

## BUDGET SUMMARY BY FUND

### Recommended Budget for Butte County Fiscal Year 2018-19

Fund	Adopted 2017-18	Recommended 2018-19	Percent Change
General	164,222,660	166,660,248	1.5%
Social Services	135,645,295	140,613,613	3.7%
Public Health	22,744,298	22,398,141	-1.5%
Behavioral Health	67,542,514	71,686,438	6.1%
Child Support Services	9,182,363	9,489,363	3.3%
Road Operations	35,129,230	33,899,079	-3.5%
SO-Equipment Replacement	564,816	553,094	-2.1%
DA-Equipment Replacement	-	90,375	
FIRE-Equipment Replacement	498,310	502,499	0.8%
PROB-Equipment Replacement	185,000	80,000	-56.8%
ASSR-Equipment Replacement	-	-	
GS-Equipment Replacement	22,521	281	-98.8%
IS-Equipment Replacement	1,532,229	1,100,190	-28.2%
ISF-Equipment Replacement	-	-	
AG-Equipment Replacement	30,000	-	-100.0%
Local Transportation - Transit	3,292,000	3,432,032	4.3%
CDBG Program Grants	1,609,134	384,600	-76.1%
CDBG Program Income	641,000	560,750	-12.5%
HOME Program Income	-	-	
Fish & Game	38,485	57,997	50.7%
<b>Total Non-Operating Funds</b>	<b>50,333,784</b>	<b>51,939,874</b>	<b>3.2%</b>
Capital Project	10,171,876	9,061,269	-10.9%
Debt Service	1,578,676	1,605,000	1.7%
POB Debt Service	3,065,061	3,554,993	16.0%
Bangor Reserve	-	-	
Hall of Records Reserve	-	-	
<b>Total Governmental Funds</b>	<b>508,029,252</b>	<b>517,669,836</b>	<b>1.9%</b>
<b>Other Funds</b>			
Internal Service Funds	11,911,876	11,587,786	-2.7%
Enterprise Funds	11,952,308	11,873,902	-0.7%
Special Districts and Other Agencies	1,535,735	1,489,970	-3.0%
	-	-	
<b>Total All Funds</b>	<b>533,429,171</b>	<b>542,621,494</b>	<b>1.7%</b>

## BUDGET SUMMARY BY FUND

The fiscal year 2018-19 Recommended Budget is \$542,621,494 for all funds, which is an increase of \$9.1 million or 1.7% compared to the fiscal year 2017-18 Adopted Budget. This is a reflection of all County funds including governmental funds (operating funds and non-operating funds), internal service funds (insurance and utilities), enterprise funds (the Neal Road Recycling and Waste Facility), special districts, and County Service Areas.

For the governmental funds, the Recommended Budget is \$517,669,836, which is an increase of 1.9% or \$9.6 million compared to the fiscal year 2017-18 Adopted Budget. Of this total, \$62.6 million is from recommended operating transfers between funds. The majority of these transfers, \$51.9 million, are from non-operating to operating funds. An additional \$2.0 million in transfers from the General Fund to support expenditures in special revenue, capital project and debt service funds is included in this total. The remaining \$8.7 million in transfers is made up of other departmental transfers between funds including transfers to equipment replacement funds and the Capital Project Fund.

### **Governmental Funds**

The Recommended Budget for the General Fund is \$166,660,248. The General Fund finances most discretionary services the County provides such as law enforcement, fire and rescue, libraries, building and planning services, elections, and support services. The Recommended Budget for the General Fund reflects an increase of \$2,437,588 compared to the fiscal year 2017-18 Adopted Budget. The increase includes a variety of adjustments to department budgets and the restoration of the target General Fund Appropriation for Contingencies, which was reduced in the fiscal year 2017-18 Adopted Budget when the available fund balance came in lower than anticipated. Each year, a target General Fund Appropriation for Contingencies is set as part of the Recommended Budget. This target is adjusted once the final available fund balance is known. If the available fund balance is lower than anticipated, the General Fund Contingency is reduced in order to maintain a balanced budget.

