


Memorandum

Date: September 29, 2020
To: Board of Supervisors
From: Richard Egan, CAO 
Subject: Fiscal Year 2020-2021 Budget Hearing and Budget Adoption

Fiscal Impact: Provide appropriations for the 2020-2021 Fiscal Year.

Action Requested:

1. Open public hearing on the fiscal year 2020-2021 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 \$36,708,765, for Fiscal Year 2020 – 2021 pursuant to California Constitution Article XIII-B and Government Code § 7910; and b) approving the 2020 - 2021 Lassen County Budget; and c) setting the 2020 – 2021 tax rate.

Discussion:

Consistent with County Code, the attached budget is hereby recommended by the County Administrative Officer. It includes projected revenues of \$113,764,876, and projected expenditures of \$125,292,985. Departments made requests for revenues in the amount of \$111,563,230, and expenditures in the amount of \$125,808,132. 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.

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 449.30 in fiscal year 19-20 to 437.604 FTE, resulting in a net decrease of 11.70 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 \$7,710,670, the same contribution as fiscal year 19-20.

Courthouse Square Construction

For Fiscal Year 20-21, 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 20-21 activities will continue with implementing Phase 1 – Improvements: Protection of Historic Features/Interior Demolition (completed August 2020); initiation of Protection of Historic Features/Seismic Safety and Structural Improvements, including American with Disabilities Act Improvements (exterior elevator) and Parking; Life-Safety Improvements (exterior stairway), and installation of related exterior utility upgrades (LMUD transformer and electrical service). These activities will include both construction and non-construction activities 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.

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 \$5,000 for Hemp Tax and \$180,000 for Marijuana Tax. Also included in the budget in the Planning and Building division is Marijuana Revenue of \$125,000, which includes code enforcement efforts and abatement. Citation revenue is included here as well and some additional revenues may come from this activity.

COVID-19 / CARES Act Funding

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was passed by Congress to help protect people from the public health and economic impacts of COVID-19. This funding source was provided directly to the State of California and made available to Lassen County via the State Budget Act of 2020. On July 2, 2020, by Resolution, the Board granted authorizations for requesting CARES Act funding from the State and agreeing to specific State imposed conditions, including adherence to the State's stay-at home requirements and other health requirements as directed in the governor's executive order and public health orders. County Fund 160 has been set up in the county budget specifically for accounting for CARES Act funding. This revenue is being directed at necessary staffing, services and supplies and capital expenditures incurred by the County.

9/29/20

On September 8, 2020, the Board approved a budget appropriation of \$450,000 for COVID-19 related expenditures for the 2019/2020 fiscal year. The 2020/2021 fiscal year recommended expenditures for FUND 160 include \$800,000 for salaries and employee benefits, \$400,000 in services and supplies, and \$660,837 for COVID-19 related building improvements to the Lassen County Adult Detention Facility. Expenditures must be incurred during the period that began on March 1, 2020 and December 30, 2020. The State may request that the County return any unspent funds by October 30, 2020.

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.

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 transfer from Teeter funds is recommended in the amount of \$600,000.

From Community Corrections Partnership (Fund 138) \$1,000,000 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 \$390,177 (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 Fair (Fund 175) will receive funding from the General Fund (Fund 100) in the amount of \$162,138. This is \$57,138, more than the prior year.

Funding is recommended from General Fund (Fund 100) for Natural Resources (Fund 141) in the amount of \$75,052, 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 \$1,288,401 for 20-21.

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RESOLUTION NO.

ESTABLISHING APPROPRIATIONS LIMIT FOR FISCAL YEAR 2020-2021 PURSUANT TO CALIFORNIA CONSTITUTION ARTICLE XIII-B AND GOVERNMENT CODE SECTION 7910; APPROVING THE 2019-2020 LASSEN COUNTY BUDGET AND SETTING THE 2020-2021 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 2020-2021 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 2020-2021 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 2020-2021 during which time all additions and deletions to the proposed budget for said fiscal year 2020-2021 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 \$36,708,765, being the previous year's limit adjusted by the growth factor of 1.0496.

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 2020-2021 be and is hereby adopted, in the form and substance denoted "Final Budget by Fund of Lassen County for 2020-2021".

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 2020-2021".

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 special meeting of the Board of Supervisors of Lassen County, California, held on the _____ day of _____, 2020, 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 special meeting thereof held on the _____ day of _____, 2020.

Deputy Clerk of the County of Lassen Board of Supervisors