

## **Internal Service Fund Budgets**

Internal Services Funds are used by the County to account for the financing of goods or services provided by one department to other departments or agencies of the County on a cost reimbursement basis. The County Administration Department operates six internal service funds.

### **General Liability (Fund 7100)**

The General Liability Fund was established to account for liability claims against the County. General Liability charges are calculated and charged out to County departments based 80% on the prior six years of costs and 20% on exposure or potential costs. The budget for General Liability is established in consideration of prior year actual expenditures and an annual actuarial report provided by an outside consulting firm.

### **Workers' Compensation (Fund 7110)**

The Workers' Compensation Fund was established to account for the disability, medical, and rehabilitation expenses and related costs associated with on-the-job injuries. Workers' Compensation charges are calculated based 70% on actual claims identified to each department for the past nine years and 30% based on exposure or potential costs. The budget for Workers' Compensation is established in consideration of prior year actual expenditures and an annual actuarial report provided by an outside consulting firm.

### **Unemployment Insurance (Fund 7120)**

The Unemployment Insurance Fund was established for the purpose of financing unemployment costs. The County is self-funded for unemployment insurance and all eligible claims are reimbursed directly to the State using insurance premiums collected from departments.

### **Medical Liability Insurance (Fund 7140)**

The Medical Liability Insurance Fund was established for the purpose of providing errors and omissions coverage for medical personnel and supporting staff. It also provides liability coverage for mental health and public health facilities.

### **Miscellaneous Insurance (Fund 7160)**

The Miscellaneous Insurance Fund was established to provide structures and contents insurance for County buildings, physical damage coverage for miscellaneous equipment and programs such as the Literacy Coach, fire engines, and aircraft. Insurance premiums are charged to the operating budgets of the departments benefiting from the coverage.

### **Utilities (Fund 7210)**

The Utilities Fund was established for the purpose of accumulating costs related to utility services such as power, gas, water, sewer, and energy efficiency and improvement projects, on an accrual basis. Rates are subsequently established to distribute the costs to all benefiting departments based upon prior usage.

Fund Title	Workers' Compensation Insurance F-7110
Service Activity	Insurance

Operating Detail	2015-16 Actual	2016-17 Actual <input type="checkbox"/> Estimated <input checked="" type="checkbox"/>	2017-18 Recommended	2017-18 Adopted by the Board of Supervisors
1	2	3	4	5
<b>Operating Revenues</b>				
Charges for Services	3,078,708	4,281,000	4,909,000	
Miscellaneous	-	-	-	
<b>Total Operating Revenues</b>	<b>\$ 3,078,708</b>	<b>\$ 4,281,000</b>	<b>\$ 4,909,000</b>	<b>\$ -</b>
<b>Operating Expenses:</b>				
Salaries and Benefits	1,005,970	1,250,000	1,250,000	
Services and Supplies	3,980,595	4,724,562	4,605,081	
Other Charges	93,179	34,785	-	
Depreciation and Amortization	-	-	-	
<b>Total Operating Expenses</b>	<b>\$ 5,079,745</b>	<b>\$ 6,009,347</b>	<b>\$ 5,855,081</b>	<b>\$ -</b>
<b>Operating Income (Loss)</b>	<b>\$ (2,001,037)</b>	<b>\$ (1,728,347)</b>	<b>\$ (946,081)</b>	<b>\$ -</b>
<b>Non-Operating Revenues (Expenses)</b>				
Interest	155,323	100,000	95,000	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 155,323</b>	<b>\$ 100,000</b>	<b>\$ 95,000</b>	<b>\$ -</b>
<b>Income Before Capital Contributions and Transfers</b>	<b>\$ (1,845,714)</b>	<b>\$ (1,628,347)</b>	<b>\$ (851,081)</b>	<b>\$ -</b>
Capital Contributions	-	-	-	
Transfers-In/Out	(11,118)	(5,772)	(5,347)	
<b>Change in Net Assets</b>	<b>\$ (1,856,832)</b>	<b>\$ (1,634,119)</b>	<b>\$ (856,428)</b>	<b>\$ -</b>
<b>Net Assets-Beginning Balance</b>	<b>4,637,157</b>	<b>2,780,325</b>	<b>1,146,206</b>	
<b>Net Assets-Ending Balance</b>	<b>2,780,325</b>	<b>1,146,206</b>	<b>289,778</b>	