The Recommended Budget maintains the existing General Reserve of \$8 million and includes an Appropriation for Contingencies target of \$7.2 million. This target is a \$2.8 million increase from the fiscal year 2017-18 Adopted Budget of \$4.4 million, which was lower than originally targeted due to a lower than anticipated year end available fund balance. The actual fiscal year 2018-19 Appropriation for Contingencies will be dictated by the actual available fund balance, which can result in the amount being higher or lower than budgeted. The combined General Fund Appropriation for Contingency and General Reserve achieves the County's goal of a reserve that totals 10%-15% of prior year General Fund operating expenditures and ensures the County will have funds readily available to address emergencies and manage cash flow.

The available fund balance in the General Fund on July 1, 2018 is estimated to be \$12.0 million. The estimated fund balance presumes an unused General Fund Appropriation for Contingencies balance of \$3.8 million, \$8.6 million in savings from departments and a shortfall of \$400,000 in General Purpose Revenues. The departmental savings is due to salary or other expenditure savings as well as revenues in excess of what was originally budgeted. The available fund balance remains an essential component of the resources available to fund the Recommended Budget.

## BUDGET SUMMARY BY FUND

The Recommended Budget for the **Social Services Fund** is \$140,613,613. The Social Services Fund is a special revenue fund which accounts for mandated programs such as Child Welfare, Foster Care, CalFresh, and CalWORKs. This is an increase of \$4,968,318 compared to the fiscal year 2017-18 Adopted Budget primarily due to the cost of relocating the Department of Employment and Social Services Office in Chico and increases to the In-Home Support Services maintenance of effort. The recommendation includes a realignment transfer of \$816,063 from Public Health, thereby reducing the transfer from the General Fund by an equal amount.

The Recommended Budget for the **Public Health Fund** is \$22,398,141. The Public Health Fund is a special revenue fund which accounts for health programs such as public health clinics; the Women, Infants and Children (WIC) Program; and environmental health functions. This is a decrease of \$346,157 compared to the fiscal year 2017-18 Adopted Budget primarily due to the completion of facility projects. The recommendation includes a realignment transfer of \$816,063 to the Social Services Fund.

The Recommended Budget for the **Behavioral Health Fund** is \$71,686,438. The Behavioral Health Fund is a special revenue fund which accounts for mental health and drug/alcohol programs such as community-based mental health services, the Psychiatric Health Facility, and Mental Health Services Act programs. This is an increase of \$4,143,924 compared to the fiscal year 2017-18 Adopted Budget primarily due to two new grant programs, increased hospitalization costs, and higher employee compensation. The total requested appropriations are approximately \$1 million less than recommended revenues to further improve the Behavioral Health Department's cash position. Furthermore, this set-aside will assist the department in creating a reserve to minimize impacts of unpredictable State reimbursements.

The Recommended Budget for the **Child Support Services Fund** is \$9,489,363. The Child Support Services Fund is a special revenue fund which accounts for programs related to child support collections. The program is completely funded by federal and State revenues. This is an increase of \$307,000 over the fiscal year 2017-18 Adopted Budget primarily due to the augmentation of State funding to maintain the Butte Regional Call Center that serves several counties.

The Recommended Budget for the **Road Fund** is \$33,899,079. The Road Fund is a special revenue fund which accounts for construction and maintenance of roads and bridges. This is a decrease of \$230,151 compared to the fiscal year 2017-18 Adopted Budget primarily due to the planned road and bridge projects, such as the Midway Bridge construction. The Road Fund expenditures fluctuate from year to year as the number and scope of projects change.

The Recommended Budget for the **Sheriff Equipment Replacement Fund** is \$553,094. This is a decrease of \$11,722 from the fiscal year 2017-18 Adopted Budget. The Fund accounts for depreciation payments from the Sheriff's operating budget each year and is used to replace vehicles included in the equipment replacement program.

The Recommended Budget for the **District Attorney Equipment Replacement Fund** is \$90,375. This is an increase of \$90,375 from the fiscal year 2017-18 Adopted Budget. The Fund accounts for depreciation payments from the District Attorney's operating budget each year and is used to replace vehicles included in the equipment replacement program.

