

Memorandum

Date: September 10, 2019
To: Board of Supervisors
From: Richard Egan, CAO
Subject: Fiscal Year 2019-2020 Budget Hearing and Budget Adoption

Fiscal Impact: Provide appropriations for the 2019-2020 Fiscal Year.

Action Requested:

1. Open public hearing on the fiscal year 2019-2020 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 \$34,974,052, for Fiscal Year 2019 – 2020 pursuant to California Constitution Article XIII-B and Government Code § 7910; and b) approving the 2019 - 2020 Lassen County Budget; and c) setting the 2019 – 2020 tax rate.

Discussion:

Consistent with County Code, the attached budget is hereby recommended by the County Administrative Officer. It includes projected revenues of \$113,587,807, and projected expenditures of \$123,920,942. Departments made requests for revenues in the amount of \$110,353,372, and expenditures in the amount of \$124,785,777. 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 estimated fund balances by restricted, committed, assigned and unassigned classifications.

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.

The recommended budget includes modest salary increases for all employees, and increases in Health Insurance contributions and Flexible Benefits based on negotiated agreements between the Board of Supervisors and Employee Bargaining Units.

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

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 FTE have decreased from 452.65 in fiscal year 18-19 to 445.90 FTE in fiscal year 19-20. Some increases and decreases occurred in Administration, Collections, Assessor, County Counsel, Agricultural Commissioner, Planning, Building Inspector, Information Services, Victim Witness, Public Guardian, Public Health, Environmental Health, Mental Health, Social Services Administration, Public Authority, Tobacco Grant-Sheriff, Public Defender, District Attorney, Sheriff-Patrol, Jail, Probation, Juvenile Hall, Child Support and Solid Waste resulting in a net decrease of 6.75 FTE.

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 \$7,685,670, and represents close to a 1% decrease over last year's contribution of \$7,774,150.

Courthouse Square Construction

For Fiscal Year 19-20, 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 19-20 will be the completion of Phase 0 - Vacating the Courthouse and beginning of Phase 1 – Improvements. These activities will include both construction and non-construction but not limited to protection of historical features, demolition and hazardous material abatement, seismic/structural improvements, project management & administration, planning, design, permit and plan check costs, and technical consultant fees. The Board of Supervisors approved the capital outlay portion of this budget on July 9, 2019.

Juvenile Hall Closure

On August 20, 2019, the Board of Supervisors adopted a resolution authorizing closure of the Lassen County Juvenile Hall Detention Facility. The budget plans for closure on or before October 1, 2019. There is no contribution to the Probation/Juvenile Hall Fund for 19-20. Last fiscal year a contribution of \$285,509, was made from the General Fund to support operations. Total Departmental FTE's will decrease by six, with existing staff being absorbed into the Probation budget unit.

Various Department Fees

The Sheriff and Environmental Health departments discussed fees at the Budget Committee, which were then approved by the Board of Supervisors. Planning and Building recently discussed fees with the Budget Committee and the recommendation was to put them on a future Board of Supervisor agenda for consideration. The revenue from fees should begin during this fiscal year.

Hemp and Marijuana

There are new revenue line items in the budget related to hemp and marijuana. The General Fund includes estimated amounts of \$20,000, Hemp Tax and \$80,000, Marijuana Tax. Also included in the budget in the Planning and Building division is Marijuana Revenue of \$30,000, which includes code enforcement efforts and abatement. Citation revenue is included here as well and some additional revenues may come from this activity.

Honey Lake Valley Recreation Authority

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

Food Bank

Funding is budgeted to support the Lassen County Food Bank from the County General Fund (Fund 100) in the amount of \$6,000.

Other Financial Information

Two items are recommended from Accumulated Capital Outlay (Fund 119), one for Capital Projects (Fund 150) \$38,888, for planned projects and one to General Fund (Fund 100) in the amount of \$400,000, for departmental support.

Revenue for a return of funds from Trindel is budgeted in the amount of \$919,362, and a transfer from Teeter funds are recommended in the amount of \$600,000.

From Community Corrections Partnership (Fund 138) \$900,000 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 \$436,989 (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.

The recommended budget includes a transfer to the General Fund (Fund 100) from General Contracts (Fund 140) in the amount of \$27,500, to support General Fund operating costs.

The Fair (Fund 175) will receive funding from the General Fund (Fund 100) in the amount of \$100,000. This is \$2,645, more than the prior year.

Funding is being transferred to the Jail Facilities Construction Fund (Fund 153) from the General Fund (Fund 100) in the amount of \$31,328, to facilitate pursuing Grant Funding for this project.

Funding is recommended from General Fund (Fund 100) for Natural Resources (Fund 141) in the amount of \$54,971, for support. This is greater than in past years as funding received in the past is not available.

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 ending balance of \$1,293,401 for 19-20.

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RESOLUTION NO. 19-

ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2019-2020 PURSUANT TO CALIFORNIA CONSTITUTION ARTICLE XIII-B AND GOVERNMENT CODE SECTION 7910; APPROVING THE 2019-2020 LASSEN COUNTY BUDGET AND SETTING THE 2019-2020 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 2019-2020 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 2019-2020 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 2019-2020 during which time all additions and deletions to the proposed budget for said fiscal year 2019-2020 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 \$34,974,052, being the previous year's limit adjusted by the growth factor of 1.0201.

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 2019-2020 be and is hereby adopted, in the form and substance denoted "Final Budget by Fund of Lassen County for 2019-2020".

RESOLUTION NO. 19-

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 2019-2020".

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 _____, 2019, 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 _____, 2019.

Deputy Clerk of the County of Lassen Board of Supervisors