Fund Title	Unemployment Insurance F-7120
Service Activity	Insurance

Operating Detail	2015-16 Actual	2016-17 Actual <input type="checkbox"/> Estimated <input checked="" type="checkbox"/>	2017-18 Recommended	2017-18 Adopted by the Board of Supervisors
1	2	3	4	5
<b>Operating Revenues</b>				
Charges for Services	-	195,000	305,000	
<b>Total Operating Revenues</b>	<b>\$ -</b>	<b>\$ 195,000</b>	<b>\$ 305,000</b>	<b>\$ -</b>
<b>Operating Expenses:</b>				
Salaries and Benefits	300,763	400,000	365,000	
Services and Supplies	1,672	7,500	9,760	
Other Charges	1,860	1,998	-	
Depreciation and Amortization	-	-	-	
<b>Total Operating Expenses</b>	<b>\$ 304,295</b>	<b>\$ 409,498</b>	<b>\$ 374,760</b>	<b>\$ -</b>
<b>Operating Income (Loss)</b>	<b>\$ (304,295)</b>	<b>\$ (214,498)</b>	<b>\$ (69,760)</b>	<b>\$ -</b>
<b>Non-Operating Revenues (Expenses)</b>				
Interest income	6,222	6,000	2,500	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 6,222</b>	<b>\$ 6,000</b>	<b>\$ 2,500</b>	<b>\$ -</b>
<b>Income Before Capital Contributions and Transfers</b>	<b>\$ (298,073)</b>	<b>\$ (208,498)</b>	<b>\$ (67,260)</b>	<b>\$ -</b>
Capital Contributions	-	-	-	
Transfers-In/Out	-	-	-	
<b>Change in Net Assets</b>	<b>\$ (298,073)</b>	<b>\$ (208,498)</b>	<b>\$ (67,260)</b>	<b>\$ -</b>
<b>Net Assets-Beginning Balance</b>	<b>581,445</b>	<b>283,372</b>	<b>74,874</b>	
<b>Net Assets-Ending Balance</b>	<b>283,372</b>	<b>74,874</b>	<b>7,614</b>	

Fund Title	Medical Liability
Service Activity	Insurance F-7140 Insurance

Operating Detail	2015-16 Actual	2016-17 Actual <input type="checkbox"/> Estimated <input checked="" type="checkbox"/>	2017-18 Recommended	2017-18 Adopted by the Board of Supervisors
1	2	3	4	5
<b>Operating Revenues</b>				
Charges for Services	145,000	158,000	190,000	
<b>Total Operating Revenues</b>	<b>\$ 145,000</b>	<b>\$ 158,000</b>	<b>\$ 190,000</b>	<b>\$ -</b>
<b>Operating Expenses:</b>				
Salaries and Benefits	-	-	-	
Services and Supplies	132,556	158,000	191,511	
Other Charges	2,928	1,036	-	
Depreciation and Amortization	-	-	-	
Other Financing Uses	-	-	-	
<b>Total Operating Expenses</b>	<b>\$ 135,484</b>	<b>\$ 159,036</b>	<b>\$ 191,511</b>	<b>\$ -</b>
<b>Operating Income (Loss)</b>	<b>\$ 9,516</b>	<b>\$ (1,036)</b>	<b>\$ (1,511)</b>	<b>\$ -</b>
<b>Non-Operating Revenues (Expenses)</b>				
Interest	169	70	-	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 169</b>	<b>\$ 70</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Income Before Capital Contributions and Transfers</b>	<b>\$ 9,685</b>	<b>\$ (966)</b>	<b>\$ (1,511)</b>	<b>\$ -</b>
Capital Contributions	-	-	-	
Transfers-In/Out	-	-	-	
<b>Change in Net Assets</b>	<b>\$ 9,685</b>	<b>\$ (966)</b>	<b>\$ (1,511)</b>	<b>\$ -</b>
<b>Net Assets-Beginning Balance</b>	<b>3,490</b>	<b>13,175</b>	<b>12,209</b>	
<b>Net Assets-Ending Balance</b>	<b>13,175</b>	<b>12,209</b>	<b>10,698</b>	

