Budgetary Assumptions for FY 2018-21

1. Revenues are budgeted at actual projected amounts in Year 1 of the budget.

2. Except for a few noteworthy exceptions, all Year 2 revenues equal Year 1, with annual increases of 1.0% in Years 3 and 4. Exceptions: Casino Business License revenue which is budgeted at 3.0% growth in each fiscal year; Measure Q, which decreases by ¼ cent in November 2017; and three other various revenues that are new sources and expected to change dramatically in the first couple of years.

3. No grant revenues are budgeted, but can be added throughout the cycle as grant awards are received.

4. All salaries are budgeted at one step down from top step (Step D in five-step ranges and Step E in proposed six-step ranges), including vacant positions. Budgeted salaries also include in-lieu benefits, cell phone stipends, and other specialty pays and wages.

5. All positions, including part-time, are fully budgeted each fiscal year with 3.0% COLA's except for members of AIE (Association of Intermediate Employees) who are proposed to receive 2.5% COLA's as negotiated.

6. In Year 1, all filled, benefitted positions are budgeted at 90% of the Kaiser rate for the actual level of medical coverage received and full-family dental coverage. Each succeeding year includes an additional 5% premium increase. All vacant positions are budgeted at two-party medical and full-family dental coverage.

7. All formula-driven benefits and insurances such as Medicare (1.45% of salary) are based on actual cost. If budgetary adjustments are necessary, they will be made at mid-cycle.

8. Pension rates are calculated by PERS and are budgeted in the document in the following amounts. These rates are for the employer cost only and do not include the employee portion of PERS.

PERS Rates

	Miscellaneous Employees		Sworn Employees	
Fiscal Year	**Classic**	**PEPRA**	**Classic**	**PEPRA**
FY 17/18	10.11%	6.533%	19.723%	11.990%
FY 18/19	10.1%	6.5%	19.7%	12.0%
FY 19/20	10.1%	6.5%	19.7%	12.0%
FY 20/21	10.1%	6.5%	19.7%	12.0%

9. Because of the decrease in the discount rate for CalPERS pensions, coupled with significant investment losses and changes to actuarial assumptions (e.g. decreasing mortality rates), CalPERS now requires separate, catch-up payments for unfunded actuarial pension liabilities (UAL). These amounts are included in the Non-departmental Budget (1430) at $1,746,000 in Year 1, $2,252,000 in Year 2, $2,805,000 in Year 3, and $3,327,000 in Year 4.

10. Other Post-Employment Benefits (OPEB), namely health insurance coverage for retirees, is included in the budget at $500,409 per year for Fiscal Year 2018 through Fiscal Year 2021 using the "pay-as-you-go" methodology.

11. Service and supplies expense budgets were requested by individual departments in the first two years of the budget cycle. The last two years of the cycle, were established by formula, with Year 3 of the budget equaling Year 2 and Year 4 equaling Year 3. In this way, budgeting was mostly static over time to prevent budget creep, except in cases where large changes were anticipated. For these, the changes were reflected in the numbers.