

**BUTTE COUNTY
FISCAL YEAR 2018-19
BUDGET HEARINGS
JUNE 26, 2018**



Agenda for Budget Hearings

- Budget Presentation
- Board Member Comments/Questions
- Department Head Comments
- Public Comments
- Board Action on the Recommended Budget
- Close Public Hearing or Continue to Another Day
- Hold Public Hearing on Realignment Transfer

Budget Overview

(including Schedule A)

- \$552 million Balanced Budget
- 3.5% Increase from prior year
- Includes reductions because costs are growing faster than revenues.
- Net decrease of 60 Positions
- \$11.6 million Estimated General Fund Available Balance
- \$8 million General Reserve and \$7.2 million General Fund Contingency Target

Budget Overview

(including Schedule A)

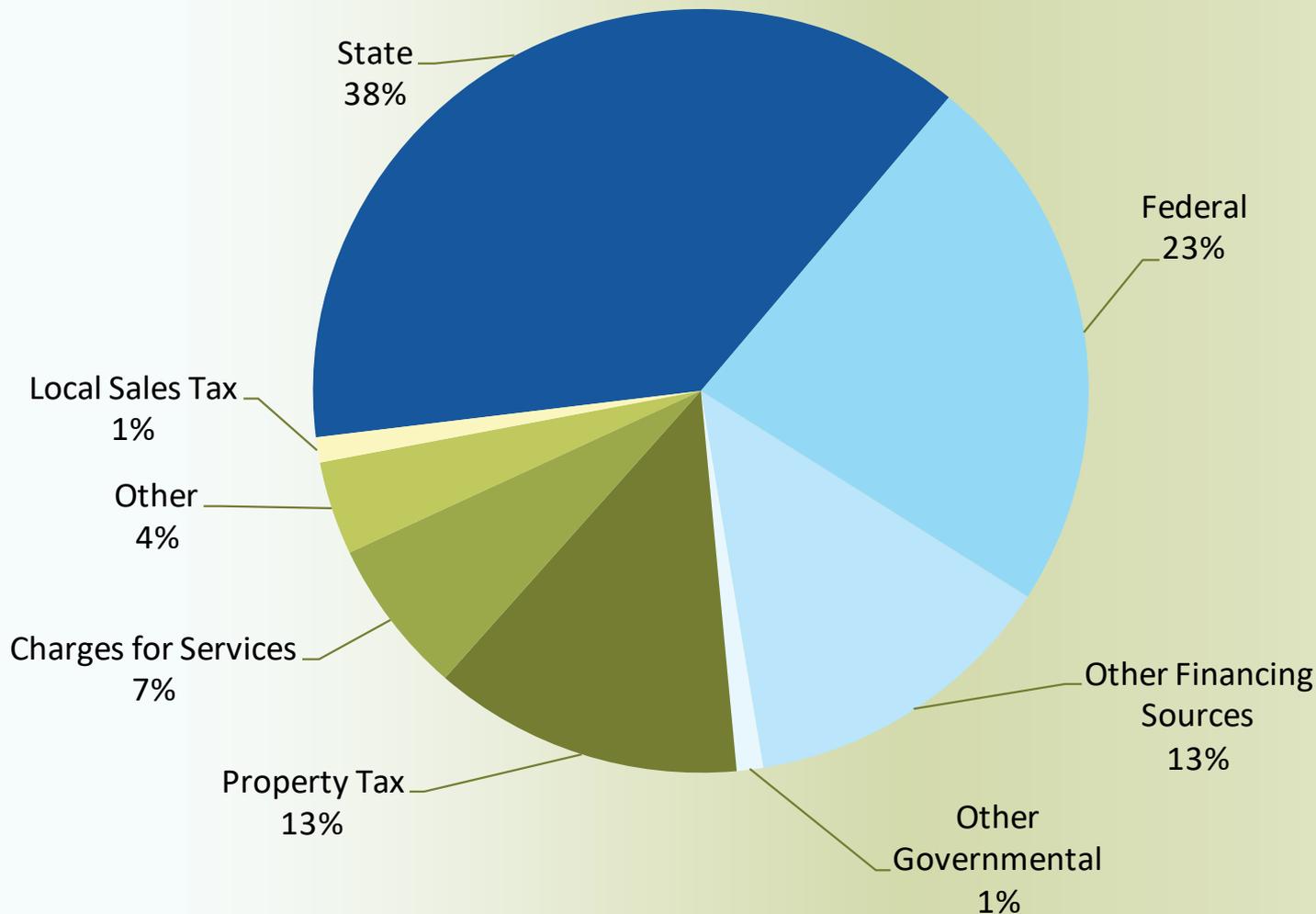
Key Issues in fiscal year 2018-19 and beyond

- Provide a mechanism for residents to fund enhanced services if desired.
- Continue negotiations with DWR.
- Develop a strategy to address rising pension costs.
- Monitor the costs of the IHSS program.
- Plan for the opening of the expanded jail in 2021.

