

**Lassen County Budget, Legislative and Audit Oversight Committee
Meeting Minutes of June 11, 2018**

CALL TO ORDER- Chairman Gallagher calls the meeting to order at 10:02 a.m. (Vice-Chairman Hemphill enters at 10:05 am.)

INTRODUCTIONS- Introductions are not made but the following are present: Chairman Chris Gallagher, Vice-Chairman Jeff Hemphill, Richard Egan, Tony Shaw, Julie Morgan, Diana Wemple, Lori Pearce, Bob Burns, Barbara Longo, Yvonne Smith, Nancy Cardenas, Kristina Divine, Maury Anderson, Brooke Suarez, Jennifer Branning, Jessica Valdovinos, Rhea Giannotti, Dean Growdon, Gina Mineau, Kevin Jones, Stacey Montgomery, Michelle Latimer, Latoya Salas, Larry Millar, Craig Hemphill, Melyssah Rios, Regina Schaap and Eileen Spencer of KWH.

PUBLIC COMMENT- Eileen Spencer, KWH, provides the group with two handouts. She reads the contents of letter one regarding the failure of Measure J and the budget challenges as a result; and letter two regarding Fund 100-0101-3002800 and the public's concern of the line item abuse.

MEETING MINUTES – None.

BUDGET UPDATE/PROJECTED FUND BALANCE/REVENUE REVIEW–

CAO Egan informs that the meeting is be more of a review of procedure. He asks for feedback from the Board members as to how they would like the budget process handled. Would they like to work out budget issues at the committee level or at a full board meeting? Chairman Gallagher would like to have budget committee meetings and bring final issues to the Board for approval. Vice-Chairman Hemphill concurs.

Chairman Gallagher informs he would like to see a change in how the budget is put together, possibly separate General Fund from other funds. He would like to see the discretionary budgets at the beginning of the document. CAO Egan to work with Julie Morgan to come up with a format showing discretionary budgets.

Eileen Spencer, KWH, comments that spending is a concern when transfers occur from one fund to another. The public does not see that part.

Chairman Gallagher comments he is not worried about line items just the department.

Eileen Spencer, KWH, states the Board has passed spending with nothing in the line item; no revenues; be more transparent.

Assistant to the CAO Julie Morgan provides the budget summary to the group.

Chairman Gallagher comments about carryover projection in the General Fund being \$0 balance. CAO Egan discusses the revenue sources of sales and property taxes. Expenditures included capital improvements at the jail, purchase of cars.

CAO Egan informs the group that bargaining will begin. He assumes no increases to salaries.

He states departments will need to prioritize for reductions:

- Public Safety transfers the same as last year of \$8.8 million;
- Reductions to positions recently added in the last five years;
- Vacant positions remain vacant.

CAO Egan states the group will see the entire budget at the next meeting putting all funds together on the summary.

Treasure/Tax Collector Nancy Cardenas comments that we're not tracking cash. There is confusion of budget vs. actual cash balance.

HSS Director Barbara Longo comments that the General Fund and HSS programs have integrated funds and the requirement of General Fund dollars to match the state and federal programs in order to maintain funding of the services.

CAO Egan asks the group if fees should be raised. Chairman Gallagher states fees should be charged for the cost of the service. If fees are not increased, the service should be stopped. Chairman Gallagher continues that public safety is a priority. Sheriff Growdon comments that vacancy savings is not necessarily a fix. He believes in a balanced approach.

Chairman Gallagher asks about a grant writer. CAO Egan would like to revisit the contract with CalFire. Sheriff Growdon states there is value with the current arrangement.

Chief Probation Officer Branning states the difficulty with unfunded mandates.

County Counsel Burns informs of the sliding scale approach by the courts. Discussion is held.

Chairman Gallagher asks about the court security contract. Sheriff Growdon informs that negotiations are happening now. Sheriff Growdon informs of the potential revenue from a contract with Shasta County.

PUBLIC DEFENDER REVENUES- Rhea Giannotti, Public Defender reads the code 982.8 to the group as to what fees the Public Defender is allowed to collect. Discussion is held.

OTHER – CAO Egan informs the group of contract negotiations with CFMG for a one-year contract and states a long-term agreement will occur after.

OTHER- None.

