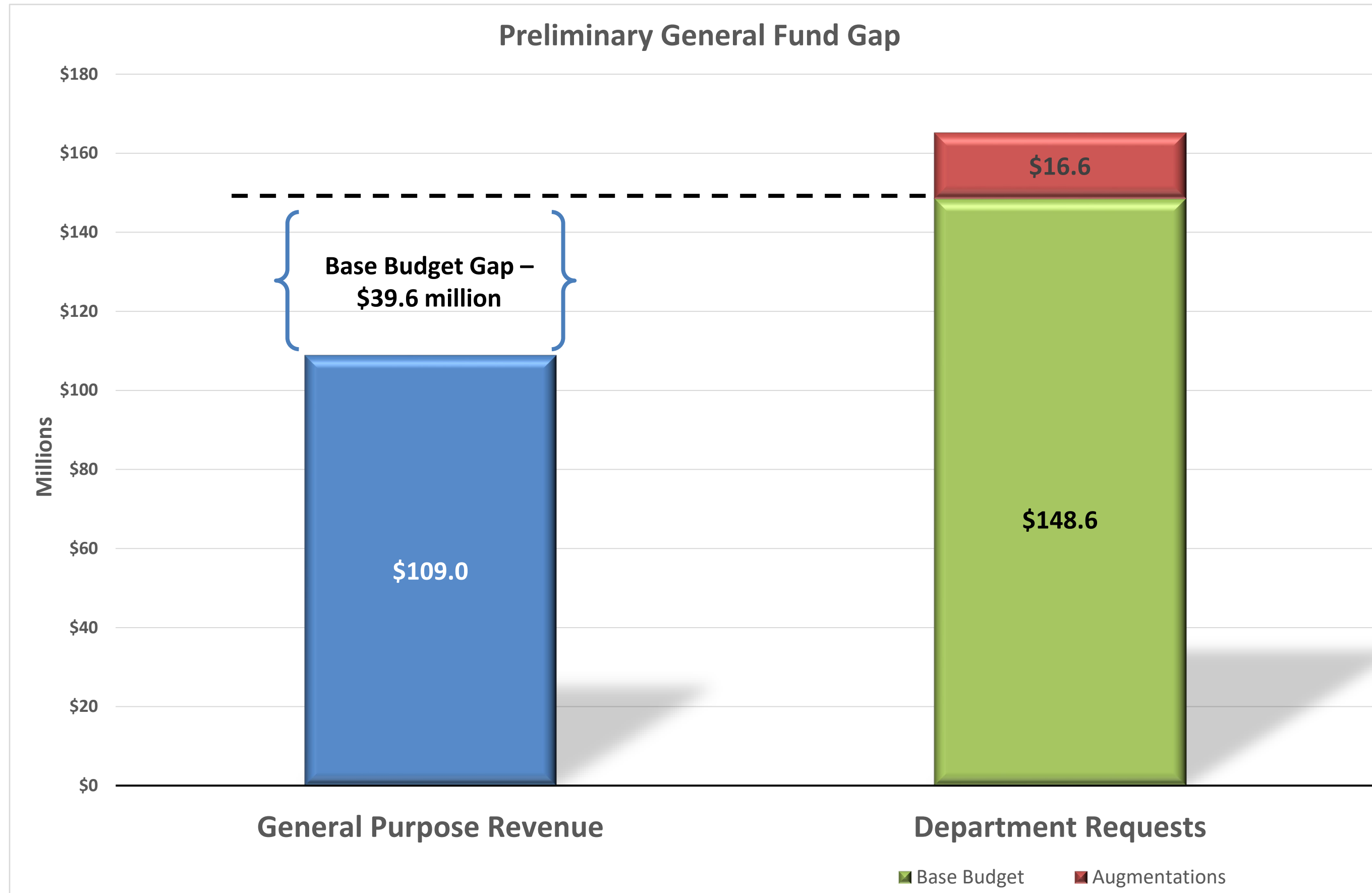


2025-26 Expenditures

Expenditure	FY2025-26	FY2024-25	Variance
Electricity	7,488,245	5,005,633	2,482,612
Unemployment Insurance	203,076	369,578	(166,502)
Workers Compensation	5,372,090	5,220,481	151,609
General Liability	7,470,514	6,493,850	976,664

