

**BUTTE COUNTY
FISCAL YEAR 2017-18
BUDGET HEARINGS
JUNE 27, 2017**



Agenda for Budget Hearings

- Budget Presentation
- Open Public Hearing
- Board Member Comments/Questions (all items except Schedule A2)
- Department Head Comments (all items except Schedule A2)
- Public Comments (all items except Schedule A2)

Agenda for Budget Hearings

- Schedule A2 Board Member Comments/Questions
- Schedule A2 Public Comments
- Board Action on Schedule A2

Agenda for Budget Hearings

- Board Action on the Recommended Budget, Schedule A1 and Schedule B
- Close Public Hearing or Continue to Another Day
- Hold Public Hearing on Realignment Transfer

Budget Overview

(including Schedules A1, A2, and B)

- \$536.5 million Balanced Budget
- Decrease of 0.2% from fiscal year 2016-17
- Net decrease of 86.2 Positions
 - Primarily State and federal funded programs
 - Elimination of 24.2 General Funded positions
- \$17.9 million Estimated General Fund Available Balance
- \$8 million General Reserve and \$7.5 million General Fund Contingency Target

Budget Overview

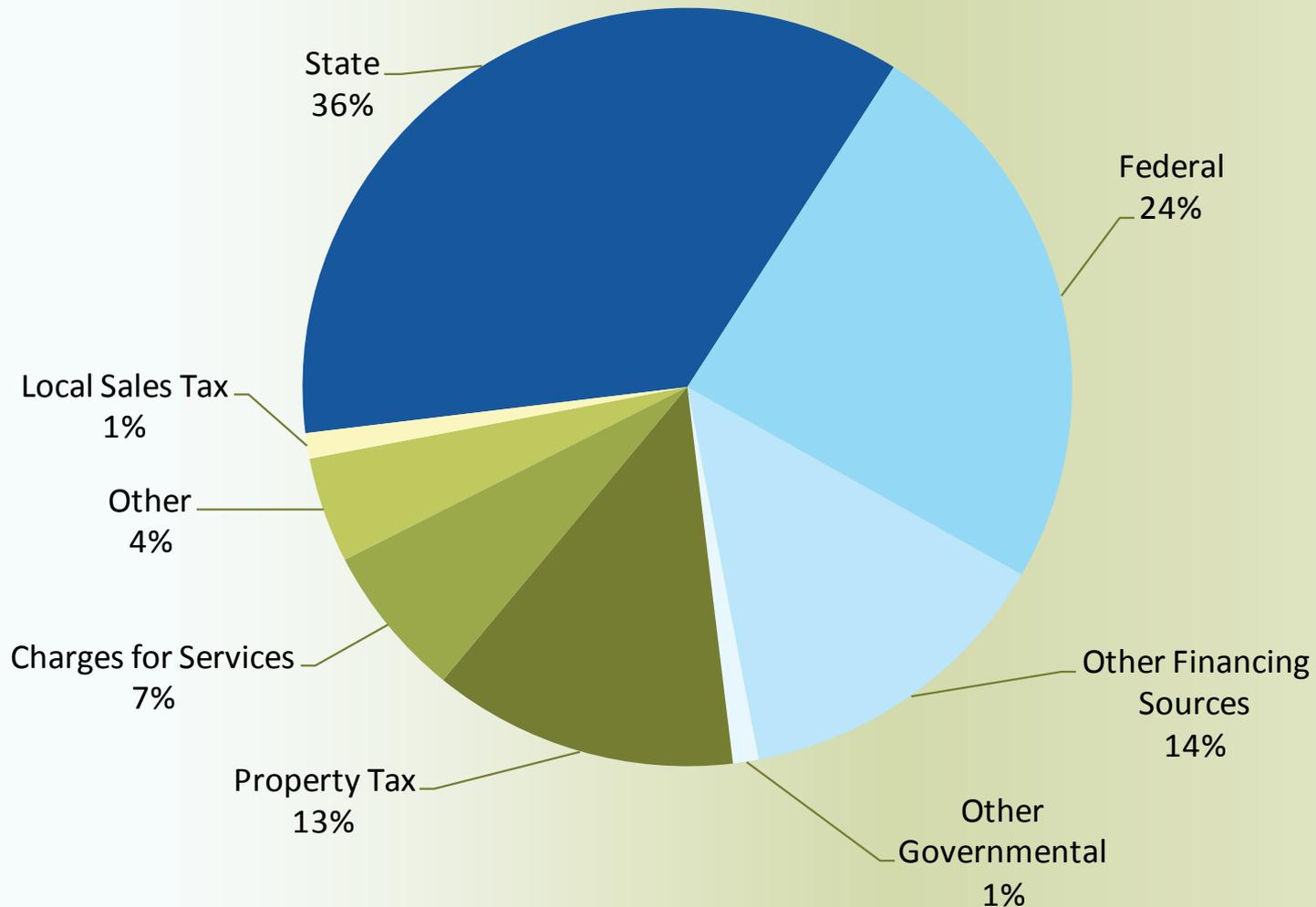
(including Schedules A1, A2, and B)