DISCUSSION OF PENDING ITEMS WITH BUDGETARY IMPACTS OR INCREASES IN POSITIONS –

CAO Egan informs that all vacant positions need to go before the Board of Supervisors before filling.

PBS Director Maury Anderson asks if we are moving forward with fee increases.

Assistant to the CAO Julie Morgan informs that all budget requests were to be submitted with fee increases.

AUDIT OVERSIGHT – Outside auditors will be here on August 6-8, 2018.

LEGISLATION – State budget is pending. General discussion is held among the group regarding sales tax, marijuana tax and tax on services.

OTHER BUSINESS – None.

NEXT MEETING DATE – Monday, July 2, July 16 and July 30 at 10 a.m.

ADJOURN- There being no further business, the meeting adjourns at 11:23 a.m.

**Lassen County Budget, Legislative and Audit Oversight Committee
Meeting Minutes of July 2, 2018**

CALL TO ORDER- Chairman Gallagher calls the meeting to order at 10:02 a.m. (Vice-Chairman Hemphill enters at 10:43 am.)

INTRODUCTIONS- Introductions are not made but the following are present: Chairman Chris Gallagher, Vice-Chairman Jeff Hemphill, Richard Egan, Julie Morgan, Diana Wemple, Lori Pearce, Bob Burns, Melyssah Rios, Barbara Longo, Yvonne Smith, Nancy Cardenas, Jessica Jones, Maury Anderson, Brooke Suarez, Jennifer Branning, Jessica Valdovinos, Rhea Giannotti, Dean Growdon, Gina Mineau, Kevin Jones, John Bohl, Stacey Montgomery, David Evans, Michelle Latimer, Latoya Salas, Larry Millar, Craig Hemphill, Melyssah Rios, Regina Schaap, Chris Cole, one unidentified person, and Eileen Spencer of KWH.

PUBLIC COMMENT- None.

MEETING MINUTES – None.

BUDGET UPDATE/PROJECTED FUND BALANCE/REVENUE REVIEW– CAO Egan informs that the meeting today is to have the public safety departments present their budgets. He asks the District Attorney to start.

All Public Safety Departments-

DA Montgomery provides handouts to the group:

- 1) Lassen County District Attorney – Services;
- 2) District Attorney Public Safety Budget – Homicide for FY 2018-2019.

She reviews the DA's office services to the group to include the mandated Victim Witness Program; the recently obtained CAL OES Grant for Child Advocacy Center, the Prison Prosecution Program, Investigative Services and Homicide. Chairman Gallagher asks DA Montgomery, since she has been in office, can the DA afford to prosecute murders? DA Montgomery responds that do what they can within budget. If they're sure they can convict, otherwise, if budget is constrained, they work with attorneys to plea.

CAO Egan discusses the vacancy factor with the group. In prior budget years the vacancy factor was added by fund based on a savings estimate and it reduced the budget by that estimate. Last year, the vacancy factor was used within the budget units. He continues that some departments overspent their budgets and must be held accountable. There will be some savings in reduced staff and rehires at lower salaries.

Assistant to the CAO Julie Morgan submits the Public Defender budget to the group on behalf of the department as Rhea Giannotti was unable to attend the meeting.

Sheriff Dean Growdon presents a PowerPoint to the group describing its core mandates, operations, services, staffing, and potential cuts. Additional handouts included 1) Sheriff's Core Mandates; 2) General Fund Supported Budgets; and 3) Fines and Fees Schedule.

Sheriff Growdon discusses the patrol operations and shift staffing levels. Eileen Spencer, KWH asks about the hours of Deputies on duty in Westwood. Sheriff Growdon states there are no deputies on duty from 2 am to 7 am but are on call to respond.

Eileen Spencer asks about the Christmas tree permits on the Fee Schedule and Sheriff Growdon responds that they collect fees for the transportation of trees, limbs and branches.

CAO Egan asks if Sheriff Growdon included the vacancy factor in the budgets and Sheriff Growdon responds that he has reluctantly because of the court negotiations. CAO Egan responds asking for an estimated vacancy factor, realistic or predicted of operations. He asks about the CCP budget and is informed that Jennifer Branning has copies of that budget. The budget calls for \$1.6m budget with cuts to reserves. The base revenues are \$1.629m with a growth of \$278k. Original budget request included \$1.5 m in revenues.