Fund Title	Miscellaneous Insurance F-7160
Service Activity	Insurance

Operating Detail	2015-16 Actual	2016-17 Actual <input type="checkbox"/> Estimated <input checked="" type="checkbox"/>	2017-18 Recommended	2017-18 Adopted by the Board of Supervisors
1	2	3	4	5
<b>Operating Revenues</b>				
Charges for Services	126,196	228,100	138,702	
<b>Total Operating Revenues</b>	<b>\$ 126,196</b>	<b>\$ 228,100</b>	<b>\$ 138,702</b>	<b>\$ -</b>
<b>Operating Expenses:</b>				
Salaries and Benefits	-	-	-	
Services and Supplies	131,457	228,100	141,939	
Other Charges	2,088	1,298	-	
Depreciation and Amortization	-	-	-	
<b>Total Operating Expenses</b>	<b>\$ 133,545</b>	<b>\$ 229,398</b>	<b>\$ 141,939</b>	<b>\$ -</b>
<b>Operating Income (Loss)</b>	<b>\$ (7,349)</b>	<b>\$ (1,298)</b>	<b>\$ (3,237)</b>	<b>\$ -</b>
<b>Non-Operating Revenues (Expenses)</b>				
Interest Income	638	500	-	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 638</b>	<b>\$ 500</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Income Before Capital Contributions and Transfers</b>	<b>\$ (6,711)</b>	<b>\$ (798)</b>	<b>\$ (3,237)</b>	<b>\$ -</b>
Capital Contributions	-	-	-	
Transfers-In/Out	-	-	-	
<b>Change in Net Assets</b>	<b>\$ (6,711)</b>	<b>\$ (798)</b>	<b>\$ (3,237)</b>	<b>\$ -</b>
<b>Net Assets-Beginning Balance</b>	<b>37,174</b>	<b>30,463</b>	<b>29,665</b>	
<b>Net Assets-Ending Balance</b>	<b>30,463</b>	<b>29,665</b>	<b>26,428</b>	

Fund Title	Utilities Clearing F-7210
Service Activity	Utilities

Operating Detail	2015-16 Actual	2016-17	2017-18 Recommended	2017-18 Adopted by the Board of Supervisors
		Actual <input type="checkbox"/> Estimated <input checked="" type="checkbox"/>		
1	2	3	4	5
<b>Operating Revenues</b>				
Charges for Services	2,247,109	2,714,468	2,632,638	
Miscellaneous	-	-	-	
<b>Total Operating Revenues</b>	<b>\$ 2,247,109</b>	<b>\$ 2,714,468</b>	<b>\$ 2,632,638</b>	<b>\$ -</b>
<b>Operating Expenses:</b>				
Salaries and Benefits	-	-	-	
Services and Supplies	2,241,030	2,401,493	2,520,266	
Other Charges	32,100	20,954	-	
Depreciation and Amortization	-	-	-	
Other Financing Uses	444,179	312,968	280,000	
<b>Total Operating Expenses</b>	<b>\$ 2,717,309</b>	<b>\$ 2,735,415</b>	<b>\$ 2,800,266</b>	<b>\$ -</b>
<b>Operating Income (Loss)</b>	<b>\$ (470,200)</b>	<b>\$ (20,947)</b>	<b>\$ (167,628)</b>	<b>\$ -</b>
<b>Non-Operating Revenues (Expenses)</b>				
Interest	9,834	7,000	4,000	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 9,834</b>	<b>\$ 7,000</b>	<b>\$ 4,000</b>	<b>\$ -</b>
<b>Income Before Capital Contributions and Transfers</b>	<b>\$ (460,366)</b>	<b>\$ (13,947)</b>	<b>\$ (163,628)</b>	<b>\$ -</b>
Capital Contributions	-	-	-	
Transfers-In/Out	-	-	-	
<b>Change in Net Assets</b>	<b>\$ (460,366)</b>	<b>\$ (13,947)</b>	<b>\$ (163,628)</b>	<b>\$ -</b>
<b>Net Assets-Beginning Balance</b>	<b>775,997</b>	<b>315,630</b>	<b>301,683</b>	
<b>Net Assets-Ending Balance</b>	<b>315,630</b>	<b>301,683</b>	<b>138,055</b>	

## Department Description and Key Issues

The Waste Management Division of Public Works operates the Neal Road Recycling and Waste Facility (NRRWF); provides for the management of municipal solid waste, household hazardous and universal waste; conducts illegal dumping investigations and solid waste code enforcement activities; conducts tire enforcement inspections under a State Grant; provides education and outreach for recycling programs; interacts with State agencies responsible for regulating waste; administers the County solid waste and recycling franchise agreements and regulates the performance of franchised waste haulers; and coordinates with local jurisdictions on waste management issues as related to the Butte County Integrated Waste Management Plan.

