

County of Lassen
ADMINISTRATIVE SERVICES



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Memorandum

Agenda Date: September 26, 2023

To: Board of Supervisors

From: Richard Egan, CAO

A handwritten signature in blue ink, appearing to be "Richard Egan", is written over the "From:" line.

Subject: Fiscal Year 2023-2024 Budget Hearing and Budget Adoption

Fiscal Impact: Provide appropriations for the 2023-2024 Fiscal Year.

Action Requested:

1. Open public hearing on the fiscal year 2023-2024 Lassen County Budget; and
2. Either continue the public hearing or take action as follows: a) Adopt resolution establishing appropriations limit in the amount not to exceed \$40,544,923 for Fiscal Year 2023–2024 pursuant to California Constitution Article XIII-B and Government Code § 7910; b) approving the 2023-2024 Lassen County Budget; c) setting the 2023–2024 tax rate; and d) approve the change of the 160 fund from the CARES fund to the Network Infrastructure fund.

Discussion:

Consistent with County Code, the attached budget is hereby recommended by the County Administrative Officer. It includes projected revenues of \$137,554,228 and projected expenditures of \$154,120,182. Departments made requests for revenues in the amount of \$134,708,316 and expenditures in the amount of \$155,496,508. The budget recommendation is based on anticipated fund balances, prior to final Auditor closing.

Included in your binders are the Fund Summary, Revenues, and Expenditures as well as an Allocated Position Schedule found in Section 15.

Revenues and expenditures were reviewed by Administration on a line-by-line basis and compared

to prior year actuals.

Much like past years, it has been a challenging year to reach a balanced budget. Revenues and expenditures are anticipated as outlined and budgeted expenditures will support department's basic needs for providing services. Department Heads will need to monitor budgets very closely during the fiscal year and adjustments may be needed at mid-year.

Vacancy Factor

Departments calculated and budgeted any vacancy amounts anticipated due to possible or potential vacancies. The amounts are included in budget units expected to incur employee vacancies during the fiscal year.

Position Changes

The recommended Allocated Position Schedule found in Section 15 includes employee title, range and full time equivalent (FTE) categorized by Fund and Budget unit. The total FTEs have decreased from 449.020 FTEs in FY 22-23 to 447.490 FTEs. This decrease of 1.53 net FTEs is a result of minor decreases in some departments, such as Personnel and consolidation of the Auditor/Controller and Tax Collector/Treasurer. The most notable changes in this year's FTEs are an additional Account Technician in the Auditor's office, a request to fill the Network Services Manager balanced by the request to freeze the Information Services Supervisor, a new series for Technical Services Specialist, an additional Clinical Supervisor in Behavioral Health, and an additional Integrated Case Worker in Community Social Services.

Public Safety Contribution (Fund 130)

The General Fund contribution to Public Safety is \$7,963,771. This contribution decreased from fiscal year 22-23 by \$497,724. Additional contributions to Public Safety from the PG&E Settlement Fund (103) of \$500,000 and from the Local Assistance and Tribal Consistency Fund (LATCF) (113) funding of \$421,068 have been added to this year's budget to offset operating costs. New funding is being pursued by Public Safety departments including Care Court funding and Opioid Settlement expenses to help increase Fund 130 revenues and may be brought back at mid-year.

Courthouse Square Construction (Fund 154)

For Fiscal Year 23-24, Fund 154 provides for implementation of the approved phasing plan for the historic courthouse project as presented to the Board on March 26, 2019. FY 23-24 activities will include completion of tenant improvements including mechanical, electrical, plumbing, security, information technology, telecommunications for various county departments and to convert the historic courtroom into the board of supervisors' chambers. Additionally, repopulating and reopening of the courthouse should occur prior to FY 24-25. Funding for this project includes a contribution

from LATCF funding, in the amount of the \$1,500,000 and the rest of the state grant funding in the amount of \$2,923,623. Other expenditures will be accounted for with money from the last FY 22/23 contributions.

Hemp and Marijuana

The revenue line items in the budget related to hemp and marijuana have been adjusted. The General Fund includes estimated amounts of \$500 for Hemp Tax and \$200,000 for Marijuana Tax. Also included in the budget in the Planning and Building division is Marijuana Revenue of \$65,000, which includes code enforcement efforts and abatement. Citation revenue is included here as well and some additional revenues may come from this activity.

Fund 160

Fund 160 was previously used for the COVID-19 state and federal funding for the County. Last year, the final allocation of this funding was made. As there is no longer a need for this fund to manage COVID-19 funding, the fund is being reassigned, upon approval, to the Network Infrastructure fund for the ISD department. This fund will receive yearly contributions from the ISD department to help fund future County-wide infrastructure projects. This year, a switching project will be budgeted for with contributions from ISD, HSS and the PG&E settlement.

Honey Lake Valley Recreation Authority

The recommended budget includes contributions for \$80,000, (Fund 100) in support of the pool.