Chief Probation Officer Branning presents her budgets to the group. Her overall analysis is the caseload is low in Juvenile Hall. She has pulled Juvenile Hall Counselors to cover the increased caseload and report writing in Probation. MAA claiming for JDF started July 1 and is a new revenue source to help with costs. Reduced revenue in Juvenile Detention due to loss of lease with Environmental Alternatives group home. IT direct bill increased with the use of Surface Pros in the field to increase efficiency. Eileen Spencer, KWH, asks if medical costs are actual or on-call? Chief Branning and Sheriff Growdon answer the costs are actual. There is a \$1m contract with CFMG for the jail medical expenses. CAO Egan asks Chief Branning how to reconcile the Juvenile Hall operation, is it a trend? Chief Branning answers that juvenile cases are at the lowest, a downward trend, instead of permanently allocating juveniles elsewhere, recommends waiting. DA Montgomery comments that DA does not prosecute kids in group homes. Group homes have to handle rehabilitation/behaviors. Kevin Jones asks if a feasibility study needs to be completed for Juvenile Hall. Chief Branning states that it has been looked at over the years but she does not recommend it. Transportation charges and reunification with parents is difficult. Recommends allocated space for camp program prior to placing in foster care with 30-60 day commitments. Wraparound program could be utilized. Chief Branning adds that rehabilitation of juveniles sent to group homes or to urban counties are less successful as the offenders in those areas are likely to encourage offenses of rural juveniles and families are not able to travel and see their children. DA Montgomery concurs that analysis is not to send kids to other counties. Eileen Spencer, KWH, comments on victims of juvenile crimes and lack of accountability.

CAO Egan continues that there are not enough resources to fund requests. We can ask departments for suggested cuts or come back and review it at mid-year. Chairman Gallagher asks for departments to make cuts.

Requests for increased funding from outside contractors- CAO Egan informs of the funding requests from outside agencies such as the One-Stops. The requests have grown and need to be on the table. Discussion is held regarding the need for agencies to obtain alternative funding sources. HSS Director Longo comments that Public Health MHSA provides funding for the One-Stops. The larger they become, the more oversight is required. CAO Egan comments that the One-Stops are popular but the use/participation is not great. The cost of service is high. Chairman Gallagher recalls that last year the One-Stops were given dollars with the understanding that they would need to come up with their own funding.

DA Montgomery comments that her budget was over due to the increase in A87 and asks if that could that be cut. Will there be furloughs? What percentage of cuts are to be made? CAO Egan states he wants to see 5% and 10% cuts and include vacancy factors applied to appropriate budgets. Auditor Wemple explains the Federal charge allocation (A87) and how the costs are determined, applied and distributed to General Fund departments. Eileen Spencer makes a comment regarding allocated costs, managing dollars and priorities.

County Counsel Burns comments about Firenet Lassen subsidy and the request for increased contribution. Currently the districts are receiving 90% reimbursement, about \$60k.

Other- Auditor Wemple provides handouts to the group:

- 1) Multi-year Cashflow Projection for GF, GF Reserve Public Safety, and Probation Combined (FY14/15 actual, 15/16 actual, 16/17 actual, and 17/18;
- 2) Multi-year Cashflow Projection for GF, GF Reserve Public Safety, and Probation Combined (FY14/15 actual, 15/16 actual, 16/17 actual, and actual as of 06/20/18;
- 3) Lassen County Discretionary Funds 2017/18 Fiscal Year Recap;

Auditor Wemple explains how revenues have flat-lined and growth exceeds cost of living. She expects deficit spending by November 2018. She impresses upon the group of how serious the County's cash flow has become. Further discussion is held. CAO Egan states there are options for the County if it comes to it such as the use of a cashflow bond.

CAO Egan wants all General Fund Department budgets brought back to the next meeting with a 5% cut and a 10% cut.

OTHER- None.

DISCUSSION OF PENDING ITEMS WITH BUDGETARY IMPACTS OR INCREASES IN POSITIONS –

AUDIT OVERSIGHT – None.

LEGISLATION –None.

OTHER BUSINESS – None.