## BUDGET SUMMARY BY FUND

The Recommended Budget for the **Fire Equipment Replacement Fund** is \$502,499. This is an increase of \$4,189 from the fiscal year 2017-18 Adopted Budget. The Fund accounts for depreciation payments from the Fire Department's operating budget each year and is used to replace vehicles included in the equipment replacement program.

The Recommended Budget for the **Probation Equipment Replacement Fund** is \$80,000. This is a decrease of \$105,000 from the fiscal year 2017-18 Adopted Budget. The Fund accounts for depreciation payments from the Probation Department's operating budget each year and is used to replace vehicles in the equipment replacement program.

The Recommended Budget for the **Assessor Equipment Replacement Fund** is \$0. This is the same as the fiscal year 2017-18 Adopted Budget. The Fund accounts for depreciation from the Assessor's operating budget each year and is used to replace vehicles in the equipment replacement program. No equipment is currently due for replacement in this fund.

The Recommended Budget for the **General Services Equipment Replacement Fund** is \$281. This is a decrease of \$22,240 from the fiscal year 2017-18 Adopted Budget. The Fund accounts for depreciation payments from the General Services' operating budget each year and is used to replace vehicles included in the equipment replacement program. No equipment is currently due for replacement in this fund.

The Recommended Budget for the **Information Systems Equipment Replacement Fund** is \$1,100,190. This is a decrease of \$432,039 from the fiscal year 2017-18 Adopted Budget. The Fund accounts for depreciation payments from the Information Systems' operating budget each year and is used to replace vehicles and equipment included in the equipment replacement program. The decrease reflects the planned completion of communication tower rehabilitation work in fiscal year 2017-18.

The Recommended Budget for the **ISF (Risk Management) Equipment Replacement Fund** is \$0. This is the same as the fiscal year 2017-18 Adopted Budget. The Fund accounts for depreciation payments from Risk Management's operating budget each year and is used to replace equipment included in the equipment replacement program.

The Recommended Budget for the **Agriculture Equipment Replacement Fund** is \$0. This is a decrease of \$30,000 from the fiscal year 2017-18 Adopted Budget. The Fund accounts for depreciation payments from Agriculture's operating budget each year and is used to replace vehicles included in the equipment replacement program.

The Recommended Budget for the **Local Transportation – Transit Fund** is \$3,432,032. This is an increase of \$140,032 compared to the fiscal year 2017-18 Adopted Budget. The Transit Fund is a special revenue fund, which accounts for transit services. The County receives revenues from the State's Local Transportation Fund, which comes from 0.25% of the 7.25% statewide sales tax. Much of this funding is transferred to the Butte County Association of Governments (BCAG) to pay for the County's portion of operating costs for the local consolidated transit system.

The Recommended Budget for the **Community Development Block Grants (CDBG) Program Grants Fund** is \$384,600. This is a decrease of \$1,224,534 compared to the fiscal year 2017-18 Adopted Budget due to the expiration of the awarded program grant. The Fund is a special

## BUDGET SUMMARY BY FUND

revenue fund used to account for CDBG and Home Investment Partnership (HOME) Program eligible activities.

The Recommended Budget for the **CDBG-Program Income Fund** is \$560,750. This is a decrease of \$80,250 compared to the fiscal year 2017-18 Adopted Budget. The Fund is a special revenue fund used to record the County's Housing Rehabilitation Revolving Loan Program and revenue that must be used solely for CDBG eligible activities.

The Recommended Budget for the **HOME-Program Income Fund** is \$0. The fund is a special revenue fund used to record repayments from the Housing Rehabilitation Loan Program and must be used for additional HOME housing activities.

The Recommended Budget for the **Fish and Game Fund** is \$57,997. This is an increase of \$19,512 compared to the fiscal year 2017-18 Adopted Budget. The Fish and Game Fund is a special revenue fund used to account for fish and game protection, conservation, propagation, and preservation programs overseen by the Fish and Game Commission.