Additional Funding Sources

The County received additional funding from the PG&E Settlement (Fund 103), Opioid Settlement (Fund 102) and LATCF (Fund 113) federal funding. The PG&E Settlement is one-time money with unrestricted use. For the FY 23-24 the PG&E Settlement fund will make contributions to Fund 130 for operating costs, Fund 150 for capital projects throughout the county, including Jail improvements, Fund 136 for the Emergency Operating Plan, and Fund 160 for the switch improvements. A total contribution of \$1,560,000. The Opioid Settlement is yearly funding until the settlements are paid and has restricted use and strict reporting requirements. For the FY 23-24, revenues for the District Attorney's Office, Sheriff's Office, Dispatch, Jail and Probation were bookmarked for reimbursement for a total of \$85,000. This amount may be increased at mid-year for approved projects. The LATCF funding was a two-year funding source for a total of \$8,000,000, \$4,000,000 in FY 22-23 and \$4,000,000 in FY 23-24. In FY 22-23, a contribution was made to the Courthouse Renovation Project in the amount of \$1,500,000. In FY 23-24, a \$1,500,000 contribution is proposed to be made again to the Courthouse Renovation Project and a proposed contribution to Public Safety for \$697,000 for a total of \$2,197,000.

Other Financial Information

Two transfers are recommended from Accumulated Capital Outlay (Fund 119), one for Capital Projects (Fund 150) \$120,000 for planned projects and one to General Fund (Fund 100) in the amount of \$300,000 for departmental support.

From Community Corrections Partnership (Fund 138) \$600,000 is budgeted to go to various budget units for Public Safety support (Fund 130). Funding is also budgeted from this fund to go to Probation for Administrative Costs of \$746,212 (Fund 145).

A transfer from the Tobacco Settlement Fund (Fund 169) of \$200,000, and from General Fund (Fund 100) of \$102,000, will be transferred to Debt Service (Fund 170) to provide for the current year's debt service payment.

Funding is recommended from General Fund (Fund 100) for Natural Resources (Fund 141) in the amount of \$179,617 for support.

A Contingency is budgeted in the General Fund Budget (Fund 100) in the amount of \$200,000, and will require a 4/5ths vote to expend.

The recommended budget is balanced without a fiscal year contribution from the General Reserve, which has a projected ending balance of \$1,488,401 for FY 23/24.

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RESOLUTION NO.

ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2023-2024 PURSUANT TO CALIFORNIA CONSTITUTION ARTICLE XIII-B AND GOVERNMENT CODE SECTION 7910; APPROVING THE 2023-2024 LASSEN COUNTY BUDGET AND SETTING THE 2023-2024 TAX RATE.

WHEREAS, the People of the State of California adopted Proposition 4 at a statewide election held November 4, 1979 which added Article XIII-B to the California Constitution; and

WHEREAS, said Article XIII-B limits the appropriation of each local government entity to proceeds of taxes to the appropriation limit of the prior year, adjusted for changes in cost of living and population within the jurisdiction of such entity, except as otherwise approved by the electors of such entity; and

WHEREAS, the appropriations limit for fiscal year 2023-2024 is the total of the appropriations subject to limitation of each entity for that fiscal year; and

WHEREAS, it is necessary to establish by resolution the appropriations limit for the COUNTY OF LASSEN for each fiscal year subsequent to fiscal year 1978-79; and

WHEREAS, documentation of the information used in the determination of the appropriations limit established herein for said 2023-2024 fiscal year has been available to the public for more than 10 days prior to the date hereof as required by law; and

WHEREAS, pursuant to Sections 29080, 29081, and 29082 of the Government Code, the Board of Supervisors of the County of Lassen has heretofore duly met and heard all taxpayers, officers and heads of departments upon increase, decrease, omission and inclusion of additional items in the proposed budget of the County for the fiscal year 2023-2024 during which time all additions and deletions to the proposed budget for said fiscal year 2023-2024 were made; and

WHEREAS, said hearings have been concluded.

NOW THEREFORE BE IT RESOLVED, by the Board of Supervisors of Lassen County that the appropriations limit for the COUNTY OF LASSEN is determined to be \$40,544,923, being the previous year's limit adjusted by the growth factor of 1.0257.

BE IT FURTHER RESOLVED that in accordance with Sections 29089 of the Government Code, the Final Budget of the COUNTY OF LASSEN for the fiscal year 2023-2024 be and is hereby adopted, in the form and substance denoted "Final Budget by Fund of Lassen County for 2023-2024".

BE IT FURTHER RESOLVED that pursuant to Section 29125 of the Government Code this board hereby authorizes the County Administrative Officer and the County Auditor, by signature of both, to make changes, as needed, within a budget unit during the budget year provided overall appropriations of the budget unit are not increased.

BE IT FURTHER RESOLVED that the means of financing the expenditure program will be monies derived from Revenue to Accrue, Fund Balance Available, Ad Valorem Taxes, and any Grant monies which have accrued or may become available, all as set forth in said "Final Budget by Fund of Lassen County for 2023-2024".

BE IT FURTHER RESOLVED that the General Tax Rate within Lassen County is \$1.00, pursuant to Revenue and Tax Code 96.8.

The foregoing resolution was adopted at a meeting of the Board of Supervisors of Lassen County, California, held on the ____ day of _____, 2023, by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

Chairman of the Board of Supervisors
County of Lassen, State of California

ATTEST:
JULIE BUSTAMANTE
Clerk of the Board

BY _____
Deputy Clerk of the Board

I, _____, Deputy Clerk of the Board of the Board of Supervisors, County of Lassen, do hereby certify that the foregoing resolution was adopted by the said Board of Supervisors at a meeting thereof held on the _____ day of _____, 2023.

Deputy Clerk of the County of Lassen Board of Supervisors