NEXT MEETING DATE – Monday, July 16 and July 30 at 10 a.m.

ADJOURN- There being no further business, the meeting adjourns at 12:22 p.m.

**Lassen County Budget, Legislative and Audit Oversight Committee
Meeting Minutes of July 16, 2018**

CALL TO ORDER- Chairman Gallagher calls the meeting to order at 8:02 a.m. (Vice-Chairman Hemphill enters at 9:12 am.)

INTRODUCTIONS- Introductions are not made but the following are present: Chairman Chris Gallagher, Vice-Chairman Jeff Hemphill, Richard Egan, Julie Morgan, Bob Shockley, Diana Wemple, Bob Burns, Melyssah Rios, Barbara Longo, Yvonne Smith, Nancy Cardenas, Maury Anderson, Brooke Suarez, Jennifer Branning, Jessica Valdovinos, Dean Growdon, Gina Mineau, Latoya Salas, Larry Millar, Craig Hemphill, Dan Schlueter, Kerri Cobb, Mondy Rigling, Chris Mancebo, four unidentified people, and Eileen Spencer of KWH.

PUBLIC COMMENT- None.

MEETING MINUTES – None.

BUDGET UPDATE/PROJECTED FUND BALANCE/REVENUE REVIEW– CAO Egan informs that the meeting today is to have the general fund departments present their budgets. Julie Morgan passed around the budget summary. CAO Egan informed that the summary currently included salaries without any negotiated increase. Diana Wemple briefly discussed fund balance.

All General Fund Departments-

Planning – Maury Anderson and Brooke Suarez passed out budget information with 5% reduction and discussed. Treasurer Nancy Cardenas talked about Collections & Building revenues. The department is projecting a vacant Asst. Planner. Discussed line item reductions. CAO Egan requested anticipated staff changes be presented at the next meeting. He then inquired about revenues, specifically building permits. Maury responded the trend is good and said people are adding to houses more than building them. Discussion concluded with grants and grant funds.

Treasurer – Nancy Cardenas a memo and budget information, including fee information. She discussed possibly having to cut a position and that the fees have not been included in the budget yet. Nancy said fees would offset cutting the position.

Assessor – Dan Schlueter distributed a budget memo. Cutting an Appraiser Tech would save 7.5%. Another cut would be needed if 10% reduction. He projects a 2 to 3% increase in tax revenues. Possible for \$50,000 increase in fees for one year. His budget is already saving today.

Kan We Help submitted a letter to the budget committee listing budget saving suggestions.

Sheriff – Sheriff Dean Growdon talked about court security. May be absorbing positions into patrol. Not anticipating vacancy factor. They unfunded a new dispatcher and jail correctional officers and froze a cook in the jail. Discussed the function of CFMG. He passed out 5% and 10% reduction budgets, saying 5% hurts, but 10% would occur without major changes, like freezing positions and lay-offs. He detailed staffing options for both 5% and 10% cuts. Eileen Spencer inquired if animal control vehicles were being taken away. They Sheriff indicated that they perform animal control and added two deputies for that function. He added that the closest deputy will respond, but will also utilize staff with experience. Supervisor Gallagher inquires about the increase in travel and transportation. Dean and Gina Mineau responded increase is due to mileage and fuel costs. CAO Egan brought up the increase in CCP revenues. He wants to use them to support public safety. Fund balance is over 2 million. Jennifer Branning said the budget supports many people and they have worked hard to increase fund balance so if revenues are not there, the fund balance will get them through and do projects. Sheriff Growdon discussed past projects supported by CCP. Auditor Diana Wemple listed budget units

supported by CCP. CAO Egan asked what the appropriate level of CCP fund balance to have. Jennifer said fund balance would need to be broken out before making decisions.

District Attorney – Latoya Salas distributes handouts. Said a retirement payoff will offset a vacancy and discussed budget options with the retirement. A budget decrease will require a reduction of staff. Some discussion occurred regarding an increase in Victim Witness fees. CAO Egan asks about Prison Prosecution and the changes in the program from five years ago. Auditor Wemple said in the past employees were budgeted and paid out of the Prison Prosecution fund, but changes with how the State would reimburse, prompted the employees move to the DA's budget and now their time spent is reimbursed. Supervisor Gallagher asked questions about insurance and the CAO discussed Trindel Insurance. Auditor Wemple said increases in cost could be from claims.