Division staff coordinate engineering design and construction of landfill development, as well as landfill closure activities. Staff develop cost estimates associated with closure, corrective action, and post-closure maintenance of the landfill. Staff also ensure State-required restrictive funds are funded to required levels, as verified by an annual State financial assurance review.

In fiscal year 2017-18, key initiatives for the division include:

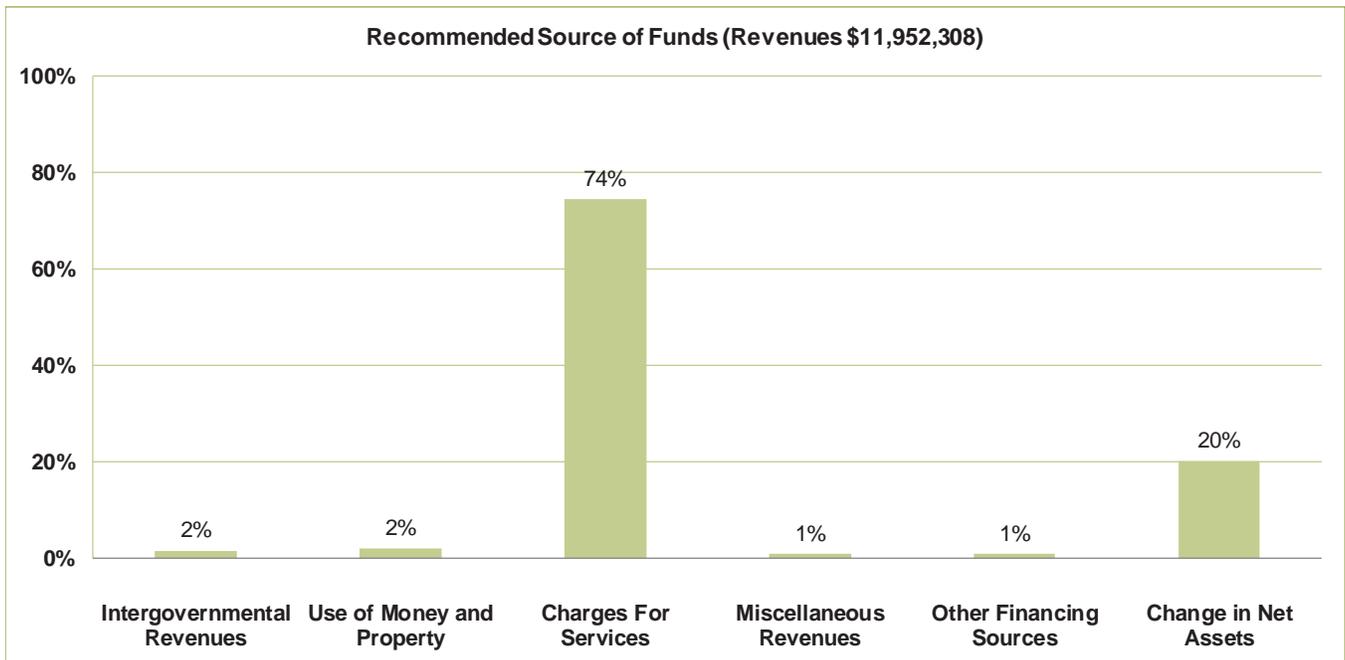
- Continuing development of a Septage Transfer Station as an alternative to the septage ponds that will be removed as the new waste Module 5 is completed.
- Developing an organics management plan to comply with recently enacted State law which requires organic material be processed and not placed in the landfill.
- Complying with increasing regulations from the Environmental Protection Agency, California Air Resources Board, State Water Resources Control Board, and CalRecycle, which continually increase costs of operation.