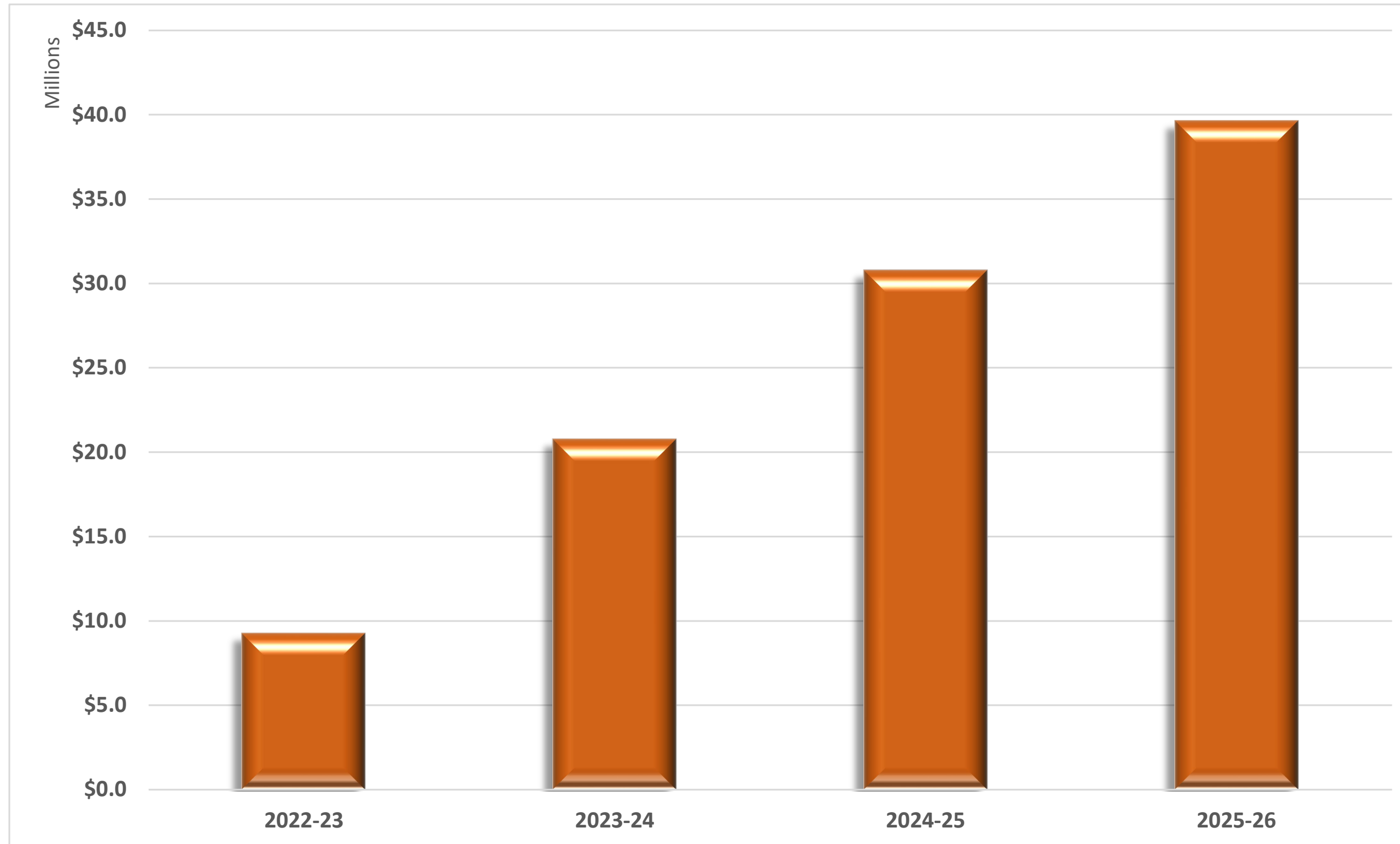


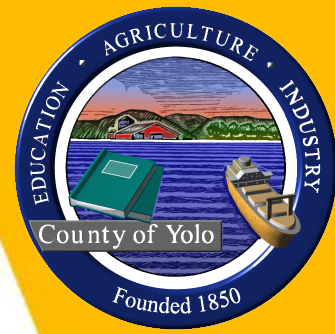
General Purpose Revenues vs Department Requests