Public Defender – CAO Egan noted no one was available from the department.

Other General Fund and Budgets – CAO Egan said it is his responsibility to recommend a budget to the Board. It behooves departments to come to the table, but if they do not he will go in and make changes. He is not going to take 5% from the Sheriff without other department's participation. Supervisor Gallagher asks if possible to use the prior year budget. Auditor Wemple said that would take freezing step increases due to employees. Richard said the Board could consider a hiring freeze. Supervisor Gallagher commented if we could pass prior year budget until November, the tax measure may pass. Bob Burns discussed election process and when any money might be received, but added, most likely, not until fiscal 19/20. CAO Egan went on to discuss the pros and cons of adopting last year's budget with salary increases, saying we can't adopt an out of balance budget.

Probation – CAO Egan commented he wouldn't be asking Probation to cut any further.

One Stop Discussion – Barbara Longo informed the committee that after a good hard look H&SS has negotiated a services contract with the One Stops that would not require a general fund contribution. Barbara will be negotiating a lease agreement with the One Stops that would require them to pay rent and utilities. Barbara feels this is a win, win. Eileen Spencer added comments about the services the One Stops provide to the public.

Public Defender – Mondy Rigling said the Public Defender is out. She said they are currently under filling a position and will see some savings from it. They would work on budgets and that the Public Defender will be at future meetings.

Agriculture Commissioner – Discussed 5% and 10% proposal and submitted letter to the committee. He noted SB-1 funding and CAO Egan agreed with being conservative until we know the outcome of it.

Public Works – Larry Millar submitted three general fund budgets with 5% and 10% reductions. Supervisor Gallagher noted Animal Control already has a decrease of 4% from 17/18. Auditor asked about increase in extra help and Larry replied that the transition of some of the function to the Sheriff is what drove Extra Help numbers. CAO Egan asked about animal population. Larry said populations have been reduced and have done a good job with adoptions. Discussion was help on the City/County funding ratio. Currently 40-60% but realistically is more like 50-50%. CAO Egan would like to look at MOU with the City.

Auditor – No handout, but Diana said 10% would require a cut of one and ½ positions. She said Data Processing may bring some savings but cutting positions and implementing new software would not be possible. There was some discussion regarding special districts paying for auditor services, but would take Board of Supervisor action the charge them. Diana said a 5% cut would mean ½ of a position and charging special districts. CAO Egan asked about fees. Discussed a standard fee for public records requests.

County Counsel – Bob Burns discussed what 5% and 10% cuts mean. Probably a person. May have possible salary savings at mid-year. He said they have already reduced professional and specialized services.

Administration – CAO Egan said the Board of Supervisors budget was status quo. Personnel has cut their consultant and already reduced their budget. Administration will be allocating staff to other

functions and possible reduction to travel and training. Julie Morgan discussed ISD options, but said the PC charge was already reduced from the prior year.

Veterans Services – Chris Mancebo did not propose changes and asked about cuts. He is adding DocuSign and that may save travel. He is proposing his half time position be full time.

OTHER- None.

DISCUSSION OF PENDING ITEMS WITH BUDGETARY IMPACTS OR INCREASES IN POSITIONS –

AUDIT OVERSIGHT – None.

LEGISLATION –None.

OTHER BUSINESS – None.

NEXT MEETING DATE – Monday, August 6 at 9 a.m.

ADJOURN- There being no further business, the meeting adjourns.

Lassen County Budget, Legislative and Audit Oversight Committee
Approved Meeting Minutes of August 6, 2018

CALL TO ORDER- Chairman Gallagher calls the meeting to order at 9:00 a.m.

INTRODUCTIONS- Introductions are not made but the following are present: Chairman Chris Gallagher, Vice-Chairman Jeff Hemphill, Richard Egan, Julie Morgan, Diana Wemple, Barbara Longo, Yvonne Smith, Nancy Cardenas, Gaylon Norwood, Brooke Suarez, Jennifer Branning, Jessica Valdovinos, Kevin Jones, Craig Hemphill, Dan Schlueter, Chris Mancebo, Rhea Giannotti, Jessica Jones, Jenna Aguilera, Michelle Latimer, Julie Bustamante, Stacey Montgomery, and Eileen Spencer of KWH.