## NEAL ROAD RECYCLING AND WASTE FACILITY BUDGET

	2015-16 Actuals	2016-17 Adopted	2017-18 Requested	2017-18 Recommended
Fines, Forfeitures and Penalties	451	600	600	600
Intergovernmental Revenues	97,479	190,628	190,628	190,628
Charges For Services	8,179,562	7,758,000	8,901,500	8,901,500
Miscellaneous Revenues	128,378	105,200	105,200	105,200
Other Financing Sources	14,672	1,000	1,000	1,000
<b>Total Operating Revenues</b>	<b>\$ 8,420,542</b>	<b>\$ 8,055,428</b>	<b>\$ 9,198,928</b>	<b>\$ 9,198,928</b>
Salaries and Employee Benefits	1,391,054	1,789,781	1,804,520	1,804,520
Services and Supplies	5,213,579	4,998,998	5,969,812	5,969,812
Other Charges	1,013,919	2,521,737	1,782,976	1,782,976
Capital Assets	60,731	2,910,000	2,295,000	2,295,000
Other Financing Uses	-	100,000	100,000	100,000
<b>Total Operating Expenditures</b>	<b>\$ 7,679,283</b>	<b>\$ 12,320,516</b>	<b>\$ 11,952,308</b>	<b>\$ 11,952,308</b>
Operating Income (Loss)	741,259	(4,265,088)	(2,753,380)	(2,753,380)
Non-Operating Revenue	339,709	360,000	240,000	240,000
Capital Contributions	-	100,000	100,000	100,000
<b>Change in Net Assets</b>	<b>\$ 1,080,968</b>	<b>\$ (3,805,088)</b>	<b>\$ (2,413,380)</b>	<b>\$ (2,413,380)</b>

### Source of Funds (Revenues)

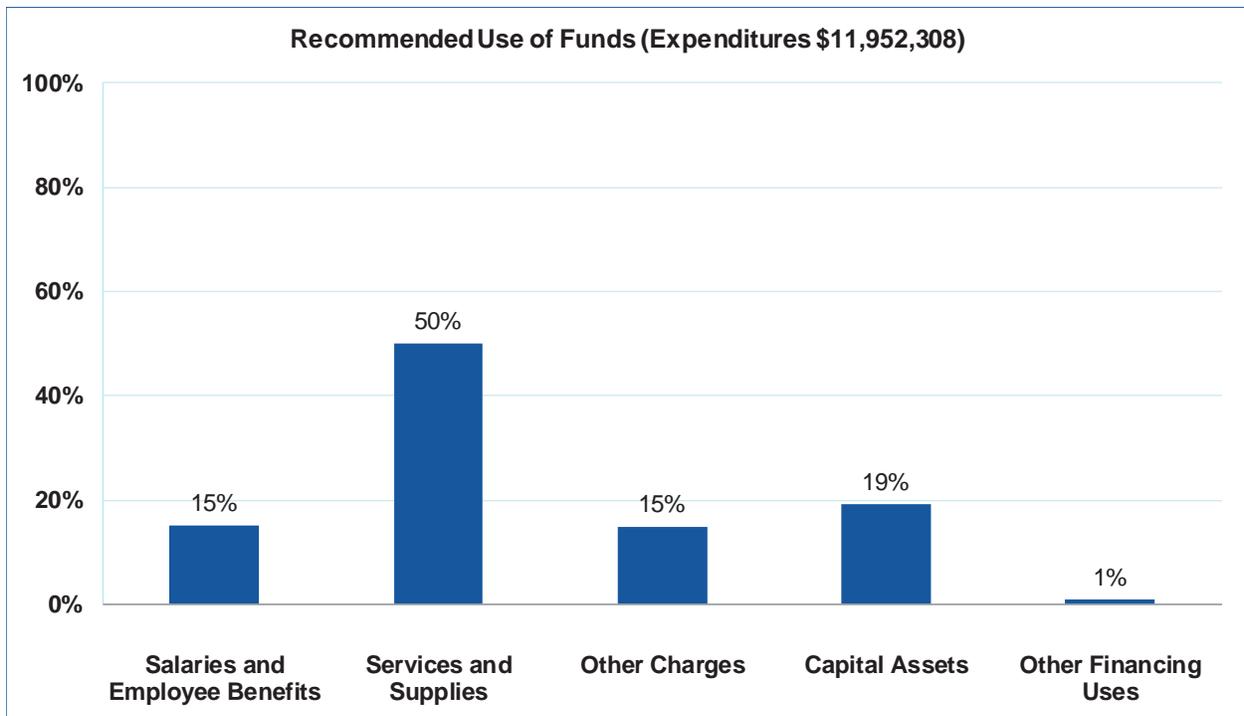
- Charges for services, which are gate or tipping fees paid by waste haulers and individuals to dispose of their waste at the facility are the largest revenue source for the NRRWF.
- Change in net assets is the use of fund balance for capital projects.
- Intergovernmental revenues are various grants from the State for recycling programs.
- Miscellaneous revenues are the proceeds from the sale of recycled commodities.
- Use of money and property includes interest earnings and methane sales from the NRRWF.
- Other financing sources includes proceeds from surplus equipment.