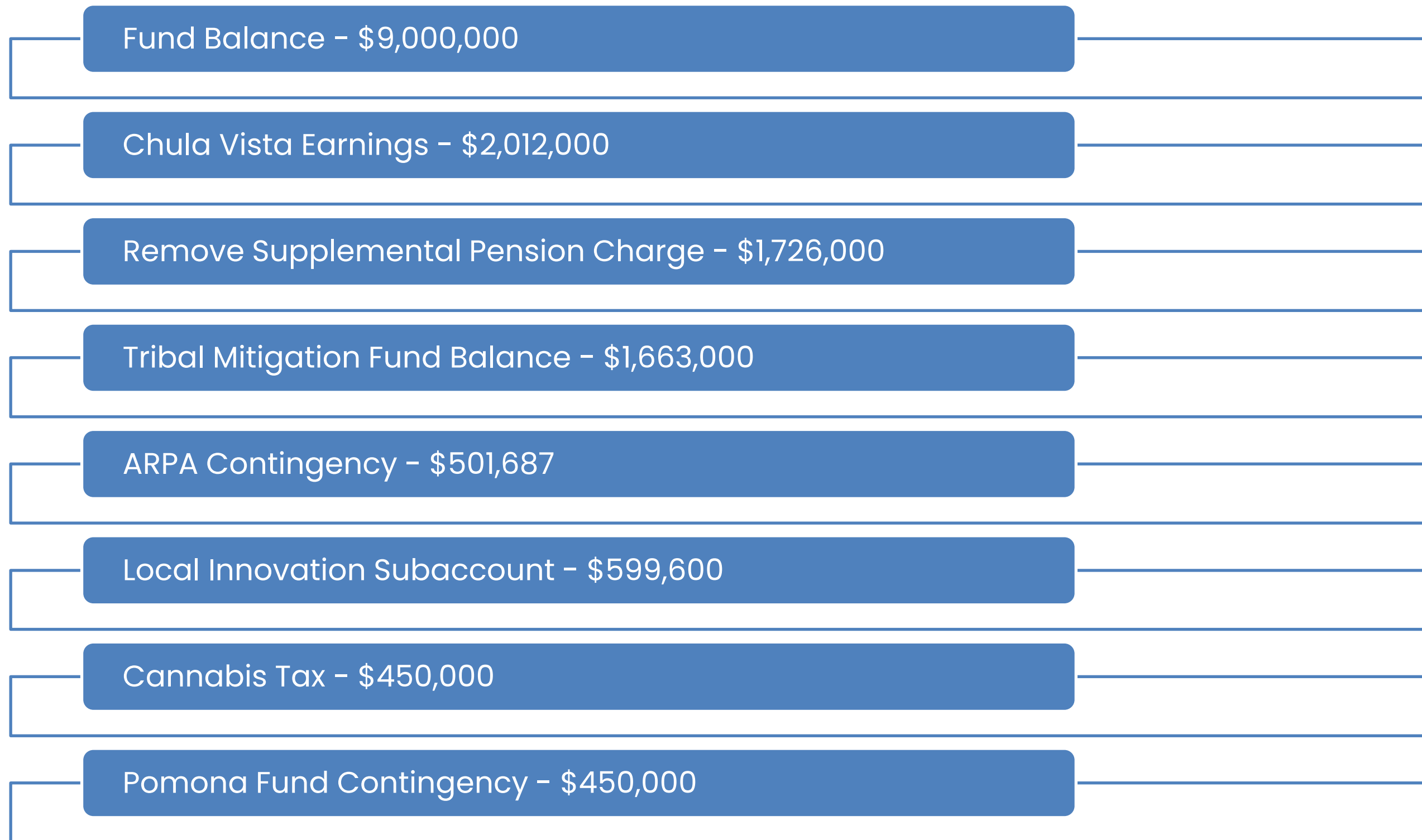


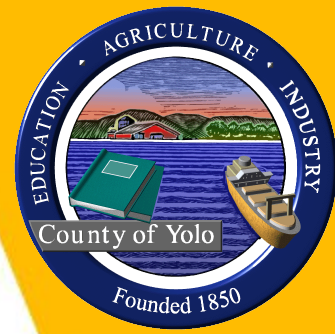
Base Budget Gap Trend





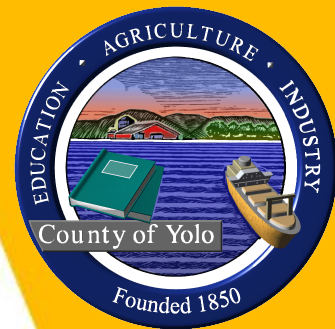
Potential One-Time Solutions





Potential Departmental Reductions

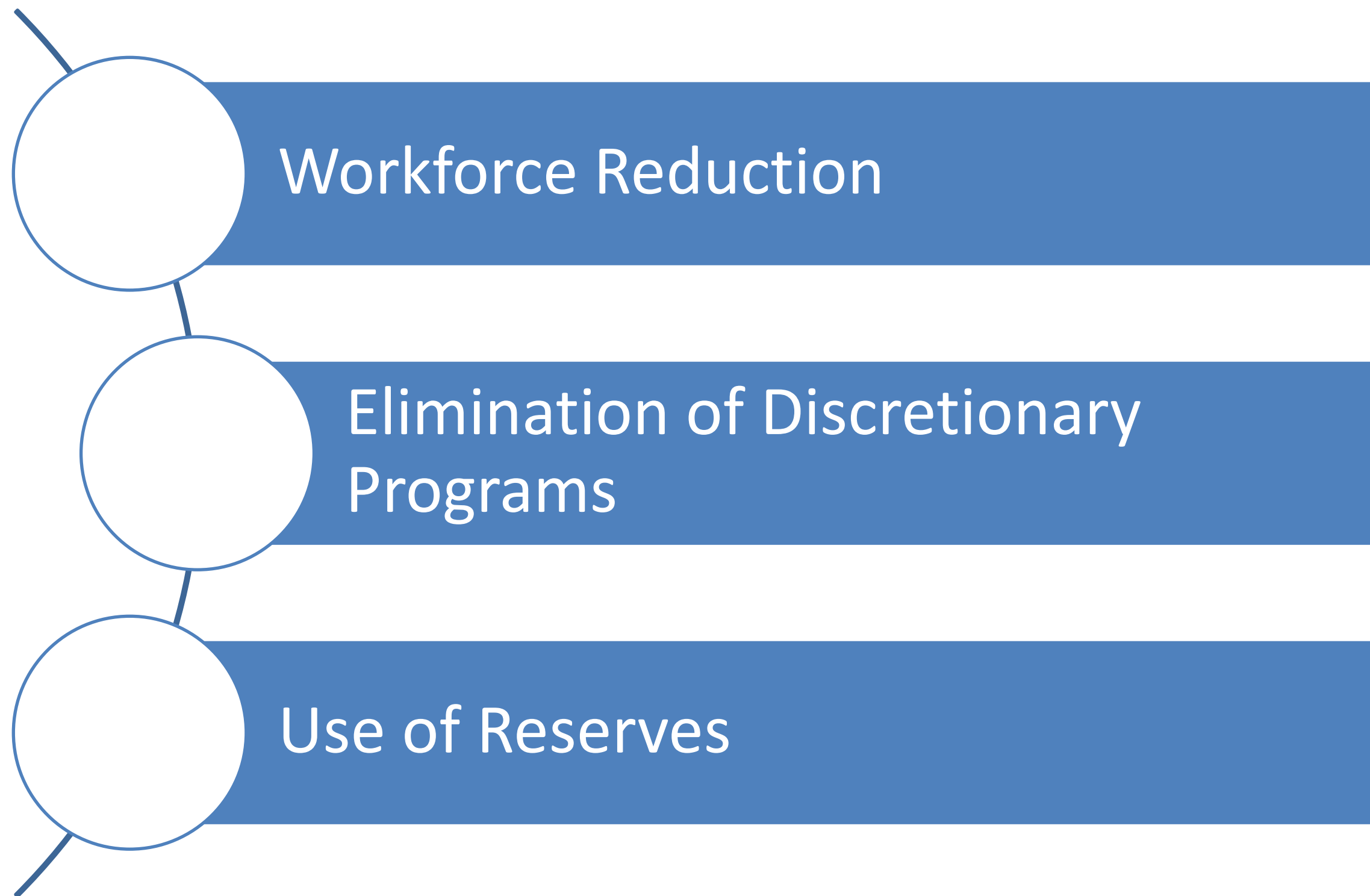
- Elimination of Vacant Positions
- Vacancy Savings
- Underfilling Positions
- Reduction in Extra Help
- Reduction in Overtime
- Reduction in Services & Supplies
- Fee Increases
- Increased Cost Recovery
- Reduction in CBO Contracts
- Reduction in On-Call Audit Contracts
- Reduction in Travel
- Reduction in Training
- Reduction of Employee Engagement Funding
- Reduction in Fire Sustainability Funding
- Use of Restricted Fund Balances