PUBLIC COMMENT- None.

MEETING MINUTES – Minutes from June 11, July 2, and July 16, 2018, all approved by the Chair and Vice-Chair.

BUDGET UPDATE – Julie Morgan had the budget summary available showing updated numbers from the last meeting. She said she has updated budgets with the 5% general fund reductions and thanked departments who worked on and submitted new budgets. While thanking departments for their cooperation, she said some departments had not submitted new reduced budgets.

CAO Richard Egan discussed the reductions and changes adding that Administration will be making changes for departments who do not submit revised budgets.

Supervisor Gallagher asked about fund balances and some discussion followed. Richard asked which departments had not submitted reduced budgets.

Julie indicated some of the departments would be submitting and discussing at the meeting today. She said she has not received budgets from the County Clerk/Recorder and Richard indicated he would be reducing the prior year budgets by 5% for the clerk budget units. Julie has not heard from the Fair, which receives some general fund support. The fair manager is on vacation this week. Julie also asked Kevin Jones to follow up on the Narcotics Task Force JAG Prevention and Education budget unit. She said she has had communication with Gina Mineau regarding this budget unit but had not received a budget yet. Kevin said he would look into it.

Richard brought up revenues and highlighted the tax roll increase (3.5%) and some issues that have impact on our future sales tax revenues. He is in the process of negotiation with bargaining units, except for Public Safety and informed that the summary currently included salaries without any negotiated increase. He then talked about furlough or shortening the workweek, but said that in his experience they had not been effective, but went on to say they may work for some departments. He is interested to hear from departments.

Supervisor Gallagher talked about a prior employer closing offices between Christmas and New Year's. Said employees could either use vacation or take unpaid leave. Richard responded that it does not work for Public Safety. Barbara Longo said it would not work for some of Health and Social Services. Rhea Giannotti said it would not work for the Public Defender, and briefly referred to the court schedule. Nancy Cardenas said it would work for her department with the exception of the passport function. Richard said he prefers a shortened workweek and said the county had done four-hour furloughs in the past.

Supervisor Gallagher asked about the negative fund balance in the capital projects budget (Fund 150). This fund will be discussed at the next budget committee meeting. He then asked about the negative balance in court security (Fund 125), and Kevin Jones talked about the operation and the negative balance carryover from the prior year. Auditor Wemple brought up receivables for court security. Kevin feels there will be a balanced budget after receivables. Richard went on to say the

agreement with the courts was not good. Kevin said Stanislaus Co. is working on a lawsuit and we will see how that goes, but said the courts do not want to pay. Chris asked if this could be included as an unfunded mandate and be reimbursed. Diana said this could be looked into.

Chris then asked about the Fair fund balance. Richard said the Fair will receive rent for the last ten days and this will help us deal with the negative fund balance carryover from the prior year and Diana agreed this should help with the fund balance issue.

Richard informed the committee that we are self-insured and due to a lower number of incidents and/or claims, we had a reimbursement of prior year premiums. The return of those premiums have now been included in the budget and go back to the budget units that paid the initial premiums. This helped put 1.2 million back into the budget. Went on to add settling claims helps.

Richard said he, Julie and Diana will go line by line looking at the budget. He would like to have one more meeting and then go forward with the public hearing on the budget.

DEPARTMENTAL BUDGET UPDATES - Treasurer Cardenas would like any increase in fees to offset any cuts in her department. Richard responded yes.

Barbara Longo and Yvonne Smith distributed a new H&SS budget packet with all budgets. They included a chart with name, amount, full time equivalents and whether general fund supported and how much. Barbara said that although you cannot cut the program, she discussed her plan to address the 5% reductions in the General Relief and the Public Guardian budgets. She is proposing not to fill a vacancy in the Public Guardian, but said Behavioral Health can legitimately do the work, formerly done by this vacancy. The staff person at Behavioral Health would need to move up one range to facilitate this change. She then passed out a sheet regarding the three additional positions she is recommending in the 2018-2019 budget, one each for Public Health, Grants and Loans and Protective Services and went on to discuss each one. Next, she handed out a bar chart on General Relief expenditure over the past seven years. She discussed the reduction in General Relief as proposed. Yvonne said reimbursement for general relief clients is dependent upon when clients get on social security. Once they are on SSI then we can request reimbursement, but this is hard to predict. Lastly, she discussed Public Health Realignment, indicating this will be the last year they will have it. She will work with Julie on which functions are impacted. Richard said we might need to take a close look at these at mid-year and adjust.