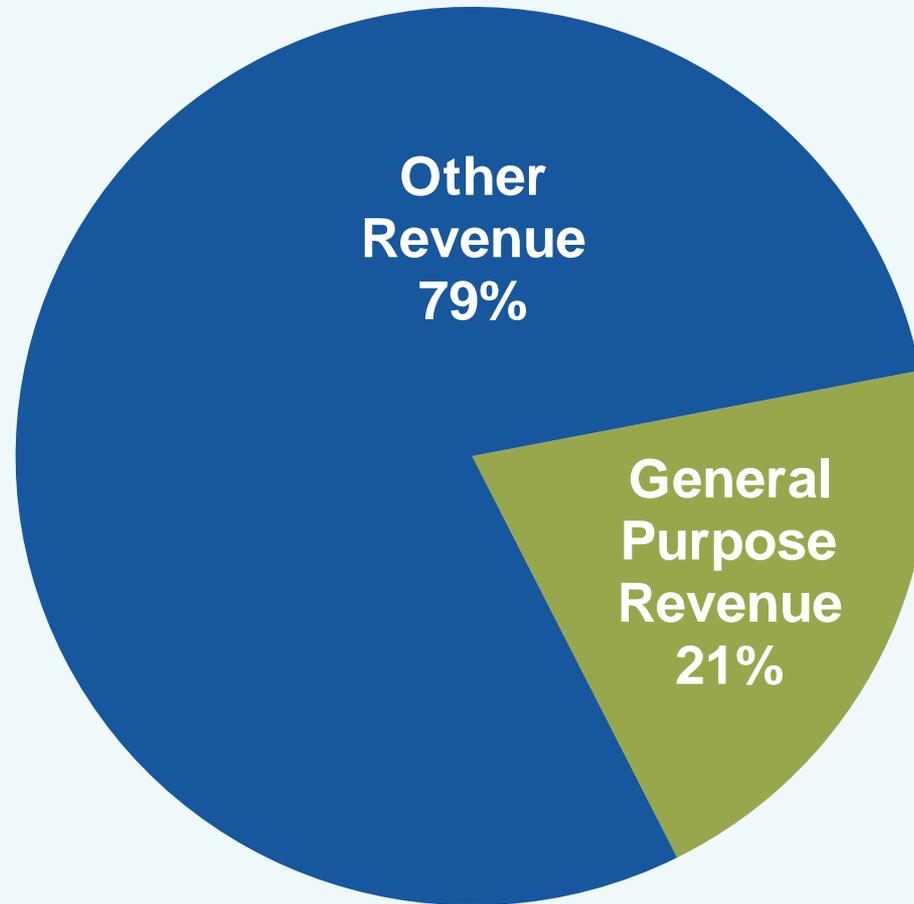
Total Budget (including Schedule A)

- \$552 million – All Funds
 - \$170 million – General Fund
 - \$286 million – Operating Special Rev. Funds
 - \$54 million – Non-Operating Special Rev. Funds
 - \$10 million – Capital Projects Fund
 - \$5 million – Debt Services Funds
 - \$12 million – Internal Services Funds
 - \$14 million – Enterprise Funds (Neal Road Recycling and Waste Facility)
 - \$1 million – Special Districts (CSA's)
- 2,293 Allocated Positions