The Recommended Budget for the **Non-Operating Funds** combined is \$51,939,874. This is an increase of \$1,606,090 from the fiscal year 2017-18 Adopted Budget. The Non-Operating Funds hold balances from restricted revenue sources that cross fiscal years such as Mental Health Services Act, 2011 Realignment, Impact Fees, and Community Cost Share funds. The Non-Operating section of the Recommended Budget contains financial and narrative information about the allowable and planned use of these funds and anticipated fund balances.

The Recommended Budget for the **Capital Project Fund** is \$9,061,269. This is a decrease of \$1,110,607 compared to the fiscal year 2017-18 Adopted Budget. The Capital Project Fund accounts for the acquisition or construction of major capital facilities based upon the Capital Improvement Program. The Capital Project Fund includes facility funds, which are the accumulation of facility depreciation payments from County departments, intended to be used for the eventual replacement of County facilities. Additionally, the Capital Project Fund receives transfers from department budgets, grant funds, and loan proceeds to fund capital projects. Projects planned for fiscal year 2018-19 include the remodel of 5 County Center to house the Agriculture and Farm, Home and 4H departments, remodel of the site at North Valley Plaza and relocating the DESS Chico Office. Projects started in previous years and continuing in fiscal year 2018-19 include improvements to the government campus in order to accommodate future facility expansion, program and capacity expansion of the Jail, replacing the evidence storage facility and adding a morgue, design and construction of a new server room for Behavioral Health, and replacement of the IS communication tower in south Chico.

The Recommended Budget for the **Debt Service Fund** is \$1,605,000. This is an increase of \$26,324 from the fiscal year 2017-18 Adopted Budget. The Debt Service Fund accounts for the accumulation and repayment of borrowed funds. The increase is a combination of retiring the debt for the solar project and new lease financing for the Government Infrastructure project. Other current debt service includes payment for the Certificates of Participation for the Bangor Fire Station and Hall of Records, and lease financing on the Chico Veterans Memorial Hall.

The Recommended Budget for the **POB Debt Service Fund** is \$3,554,993. The POB Debt Service Fund accounts for the debt payments on the 2004 Pension Obligation Bonds.

## BUDGET SUMMARY BY FUND

This is an increase of \$489,932 from the fiscal year 2017-18 Adopted Budget. The increase reflects an anticipated upturn in the historically low interest rates applied to Series B bonds in recent years and a scheduled increase in principal payments.

The Recommended Budgets for the **Bangor Reserve** and the **Hall of Records Reserve Funds** are \$0. Pursuant to the loan covenants, funds are held to make future payments against the Bangor and Hall of Records Certificates of Participation.

### Other Funds

The operating plan for all **Internal Service Funds (ISF)** is \$11,587,786. This is a decrease of \$324,090 from the fiscal year 2017-18 Adopted Budget. The net decrease in Internal Service Funds is largely due to decreases in the Workers' Compensation costs. Internal Service Funds are used for activities associated with the various insurance programs utilized by the County including, but not limited to, Workers' Compensation and General Liability. The funds are also used to process utility bills for all departments. All expenses in these funds are allocated throughout the organization and fully funded by operating and enterprise revenues.

The operating plan for all **Enterprise Funds** is \$11,873,902. This is a decrease of \$78,406 from the fiscal year 2017-18 Adopted Budget. The slight decrease is primarily due to smaller interest payments on debt occurring in fiscal year 2018-19. Enterprise funds are established to account for operations that are financed in a manner similar to private businesses with the intent that the cost of goods or services provided will be recovered primarily through user charges. In Butte County, the only use of enterprise funds is to account for activities related to the Neal Road Recycling and Waste Facility.

The Recommended Budget for **Special Districts and Other Agencies** is \$1,489,970. This is a decrease of \$45,765 from the fiscal year 2017-18 Adopted Budget. The decrease is due largely to fewer road maintenance service needs for County Service Area (CSA) #4, Sierra Del Oro, due to a street overlay completed last year for the area. Special Districts and other agencies include over 100 CSAs created to provide a variety of services such as street lighting, drainage, landscaping, and sewer, as well as the County's Permanent Road Division. The amount required to fund CSAs fluctuates year to year depending on maintenance and capital needs.