Nancy asked about vacancy savings. Will it mean lay-offs, or are numbers being adjusted when people leave? Who will manage this? Richard and Diana commented about the process if a budget has a projected lay off calculated in it. This process takes time.

Chris Mancebo submits a new budget to the committee with reductions but not quite 5%. He is within \$475 of 5%. He said a 10% reduction would mean losing a position. He attached a memo with his budget detailing the 5 and 10% reductions. Supervisor Gallagher asked about the MAA revenue and Chris talked about the two-year delay before he will be able to realize it again. Chris went on to report that local veterans receive 10 million in support, which is then used to support housing and local businesses.

Rhea Giannotti distributed a new budget and said she went through with a fine toothed comb and made the reductions she could. She said further cuts than this would be a position. If she loses a position that would mean more conflict cases, which the county also pays for. She talked about indigent defense. She said the state pays for dependency cases. She is looking at taking those cases for revenue. Rhea said she under-filled a position and reduced services and supplies to get to 5%.

Richard inquires if there are other departments or items to discuss. He said there may be reductions in staff. Some as proposed, some not proposed. Supervisor Gallagher asks if departments will be budgeting a vacancy savings. Richard said it has been up to departments to calculate and propose any vacancy savings in their budgets.

OTHER – Julie Morgan said she would be putting the budget up on the county intranet for departments to review and make sure the proposed budget going forward is what departments think is going forward. She said she is available for questions or changes if needed.

Richard asked Diana when she might have updated fund balances. She responded receivables and payables are due this week and should be entered by sometime the next week, then fund balances would be available.

Richard would like to have the budget hearings on August 28. There was some discussion about deadlines for the ten-day public posting and when that would need to happen. If not, the next possible dates might be a special meeting September 4, or at the regular meeting September 11, but looking at August 28, if possible.

DISCUSSION OF PENDING ITEMS WITH BUDGETARY IMPACTS OR INCREASES IN POSITIONS – None

AUDIT OVERSIGHT – None.

LEGISLATION –None.

OTHER BUSINESS – None.

NEXT MEETING DATE – Monday, August 20, 2018, at 9 a.m.

ADJOURN- There being no further business, the meeting adjourns at 9:55 a.m.

**Lassen County Budget, Legislative and Audit Oversight Committee
Unapproved Meeting Minutes of August 20, 2018**

CALL TO ORDER- Chairman Gallagher calls the meeting to order at 9:02 a.m.

INTRODUCTIONS- Introductions are not made but the following are present: Chairman Chris Gallagher, Richard Egan, Julie Morgan, Diana Wemple, Yvonne Smith, Nancy Cardenas, Jennifer Branning, Jessica Valdovinos, Kevin Jones, John Bohl, Dean Growdon, Bob Burns, Melyssah Rios, Crystle Henderson, Larry Millar, Craig Hemphill, Dan Schlueter, Rhea Giannotti, Jenna Aguilera, Michelle Latimer, Julie Bustamante, and Eileen Spencer of KWH.

ABSENT: Vice-Chairman Jeff Hemphill not present.

PUBLIC COMMENT- None.

BUDGET UPDATE – Julie Morgan said the budgets were on the intranet and there had been some changes that would be updated August 20th.

Morgan gave an overview of general fund departments which she stated was balanced but there had been a lot of changes. Morgan discussed the reductions in the following departments; Board of Supervisors, Clerk of the Board, Clerk, Administration, Personnel, Auditor, Collections, Treasurer/Tax Collector, Assessor, County Counsel, Buildings and Grounds, Parks, Clerk-Elections, Grand Jury, Kennel, Ag Commissioner, Recorder, Planning, Veteran's Service Office and Cooperative Extension.