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### Use of Funds (Expenditures)

- Services and supplies is the largest expenditure category for the NRRWF and includes permit fees to various regulatory agencies and other costs of operating the enterprise fund.
- Capital Assets is the next largest category with several projects: Module 5 Liner Installation, the Septage Transfer Station, Utility Power Extension, Facility Entrance Improvements, Recycling Processing Station, Data and Flare Improvements.
- Other charges includes debt payments on a Certificate of Participation and Depreciation of capital assets.
- Employee salaries and benefits make up a relatively small portion of the enterprise fund budget.
- Other financing uses includes a transfer to the post closure fund to the NRRWF.



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## Summary of Budget Request and Recommendation

### Salaries & Employee Benefits

#### Requested

- The department budget request includes funding to maintain current staffing levels.

#### Recommended

- The recommendation includes funding for the requested staffing levels.

#### Full Time Equivalent

Position Allocations	Total
2013-14 Adopted Positions	25.00
2014-15 Adopted Positions	24.00
2015-16 Adopted Positions	26.00
2016-17 Adopted Positions	26.00
2016-17 Current Positions *	25.00
2017-18 Recommended Positions	25.00

\*As of 4/11/2017

### Services & Supplies

#### Requested

- The budget request includes funding for current service levels
- The budget request includes funding to continue decommissioning the septage supernatant pond (supernatant disposal) and transferring the waste water to local waste water treatment plants.

#### Recommended

- The recommendation includes funding for the requested services and supplies.

### Capital Assets

#### Requested

- The budget request includes \$1,735,000 for capital structures and improvements:
  - Module 5 Liner Installation
  - Septage Transfer Station
  - Utility Power Extension
  - Facility Entrance Improvements
  - Recycling Processing Station
  - Data and Flare Improvements.
- The budget request includes \$560,000 for capital assets:
  - 1 Roll-off Truck for scrap metal hauling
  - 1 Pickup Truck
  - Septage Transfer Station equipment.

#### Recommended

- The recommendation includes the funding for requested capital assets.

<b>Fund Title</b>	<b>Neal Road Sanitary F-7560</b>
<b>Service Activity</b>	<b>Landfill (Close/Post)</b>

**Enterprise Fund Description**

This budget reflects the financial operations of the Neal Road Recycling and Waste Facility Closure/Post Closure Fund. This fund was established in April 1989 in accordance with the state of California Regional Water Quality Control Board which requires the owner of the landfill to insure that adequate funds will be available to close and provide post closure maintenance and continued monitoring of the landfill after its usefull life.

Operating Detail	2015-16 Actual	2016-17		2017-18 Recommended	2017-18 Adopted by the Board of Supervisors
		Actual <input type="checkbox"/>	Estimated <input checked="" type="checkbox"/>		
1	2	3		4	5
<b>Operating Revenue</b>					
State Revenues	-	-	-	-	-
Federal Revenues	-	-	-	-	-
Charges for Services	-	-	-	-	-
Miscellaneous Revenues	-	-	-	-	-
<b>Total Operating Revenues</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Operating Expenses</b>					
Landfill Closure/Postclosure	2,601,857	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 2,601,857</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Operating Income (Loss)</b>	<b>\$ (2,601,857)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Non-Operating Revenues (Expenses)</b>					
Interest/Investment Income and/or Gain	85,854	60,000	60,000	60,000	
Interest/Investment (Expense) and/or (Loss)	-	-	-	-	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 85,854</b>	<b>\$ 60,000</b>	<b>\$ 60,000</b>	<b>\$ 60,000</b>	<b>\$ -</b>
<b>Income before Capital Contributions and Transfers</b>					
	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Capital Contributions	-	-	-	-	
Transfer In/(Out)	-	100,000	100,000	100,000	
<b>Change in Net Assets</b>	<b>\$ (2,516,003)</b>	<b>\$ 160,000</b>	<b>\$ 160,000</b>	<b>\$ 160,000</b>	<b>\$ -</b>
<b>Net Assets - Beginning Balance</b>	<b>769,903</b>	<b>(1,746,101)</b>	<b>(1,586,101)</b>	<b>(1,586,101)</b>	
<b>Net Assets - Ending Balance</b>	<b>(1,746,101)</b>	<b>(1,586,101)</b>	<b>(1,426,101)</b>	<b>(1,426,101)</b>	