Estimated Governmental Fund Revenues



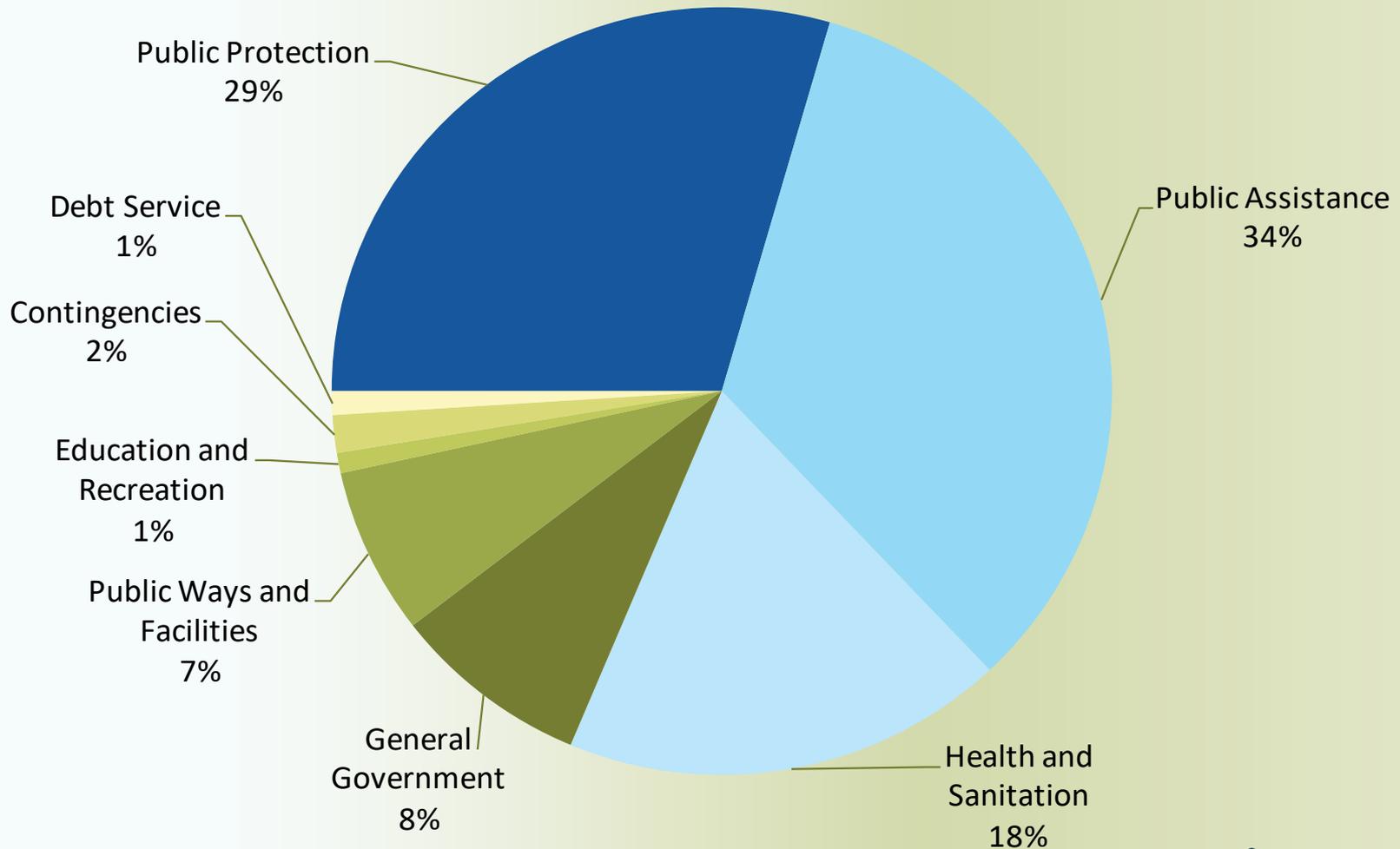
General Purpose vs. Other Revenue



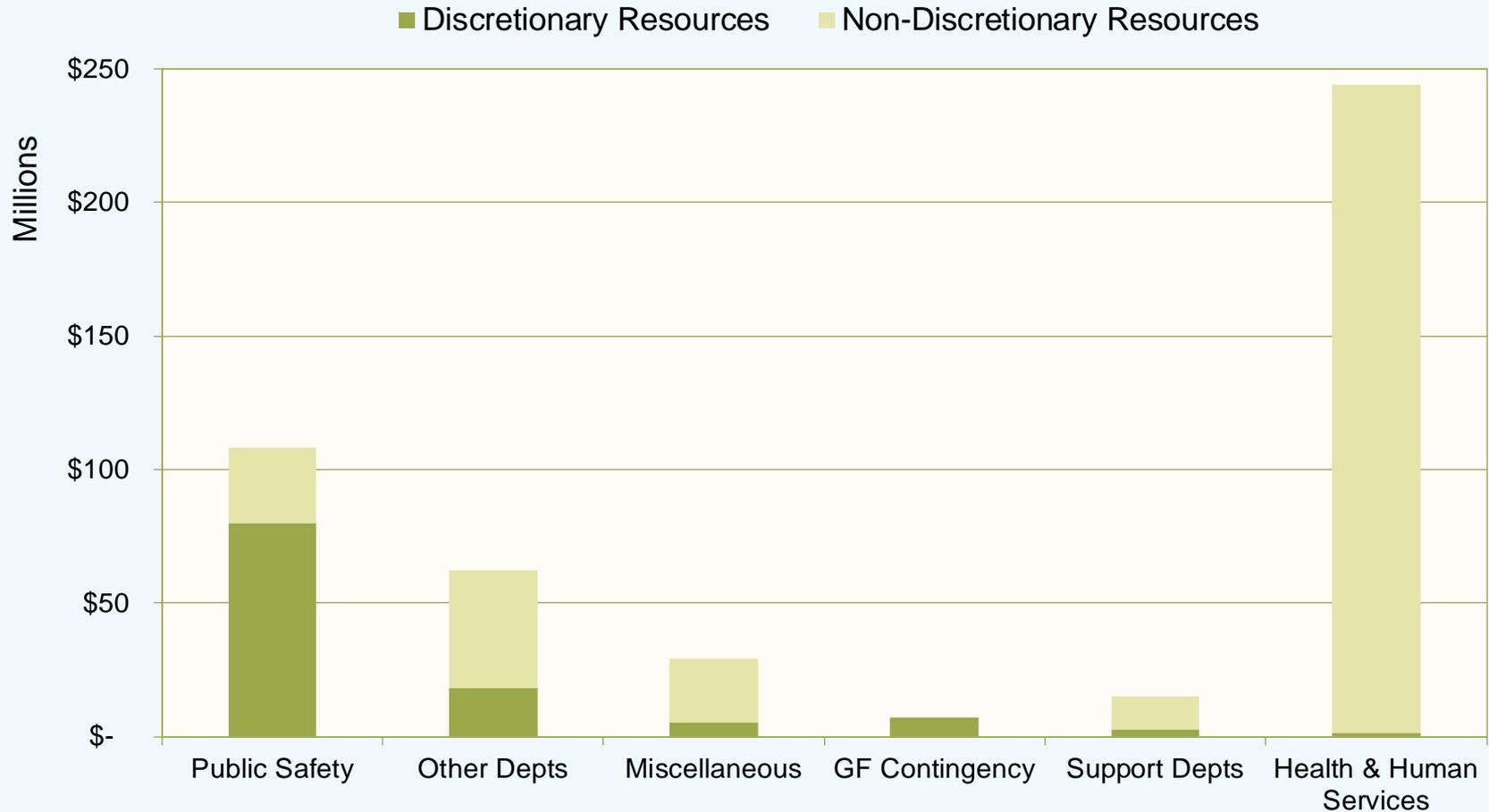
General Purpose Revenue

Revenue Source	Amount
Property Tax	\$64.2 million
Public Safety Sales Tax (Prop 172)	\$17.2 million
Local Sales Tax	\$5.3 million
Other Discretionary Revenues	\$15.7 million
TOTAL	\$102.5 million

Governmental Funds Appropriations



Use of 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 \$3.2 million/year starting in FY 2022-23.
- Minor assumption changes can have a significant impact on future year projections.

General Fund Budget Trend Analysis

GENERAL FUND	Recommended Budget 2018-19	Forecasted Budget 2019-20	Forecasted Budget 2020-21	Forecasted Budget 2021-22	Forecasted Budget 2022-23
ESTIMATED DEMAND:					
Employee Salaries & Benefits	96,615,172	100,726,043	103,907,997	110,106,020	113,316,844
Contingency	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000
Other Expenditures	62,845,076	64,666,987	66,331,940	68,301,167	70,128,455
Use of Departmental Revenue	<u>(52,202,548)</u>	<u>(50,535,402)</u>	<u>(51,751,514)</u>	<u>(55,597,820)</u>	<u>(55,575,068)</u>
<i>Net Demand</i>	114,457,700	122,057,629	125,688,423	130,009,367	135,070,231
ESTIMATED RESOURCES:					
Carryover From Prior Year	12,000,000	15,900,000	15,900,000	15,900,000	15,900,000
Property Taxes	64,210,000	66,778,400	69,115,644	71,534,692	73,680,732
Sales Taxes	22,505,000	23,292,675	23,991,455	24,591,242	25,206,023
Other Discretionary Revenues	<u>15,742,700</u>	<u>16,065,059</u>	<u>16,395,756</u>	<u>16,735,011</u>	<u>17,083,050</u>
<i>Available Resources</i>	114,457,700	122,036,134	125,402,855	128,760,944	131,869,805
Surplus / (Deficit)	\$0	(\$21,495)	(\$285,568)	(\$1,248,423)	(\$3,200,426)

Department Recommendations

(including Schedules A)

Board of Supervisors (Pg. 86):

- No changes to staffing.