2025-26 Budget Scenario

2025-26 Base Budget Gap	\$ (39,657,200)
General Fund Balance (estimated)	9,000,000
Public Safety Vacancy Savings	4,250,000
Remove 1% GF and PS Contingencies	2,325,211
Chula Vista Fund	2,012,000
Remove supplemental pension charge	1,726,000
Tribal Fund Balance	1,663,000
ARPA Contingency	501,000
Local Innovation Subaccount	599,600
Cannabis Tax	450,000
Pomona Fund Contingency	450,000
Departmental Reductions	7,700,000
Revised Base Budget Gap	\$ (8,980,389)

Other Potential Budgetary Solutions



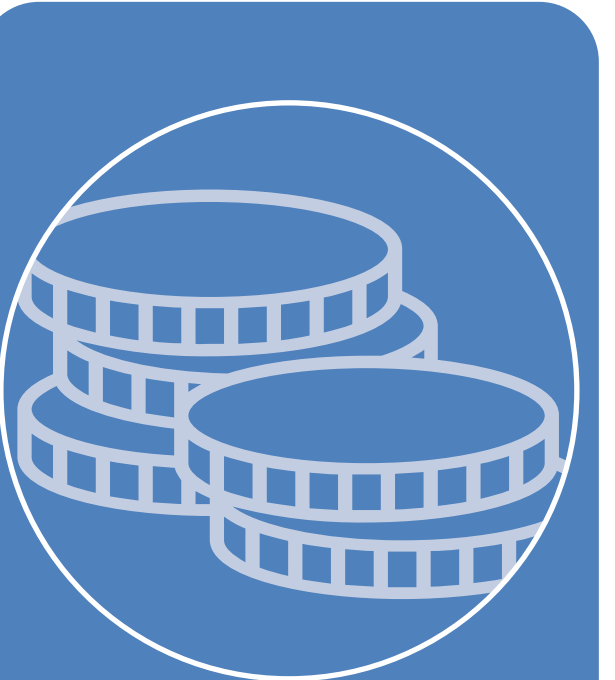
Next steps



Department/
CAO/DFS Budget
Meetings –
March/April



Board Budget
Development
Update –
April 29



Budget
Balancing –
Early May

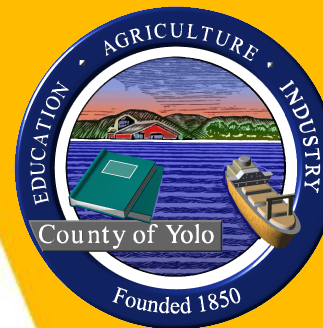


Budget Book/
Briefings –
First Week of
June

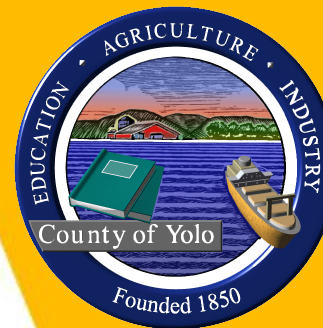


Recommended
Budget Hearing
– June 10

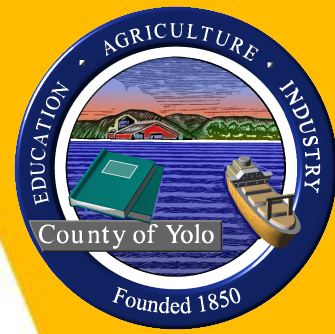




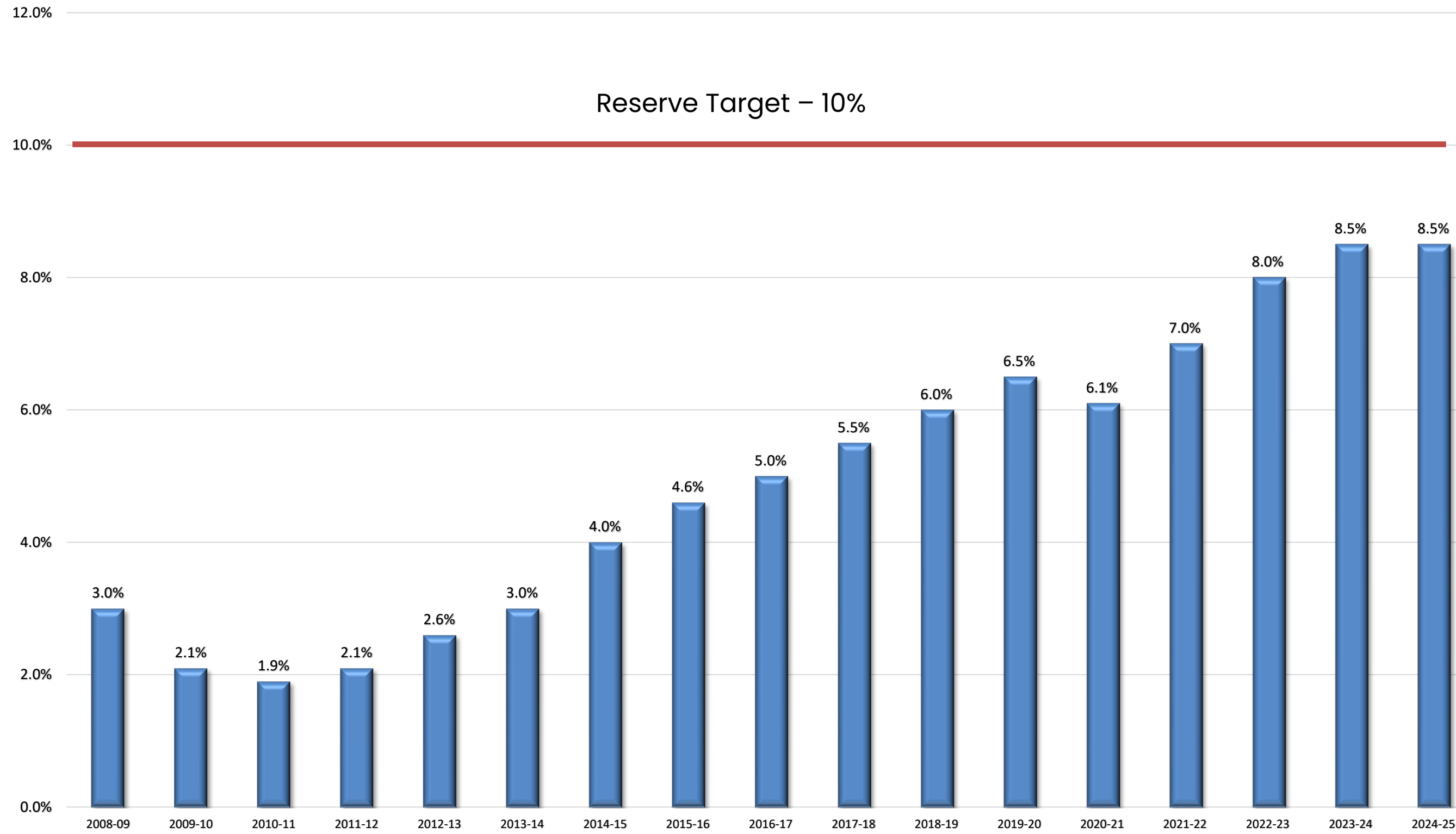
Questions?