- Adjustments
 - Schedules A1 and A2 – Alternatives to Amador Station Cuts
 - Alternative Cut Options
 - Schedule B – Re-budgets and Other Misc Changes
- Challenges Remain
 - CalPERS increases over the next 7 years
 - Employee salary and benefit costs
 - Butte County Fire (CAL FIRE) contract costs
 - Shifting of IHSS costs to the County
 - Likely reductions in federal revenues
 - Potential increased operating costs for the new jail

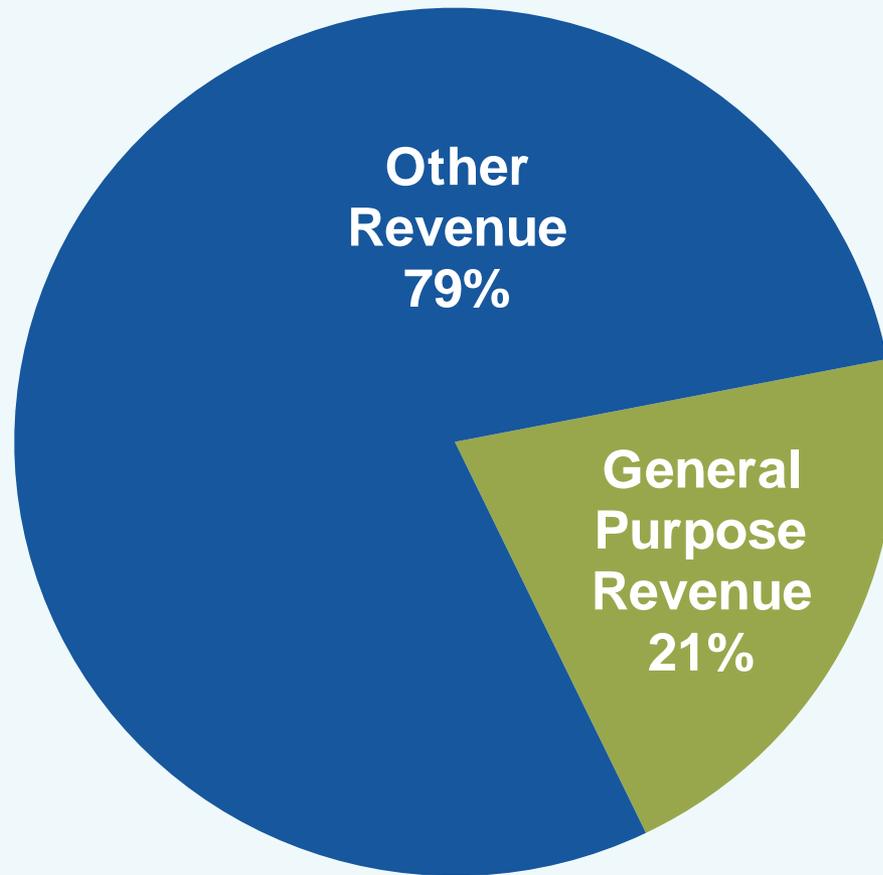
Total Budget (including Schedules A1, A2, and B)

- \$536 million – All Funds
 - \$167 million – General Fund
 - \$278 million – Operating Special Revenue Funds
 - \$50 million – Non-Operating Special Rev Funds
 - \$10 million – Capital Projects Fund
 - \$5 million – Debt Services Funds
 - \$12 million – Internal Services Funds
 - \$12 million – Enterprise Funds (Neal Road Recycling and Waste Facility)
 - \$2 million – Special Districts (CSA's)
- 2,346.70 Allocated Positions