Agriculture (Pg. 90):

- Addition of 1 position.

Assessor (Pg. 96):

- Elimination of 1 position.

Auditor-Controller (Pg. 101):

- No changes to staffing.

Department Recommendations

(including Schedule A)

Behavioral Health (Pg. 107):

- Includes a net increase of 0.5 positions.
- Includes grant funding for 5 positions added in June.

Child Support Services (Pg. 114):

- Elimination of 3 positions.

County Administration (Pg. 118)

- No changes to staffing.

Department Recommendations

(including Schedule A)

County Clerk-Recorder (Pg. 125):

- Includes \$160,000 for the acquisition of a voting system.
- Maintains funding for November 2018 general election.

County Counsel (Pg. 132):

- No changes to staffing.

Development Services (Pg. 138):

- Elimination of 1 position.
- Includes funding for marijuana enforcement.

Department Recommendations

(including Schedules A)

District Attorney (Pg. 145):

- Elimination of 1 position.
- Includes \$30,000 for prosecution of capital case.

Employment and Social Services (Pg. 153):

- Elimination of 35 positions.
- Includes \$1.2 million reduction of service contracts.
- \$816,063 realignment transfer from Public Health.
- \$192,063 required General Fund transfer.
- Includes increases to the County's share of the IHSS program and the cost of relocation of the Chico DESS facility.

Department Recommendations

(including Schedule A)

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

- No changes to staffing levels.

Fire (Pg. 168):

- Maintains basic level of service through existing career stations
- Provides enhanced services through Amador stations, volunteer stations, and the weed abatement program.
- Eliminates 4 positions in the CAL FIRE contract.
- Shifts one month of the Amador coverage to the State.
- Defers \$300,000 in various supplies for a year.
- Enhances services to the foothills with purchase of 2 engines.

Department Recommendations

(including Schedule A)

General Services (Pg. 175):

- Elimination of 4 positions.
- Includes capital and facility maintenance projects.

Human Resources (Pg. 183):

- Elimination of 3 positions.

Information Systems (Pg. 189):

- Includes one-time funding for capital equipment network servers and networking equipment.

Department Recommendations

(including Schedule A)

Library (Pg. 194):

- Includes cuts to extra help hours, which will reduce library hours throughout the County.
- Includes funding for intermittent security patrols.
- Includes reductions to library materials and subscriptions.

Probation (Pg. 201):

- Elimination of 2 positions.
- Addition of 1 Probation Officer.

Department Recommendations

(including Schedule A)

Public Health (Pg. 210):

- Elimination of 5.5 positions.
- \$816,063 realignment transfer to Social Services.

Public Works (Pg. 216):

- \$19 million in road and bridge projects.
- \$7.6 million for maintenance projects.
- Includes capital work for the Neal Road Recycling and Waste Facility.

Department Recommendations

(including Schedule A)

Sheriff-Coroner (Pg. 227):

- Elimination of 7 positions.

Treasurer-Tax Collector (Pg. 235):

- No changes to staffing.

Water and Resource Conservation (Pg. 240):

- No changes to staffing.
- Includes one-time funding for groundwater recharge and land subsidence study.

Capital Projects (including Schedule A)

- Jail Program and Capacity Expansion
- Evidence Storage and Morgue
- DESS Chico Relocation
- Government Campus Infrastructure
- Chico Communication Tower
- La Dolce Plaza Infill (Behavioral Health)
- 5 County Center Drive (Ag and Farm, Home 4H)

Recommended Actions

1. Hold a Public Hearing on the Recommended Budget and take comments;
2. Approve the Recommended Budget, including adjustments, for spending authority, including those related to Capital Assets as identified on the Capital Assets Schedule (page 570), the Road Fund Work Program (page 225) and Schedule A, until the budget is adopted;
3. Accept the AB 109 Public Safety Realignment budget plan as approved by the Community Corrections Partnership and incorporated into the Recommended Budget;

Recommended Actions

4. Provide direction to staff to prepare a budget resolution for consideration on July 24, 2018;
5. Provide direction that if the General Fund balance available exceeds \$11.6 million the additional amount will be used to increase General Fund Contingencies and if it is less than \$11.6 million 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
6. Hold a Public Hearing to consider a 10% transfer of Public Health 1991 Realignment revenues to Social Services, and adopt a Resolution approving the transfers.