Appendix

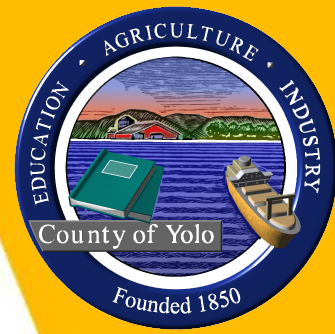


General Reserve



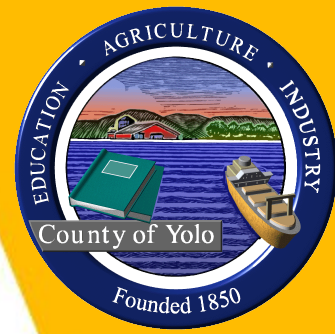
Reserve Target – 10%

Current Balance
\$25.4 million



Requested Base Net County Cost by Department

Department	Requested Base Net County Cost	% of Request
Agriculture	\$2,289,563	1.57%
Assessor/Clerk-Recorder/Elections	\$8,874,536	6.07%
Board of Supervisors	\$3,569,763	2.44%
Community Services	\$4,661,848	3.19%
County Administrators Office	\$4,859,477	3.32%
County Counsel	\$3,111,157	2.13%
Countywide	\$10,552,140	7.22%
District Attorney	\$14,961,482	10.23%
Financial Services	\$4,612,163	3.15%
Fire Districts	\$1,500,000	1.03%
General Services	\$8,690,235	5.94%
Health & Human Services Agency	\$18,345,587	12.55%
Human Resources	\$5,324,139	3.64%
Library	\$456,200	0.31%
Probation	\$4,011,395	2.74%
Public Defender	\$11,686,197	7.99%
Sheriff	\$38,691,380	26.47%
TOTAL	\$146,197,262	100%



FTE Vacancies (Data as of 2/25/25)

Department	Authorized FTE	Filled FTE	Vacancy Rate
Agriculture	23	20	13.04%
Assessor/Clerk-Recorder/Elections	53	50	5.66%
Board of Supervisors	15	14	6.67%
Child Support Services	63	54	14.28%
Community Services	166	155	6.63%
County Administrator's Office	24	20	17%
County Counsel	12	11.7	0
District Attorney	120	108	10%
Financial Services	35	31	11.4%
General Services	38	30	21%
Health & Human Services Agency	744.93	640.13	14.1%
Human Resources	18	16	11.1%
Innovation Services	43	33	23.25%
Library	44.2	40.2	9.05%
Probation	105	84	20%
Public Defender	52	49	5.77%
Sheriff	291	243	16.5%
TOTAL	1,847.1	1,599	13.4%