Estimated Governmental Fund Revenues



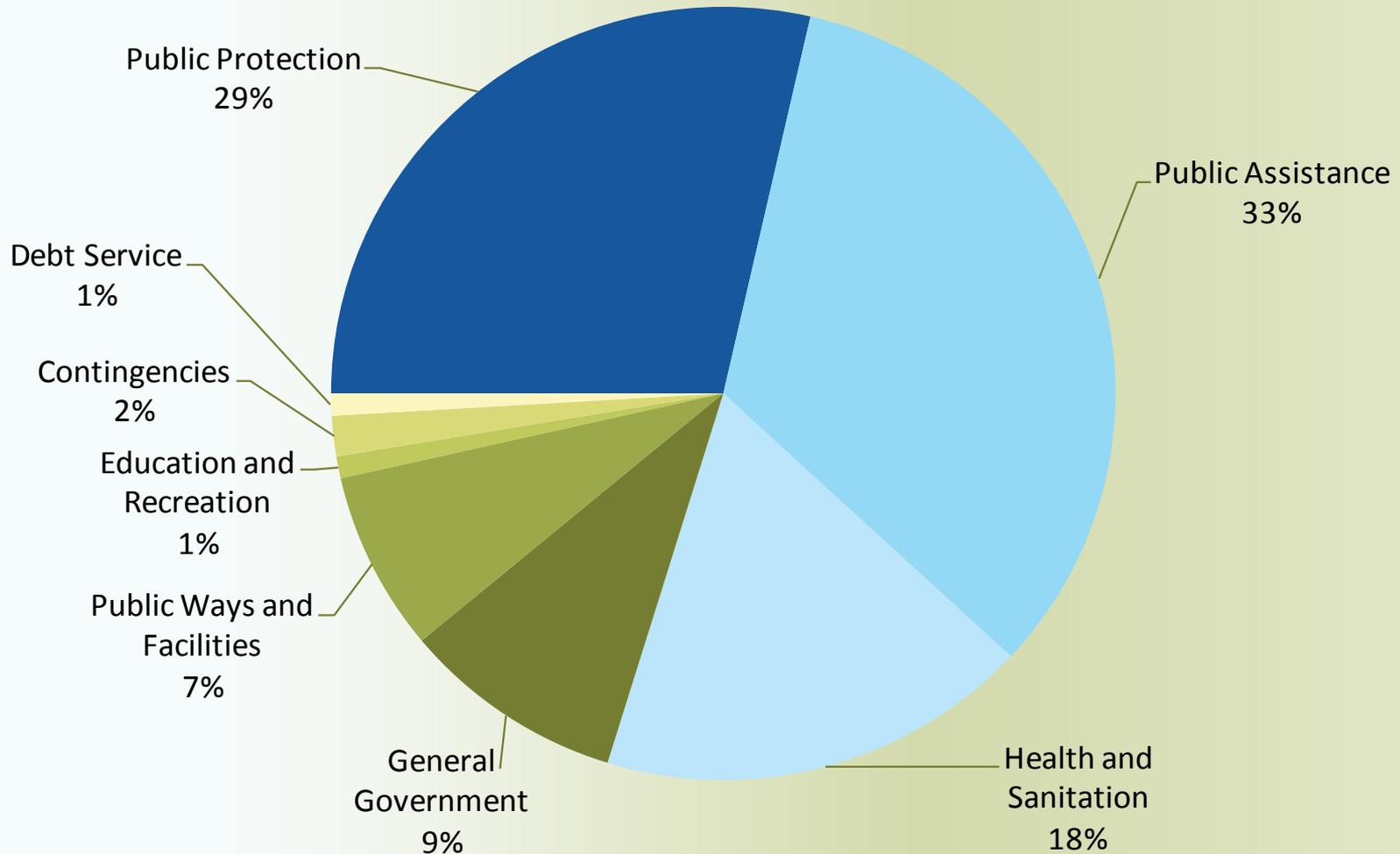
General Purpose vs. Other Revenue



General Purpose Revenue

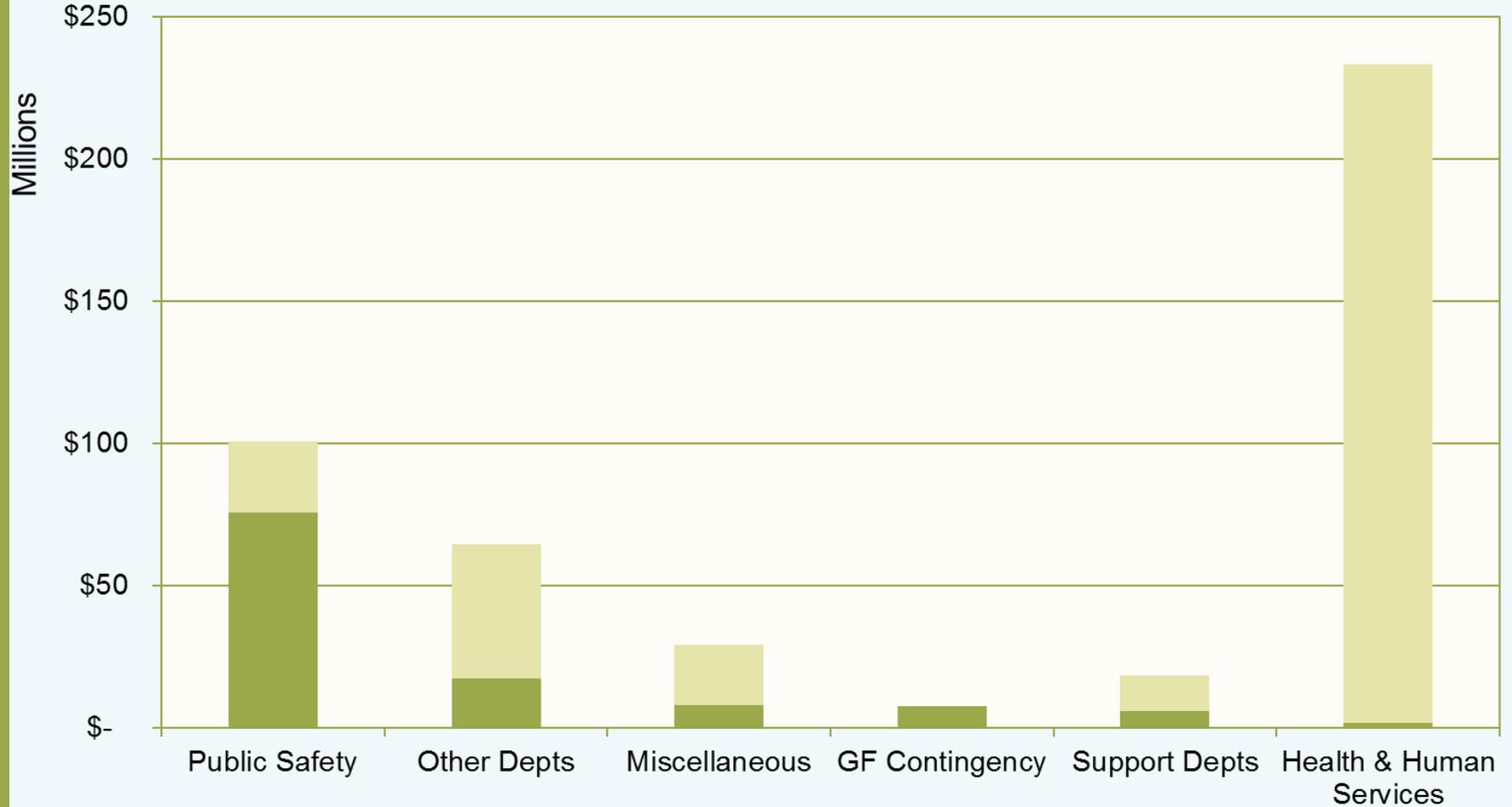
| Revenue Source | Amount |
|------------------------------------|-----------------------|
| Property Tax | \$61.9 million |
| Public Safety Sales Tax (Prop 172) | \$16.9 million |
| Local Sales Tax | \$5.2 million |
| Other Discretionary Revenues | \$15.5 million |
| TOTAL | \$99.5 million |

Governmental Funds Appropriations



Use of Discretionary Resources

■ Discretionary Resources ■ Non-Discretionary Resources



General Fund Budget Trend Analysis

- Tool that projects future budgets trends based on current appropriation and revenue trends.
- Recommended budget is balanced.
- Current projections indicate estimated expenses exceed estimated demand by approximately \$4.7 million/year starting in FY 2021-22.
- Minor assumption changes can have a significant impact on future year projections.