<b>Fund Title</b>	<b>Neal Road Landfill F-7570</b>
<b>Service Activity</b>	<b>Waste Management</b>

Enterprise Fund Description

This budget reflects the financial operations of the Neal Road Recycling and Waste Facility Management Fund including monitoring the Neal Road Sanitary Landfill, recycling and household hazardous waste programs, and professional engineering and environmental services.

Operating Detail	2015-16 Actual	2016-17		2017-18 Recommended	2017-18 Adopted by the Board of Supervisors
		Actual <input type="checkbox"/>	Estimated <input checked="" type="checkbox"/>		
1	2	3	4	5	
<b>Operating Revenue</b>					
Fines, Forfeitures & Penalties	451	600	600	600	
State Revenues	97,479	190,628	190,628	190,628	
Federal Revenues	-	-	-	-	
Charges for Services	8,179,562	7,758,000	8,901,500	8,901,500	
Miscellaneous Revenues	128,378	106,200	106,200	106,200	
<b>Total Operating Revenues</b>	<b>\$ 8,405,870</b>	<b>\$ 8,055,428</b>	<b>\$ 9,198,928</b>	<b>\$ -</b>	
<b>Operating Expenses</b>					
Salaries & Employee Benefits	1,391,054	1,789,781	1,804,520	1,804,520	
Services & Supplies	2,611,722	4,998,998	5,969,812	5,969,812	
Other Charges	397,638	2,521,737	1,782,976	1,782,976	
Depreciation	677,012	2,910,000	2,295,000	2,295,000	
<b>Total Operating Expenses</b>	<b>\$ 5,077,425</b>	<b>\$ 12,220,516</b>	<b>\$ 11,852,308</b>	<b>\$ -</b>	
<b>Operating Income (Loss)</b>	<b>\$ 3,328,445</b>	<b>\$ (4,165,088)</b>	<b>\$ (2,653,380)</b>	<b>\$ -</b>	
<b>Non-Operating Revenues (Expenses)</b>					
Interest/Investment Income and/or Gain	253,855	180,000	180,000	180,000	
Interest/Investment (Expense) and/or (Loss)	-	120,000	-	-	
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 253,855</b>	<b>\$ 300,000</b>	<b>\$ 180,000</b>	<b>\$ -</b>	
<b>Income before Capital Contributions and Transfers</b>					
	<b>\$ 3,582,299</b>	<b>\$ (3,865,088)</b>	<b>\$ (2,473,380)</b>	<b>\$ -</b>	
Capital Contributions	-	-	-	-	
Transfer In/(Out)	14,672	(100,000)	(100,000)	(100,000)	
<b>Change in Net Assets</b>	<b>\$ 3,596,971</b>	<b>\$ (3,965,088)</b>	<b>\$ (2,573,380)</b>	<b>\$ -</b>	
<b>Net Assets - Beginning Balance</b>	26,673,307	30,270,278	26,305,190	26,305,190	
<b>Net Assets - Ending Balance</b>	30,270,278	26,305,190	23,731,810	23,731,810	

<b>CAPITAL ASSETS (562):</b>	
Module 5	1,735,000
TOTAL 562	\$ 1,735,000
<b>CAPITAL ASSETS (563):</b>	
Roll-Off Truck	230,000
Pickup Truck	30,000
Septage Facility Processing Equipment	300,000
TOTAL 563	\$ 560,000
TOTAL CAPITAL ASSETS	\$ 2,295,000