

County of Lassen
ADMINISTRATIVE SERVICES

Memorandum

Date: September 11, 2018
To: Board of Supervisors
From: Richard Egan, CAO
Subject: Fiscal Year 2018-2019 Budget Hearing and Budget Adoption

Fiscal Impact: Provide appropriations for the 2018-2019 Fiscal Year.

Action Requested:

1. Open public hearing on the fiscal year 2018-2019 Lassen County Budget; and
2. Either continue the public hearing or take action as follows: Adopt resolution establishing appropriations limit in the amount of \$34,284,925, for Fiscal Year 2018 – 2019 pursuant to California Constitution Article XIII-B and Government Code § 7910; approving the 2018 - 2019 Lassen County Budget and setting the 2018 – 2019 tax rate.

Discussion:

Consistent with County Code, the attached budget is hereby recommended by the County Administrative Officer. It includes projected revenues of \$112,226,728, and projected expenditures of \$119,604,358. Departments made requests for revenues in the amount of \$109,314,089, and expenditures in the amount of \$119,241,218. 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. Also included is a schedule of fund balances by restricted, committed, assigned and unassigned.

The Budget Committee met several times and reviewed budget requests in detail for all revenues and expenditures. Minutes from the meetings are included in Section 1.

Revenues and expenditures were reviewed by Administration on a line-by-line basis and compared to actuals. Some adjustments are recommended to reach a balanced budget.

General Fund and General Fund supported department's reduced initial requests by 5%. Each department was responsible for deciding how the 5% reduction would be accomplished within the department. This helped the County towards a balanced budget.

The budget is very tight and it has been a challenging year to reach a balanced budget. Revenues and expenditures are as close to anticipated as expected and most do not plan for anything but department's basic needs for providing services. The recommended budget does not include salary increases for employees. Negotiations are ongoing. Department Heads will need to monitor budgets very closely during the fiscal year and adjustments may be needed at mid-year.

Vacancy Factor

An employee vacancy factor has been included in a few General Fund departments, in the Public Defender Fund and in Probation Funds. The amounts are now included in the budget units expected to incur employee vacancies during the fiscal year. The amounts are considered a reasonable projection for fiscal year 18-19. This estimate is a total of \$234,281, for those three funds. An employee vacancy factor is used when there is possible or potential vacancies during the fiscal year. Some departments calculated reduced salaries and benefits for known vacancies as opposed to a vacancy savings factor. If a position is currently vacant, or will be vacant during the year and it is budgeted in salaries and benefits, the budget is easier to monitor.

Position Changes

The recommended Allocated Position Schedule is found in Section 15. See highlighted positions in the Allocated Position Schedule for additional detail. The total FTE have increased from 449.30 in fiscal year 17-18 to 452.65 FTE in fiscal year 18-19. Some increases and decreases occurred in the Administration function, County Council, Buildings & Grounds, Planning, Building Inspector, Child Advocacy Center, Public Guardian, H&SS Administration, Public Health, Environmental Health, Wraparound Program, Alcohol and Other Drug, Tobacco Control/Education, Social Services Administration, Family and Child Protective Services, Public Authority, Court Security, District Attorney, Sheriff-Patrol, Jail, Fleet Maintenance, Probation, Narcotic Task Force, Child Support, and Solid Waste resulting in a net increase of .3.35 FTE.

Projected Layoffs

There are projected layoffs that are currently filled, and included in the Allocated Position Schedule. The budgeted funding plans for these layoffs at mid-year. Layoffs will include one .5 FTE in the Auditor, one .5 FTE in Collections, and 1.0 FTE in the District Attorney. The projected and budgeted layoffs will need to go through proper process, which is anticipated to be completed by January.

Vacancies

Administration and Personnel will review any position that becomes vacant during the fiscal year. Each vacancy will be recommended to be held vacant, or filled on a case-by-case basis.

Public Safety Contribution

The General Fund contribution to Public Safety is \$7,774,150, and represents a 1.6% increase over last year's contribution of \$7,651,143.

Courthouse Square Construction

A new Capital Projects fund has been created for the grant monies to improve the Courthouse Square. This budget includes appropriations for staff time and preliminary engineering and design costs. The new fund number is 154.

Honey Lake Valley Recreation Authority

The recommended budget includes contributions in the amount of \$80,000, (Fund 100) in support of the pool, that amount to be transferred from Tobacco Settlement (Fund 169) to offset the expenditure.

Family Resource Centers

The recommended budget includes a funding plan from Health and Social Services budgets through a new services contract in coordination with the Family Resource Centers, where they will receive assistance, but pay rent and utilities.

Other Criminal Justice Facilities Capital Projects

The recommended budget includes funding from Criminal Justice Facility Construction (Fund 126) in the amount of \$110,000, for Sheriff Support and Improvements. To facilitate these projects a transfer from Courthouse Construction (Fund 127) to Criminal Justice Facility Construction (Fund 126) is budgeted in the amount of \$110,000.

Other Financial Information

Funding is recommended from Accumulated Capital Outlay (Fund 119) for Capital Projects (Fund 150) in the amount of \$65,649, and to General Fund (Fund 100) in the amount of \$100,000, for support.

Revenue for a return on funds from Trindel is budgeted in the amount of \$1,197,198, and a transfer from Teeter funds are recommended in the amount of \$600,000.

Budgeted from County Local Revenue Fund, Local Community Corrections (CCP/AB 109-Fund 138) is \$150,000, for Public Safety support (Fund 130).

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

Funds are being transferred to the General Fund (Fund 100) from General Contracts (Fund 140) in the amount of \$27,500, to support General Fund operating costs.

Support of the Fair (Fund 175) from the General Fund (Fund 100) in the amount of \$97,355, is being recommended. This is \$17,580 less than the prior year.

Funds are being transferred to the Jail Facilities Construction Fund (Fund 153) from the General Fund (Fund 100) in the amount of \$12,979, to facilitate pursuing Grant Funding for this project.

A Contingency is budgeted in the General Reserve Budget 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 18-19 ending balance of \$1,293,401.

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RESOLUTION NO. 18-

ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2018-2019 PURSUANT TO CALIFORNIA CONSTITUTION ARTICLE XIII-B AND GOVERNMENT CODE SECTION 7910; APPROVING THE 2018-2019 LASSEN COUNTY BUDGET AND SETTING THE 2018-2019 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 2018-2019 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 2018-2019 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 2018-2019 during which time all additions and deletions to the proposed budget for said fiscal year 2018-2019 were made; and

WHEREAS, said hearings have been terminated.

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 \$34,284,925, being the previous year's limit adjusted by the growth factor of 1.0479.

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 2018-2019 be and is hereby adopted, in the form and substance denoted "Final Budget by Fund of Lassen County for 2018-2019".

RESOLUTION NO. 18-

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 2018-2019".

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 regular meeting of the Board of Supervisors of Lassen County, California, held on the _____ day of _____, 2018, 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 regular meeting thereof held on the _____ day of _____, 2018.

Deputy Clerk of the County of Lassen Board of Supervisors