General Fund Budget Trend Analysis

| GENERAL FUND | Recommended Budget 2017-18 | Forecasted Budget 2018-19 | Forecasted Budget 2019-20 | Forecasted Budget 2020-21 | Forecasted Budget 2021-22 |
|---|---|--|--|--|--|
| ESTIMATED DEMAND: | | | | | |
| Employee Compensation | 92,847,247 | 97,579,036 | 101,175,632 | 105,005,147 | 108,634,937 |
| Contingency | 7,500,000 | 7,500,000 | 7,500,000 | 7,500,000 | 7,500,000 |
| Other Expenditures | 63,542,319 | 63,219,293 | 65,210,636 | 67,729,940 | 69,735,696 |
| Use of Departmental Revenue and Obligated Fund Balance | <u>(47,836,566)</u> | <u>(48,577,314)</u> | <u>(49,739,985)</u> | <u>(50,931,529)</u> | <u>(52,152,666)</u> |
| <i>Net Demand For Resources</i> | 116,053,000 | 119,721,016 | 124,146,283 | 129,303,558 | 133,717,967 |
| ESTIMATED RESOURCES: | | | | | |
| Carryover From Prior Year* | 16,600,000 | 16,200,000 | 16,200,000 | 16,200,000 | 16,200,000 |
| Property Taxes | 61,860,000 | 64,334,400 | 66,586,104 | 68,583,687 | 70,641,198 |
| Sales Taxes | 22,052,000 | 22,934,080 | 23,805,575 | 24,591,159 | 25,328,894 |
| Other Discretionary Revenues | <u>15,541,000</u> | <u>15,854,802</u> | <u>16,176,930</u> | <u>16,507,611</u> | <u>16,847,076</u> |
| <i>Net Available Resources</i> | 116,053,000 | 119,323,282 | 122,768,609 | 125,882,457 | 129,017,168 |
| Surplus / (Deficit) Trend | \$0 | (\$397,734) | (\$1,377,674) | (\$3,421,101) | (\$4,700,799) |

* Available Fund Balance carryover from prior year includes unexpended Contingency appropriations and departmental savings from prior year.

Department Recommendations

(including Schedules A1, A2, and B)

Board of Supervisors (Pg. 90):

- No changes to staffing.

Agriculture (Pg. 94):

- Elimination of 1 position.
- Installation of a carport to protect a Weights and Measures truck and equipment.

Assessor (Pg. 100):

- Elimination of 2 positions.

Auditor-Controller (Pg. 105):

- Elimination of 1 position and department reorganization which reduced staffing costs.

Department Recommendations

(including Schedules A1, A2, and B)

Behavioral Health (Pg. 111):

- Elimination of 15 positions due to lower 2011 Realignment revenues and cost increases.
- Includes maintenance projects funded with restricted revenues.

Child Support Services (Pg. 117):

- No changes to staffing.

Department Recommendations

(including Schedules A1, A2, and B)

County Administration (Pg. 121)

- Elimination of 1 position.

County Clerk-Recorder (Pg. 128):

- Elimination of 1 position.
- Maintains funding for June 2018 primary election.

County Counsel (Pg. 134):

- No changes to staffing.

Department Recommendations

(including Schedules A1, A2, and B)

Development Services (Pg. 140):

- Converts 2 limited-term to regular positions and reduces funding for consultant plan check services.
- Includes funding for marijuana enforcement.

District Attorney (Pg. 146):

- Elimination of 3 positions (2 Deputy DA positions, 1 Investigator position).

Department Recommendations

(including Schedules A1, A2, and B)

Employment and Social Services (Pg. 154):

- Elimination of 47 positions.
- \$885,000 realignment transfer from Public Health.
- \$667,970 required General Fund transfer.
- Includes increases related to the changes to the funding of the IHSS program.

Farm, Home and 4-H (Pg. 164):

- No changes to staffing levels.
- Reduced extra help and operating expenses.