Richard Egan discussed the Public Safety budget. He said the court appointed counsel they had no control over. The court appointed attorneys got a raise last year and they would have to monitor this budget unit. Egan discussed the Public Defender budget. The department was going to have a vacancy savings. Egan stated there had been an increase in attorney positions in both the offices of Public Defender and District Attorney. Egan stated that he didn't want to fill any positions that became vacant without Board approval. Egan reported on the District Attorney's budget. The District Attorney's office proposed a reduction in staff by laying off their investigator. Egan stated it didn't represent any savings to the general fund due to the position being partially funded by prison prosecution funds. Spencer commented.

Growdon stated his department would have to carry more vacancies to stay within budget. They should be getting Federal reimbursement from the fires. He stated the department needed nine dispatchers. Morgan stated they had taken one back out and only had eight FTE dispatchers. Growdon stated they were still short on staff in the jail. Gallagher asked about booking fees. Growdon stated that was something they would look into. Egan asked Morgan to increase the food line item in the jail fund to \$255,000. Growdon discussed the jail construction project.

Vice-Chairman Jeff Hemphill arrived at 9:37 a.m.

Egan discussed Capital Projects and prioritizing the ones that are the highest priority. Larry Millar said they had \$100,000 in the finalization of the American Disability Act (ADA) plan and they were pretty much on target. Egan stated to remove funds from the Capital Projects budget; \$30,000 from the Westwood Library re-roof, \$30,000 from Public Works shop building addition project and the \$25,000 from Bieber Memorial Building renovations. Even with those changes they would still be \$70,000 short. Morgan did not have the actuals in yet for the Accumulative Capital Outlay Budget. Gallagher asked what the \$500,000 was for. Diana Wemple answered that \$300,000 was for the new Tyler system and

\$200,000 was to support general fund capital needs. Gallagher stated that was a large equipment number and asked if that could be reduced by \$70,000 and increase the Capital Projects Fund? Egan stated they could transfer out the funds to make those adjustments but would first need Millar to look at the ADA plan and verify the numbers.

Egan stated there were required cuts in general fund supported budget units within Health and Social Services (HSS). Discussion changed to the Road Department. Egan stated that they would need to monitor the Road Fund after the election especially if the gas tax goes away. Morgan stated she had gone through all revenues and refined a lot of the numbers to make the budget balance.

Egan discussed secured taxes, sales and use tax and other General Fund revenues. Spencer made comment about the 151 Fund. Egan stated the Tobacco Sales annual revenue is around \$360,000 and one of the funds showing a revenue increase. Egan stated the tobacco fund is a discretionary fund.

MEETING MINUTES – Minutes from August 6, 2018, approved by the Chair and Vice-Chair.

OTHER –Morgan said she would be putting new numbers up on the intranet. Egan stated the recommendations are not final yet but they would be soon. Egan stated there would not be another Budget Committee meeting and plans on taking the recommendations to the Board on September 11, 2018.

Growdon continued discussion where the department was at on the jail project. Stated it was funded by a grant but needed to spend big money to get reimbursed and needed to decide if they would be moving forward or not with the project. Spencer made a comment about the deadline. Dean suggested getting a loan or some type of financing. Nancy Cardenas stated cash flow was negative with Payment in Lieu of Taxes (PILT) and needed to wait until cash flow was more stable. Gallagher suggested a United States Department of Agriculture (USDA) loan. They have low rates usually 4.5% but maybe banks could beat that. Growdon stated the architecture, scoping documents, State Fire Marshall, etc. would put them out about \$5 million dollars before grant reimbursement. Egan stated that reimbursement isn't that long. Spencer asked Growdon if the jail has qualified for the grant. Growdon stated they were waiting for the revised appraisal of the property. Spencer commented again about the jail grant. Growdon replied they are not yet qualified.

Egan stated they would be putting together the final recommendations and this would be the last meeting.

DISCUSSION OF PENDING ITEMS WITH BUDGETARY IMPACTS OR INCREASES IN POSITIONS – None

AUDIT OVERSIGHT – None.

LEGISLATION –None.

OTHER BUSINESS – None.

NEXT MEETING DATE – No Meeting will be held. Egan will be taking recommendations to the Board on September, 11 2018.

ADJOURN- There being no further business, the meeting adjourns at 10:07 a.m.