Department Recommendations

(including Schedules A1, A2, and B)

Fire (Pg. 168):

- Restructure of Fire Department including closing Station 42.
- Revised recommendations (Schedules A1 and A2) fully fund the Amador program.
- Staff discussing with CAL FIRE the feasibility of transferring Station 55 in Bangor to the State. Meanwhile, the station is recommended to stay open through shared operation and provide the same level of services year-round.

Department Recommendations

(including Schedules A1, A2, and B)

General Services (Pg. 174):

- Reduction to extra help and department reorganization which reduced staffing costs.
- Includes capital and facility maintenance projects.

Human Resources (Pg. 181):

- Elimination of 1 position.

Information Systems (Pg. 187):

- Elimination of 2 positions.
- Funding for comprehensive network configuration and security assessment.

Department Recommendations

(including Schedules A1, A2, and B)

Library (Pg. 194):

- Elimination of 1.5 regular positions and 0.70 limited-term position.
- End Monday hours at the Chico Branch.
- Funds to improve internet connection for public computers.

Probation (Pg. 201):

- Elimination of 2 positions.
- Reduces Boys and Girls Club contract.

Public Health (Pg. 209):

- No changes to staffing levels.
- \$885,000 realignment transfer to Social Services.
- Includes funding for a card lock security project.

Department Recommendations

(including Schedules A1, A2, and B)

Public Works (Pg. 215):

- No changes to staffing levels.
- \$20 million in road and bridge projects.
- \$7 million for maintenance projects.
- Neal Road Recycling and Waste Facility improvements including the Module 5 Liner Installation and the septage transfer station.
- Includes \$500,000 in SB1 (gas tax) revenues.

Department Recommendations

(including Schedules A1, A2, and B)

Sheriff-Coroner (Pg. 226):

- Elimination of 3 Deputy Sheriff positions and 3 Sheriff Security Officers assigned to Court Security, due to lack of state funding.
- Elimination of 3 positions as cleanup from new replacement positions added in FY 2016-17.
- Add 1 IS Analyst position funded by restricted revenues.
- Includes several maintenance projects funded with restricted revenues.

Department Recommendations

(including Schedules A1, A2, and B)

Treasurer-Tax Collector (Pg. 234):

- Eliminates extra help.

Water and Resource Conservation (Pg. 239):

- Reduces extra help.
- Reduces funding for groundwater analysis, and travel and training related to Sustainable Groundwater Management Act (SGMA).

Capital Projects (including Schedules A1, A2, and B)

- Jail Program and Capacity Expansion
- Evidence Storage and Morgue
- Government Campus Infrastructure
- 3 County Center Drive Training Room
- 25 County Center Drive Partial Remodel and Network Infrastructure – On Hold

Capital Projects (Including Schedules A1, A2, and B)

- 5 County Center Drive (Ag and Farm/4H)
- Fire Station 25
- Chico Communication Tower
- Forest Ranch Communication Tower
- La Dolce Infill (Behavioral Health)
- 655 Oleander (Old Chico Courthouse)

Recommended Actions

1. Hold a Public Hearing on the Recommended Budget, Schedule A1, and Schedule B, and take comments;
2. Continue Public Hearing on Schedule A2 and take comments;
3. Approve Schedule A2 for spending authority until the budget is adopted and direct staff to include it in the budget resolution for consideration July 25, 2017;
4. Approve the Recommended Budget, Schedule A1 and Schedule B, for spending authority, including those related to Capital Assets as identified on the Capital Assets Schedule (page 574-575), the Road Fund Work Program (page 224) and Schedules A1 and B, until the budget is adopted;

Recommended Actions

5. Accept the AB 109 Public Safety Realignment budget plan as approved by the Community Corrections Partnership and incorporated into the Recommended Budget;
6. Provide direction that if the General Fund balance available exceeds \$17,910,439 the additional amount will be used to increase General Fund Contingencies and if it is less than \$17,910,439 any shortfall will be addressed by reducing General Fund Contingencies and any shortfall greater than the Contingencies amount will be addressed by reducing the General Fund Reserve; and
7. Hold a Public Hearing to consider a 10% transfer of Public Health 1991 Realignment revenues to Social Services 1991 Realignment, and adopt a Resolution approving the transfers.