

## BUDGET SUMMARY BY FUND

### Recommended Budget for Butte County Fiscal Year 2019-20

Fund	Adopted 2018-19	Recommended 2019-20	Percent Change
General	170,767,529	172,554,832	1.0%
Social Services	140,840,799	144,191,004	2.4%
Public Health	22,928,427	22,820,704	-0.5%
Behavioral Health	72,833,486	76,546,168	5.1%
Child Support Services	9,489,363	9,483,963	-0.1%
Road Operations	33,261,108	39,162,921	17.7%
SO-Equipment Replacement	553,094	560,797	1.4%
DA-Equipment Replacement	90,375	35,000	-61.3%
FIRE-Equipment Replacement	507,499	200,644	-60.5%
PROB-Equipment Replacement	80,000	80,874	1.1%
ASSR-Equipment Replacement	-	32,000	
GS-Equipment Replacement	22,281	52,231	134.4%
IS-Equipment Replacement	1,355,190	1,277,383	-5.7%
ISF-Equipment Replacement	-	-	
AG-Equipment Replacement	-	35,292	
DEV SVCS-Equipment Replacement	-	105,000	
Local Transportation - Transit	2,958,400	1,690,766	-42.8%
CDBG Program Grants	384,600	1,888,510	391.0%
CDBG Program Income	560,750	388,750	-30.7%
HOME Program Income	-	-	
Fish & Game	57,997	23,748	-59.1%
Total Non-Operating Funds	53,377,667	55,144,497	3.3%
Total Permanent Funds	-	-	
Capital Project Funds	10,913,186	11,093,668	1.7%
Debt Service	1,605,000	1,643,000	2.4%
POB Debt Service	3,554,993	3,725,097	4.8%
Bangor Reserve	-	-	
Hall of Records Reserve	-	-	
<b>Total Governmental Funds</b>	<b>526,141,744</b>	<b>542,736,849</b>	<b>3.2%</b>
<b>Other Funds</b>			
Internal Service Funds	11,627,654	12,619,919	8.5%
Enterprise Funds	13,673,902	29,941,014	119.0%
Special Districts and Other Agencies	1,489,970	1,259,845	-15.4%
<b>Total All Funds</b>	<b>552,933,270</b>	<b>586,557,627</b>	<b>6.1%</b>

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The fiscal year 2019-20 Recommended Budget is \$586,557,627 for all funds, which is an increase of \$33.6 million or 6.1% compared to the fiscal year 2018-19 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), and special districts (County Service Areas and Permanent Road Divisions).

For the governmental funds, the Recommended Budget is \$542,736,849, which is an increase of \$16.6 million or 3.2% compared to the fiscal year 2018-19 Adopted Budget. Of this total, \$64.5 million is from recommended operating transfers between funds. The majority of these transfers, \$55.1 million, are from non-operating to operating funds. An additional \$2.3 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 \$7.1 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 \$172,554,832. 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 \$1,787,303 compared to the fiscal year 2018-19 Adopted Budget. The increase includes a variety of adjustments to department budgets and the reduction of the target General Fund Appropriation for Contingencies, which was increased in the fiscal year 2018-19 Adopted Budget when the available fund balance came in higher 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 Fund Reserve of \$8 million and includes an Appropriation for Contingencies target of \$7.3 million. This target is a \$900,000 decrease from the fiscal year 2018-19 Adopted Budget of \$8.2 million, which was higher than originally targeted due to a higher than anticipated year end available fund balance. The actual fiscal year 2019-20 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 Fund 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, 2019 is estimated to be \$11 million. The estimated fund balance presumes an unused General Fund Appropriation for Contingencies balance of \$2.6 million, \$7 million in savings from departments and the receipt of \$1.4 million in unanticipated discretionary funds. 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.

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The Recommended Budget for the **Social Services Fund** is \$144,191,004. 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 \$3,350,205 compared to the fiscal year 2018-19 Adopted Budget primarily due to salary and benefit increases and higher cost of entitlement programs such as foster care and aid for adoption. The recommendation includes a realignment transfer of \$836,858 from Public Health, thereby reducing the transfer from the General Fund by an equal amount.

The Recommended Budget for the **Public Health Fund** is \$22,820,704. 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 \$107,723 compared to the fiscal year 2018-19 Adopted Budget due to minor reductions in various services and supplies accounts. The recommendation includes a realignment transfer of \$836,858 to the Social Services Fund.

The Recommended Budget for the **Behavioral Health Fund** is \$76,546,168. The Behavioral Health Fund is a special revenue fund, which accounts for mental health and drug and alcohol treatment programs such as community-based mental health services, the Psychiatric Health Facility, and Mental Health Services Act programs. This is an increase of \$3,712,682 compared to the fiscal year 2018-19 Adopted Budget primarily due to increases in salaries and benefits, contracted physician services, and higher hospitalization costs. The recommended revenues are approximately \$860,000 more than appropriations 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, delayed cost settlements, and increasing State mandates.

The Recommended Budget for the **Child Support Services Fund** is \$9,483,963. 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 a decrease of \$5,400 over the fiscal year 2018-19 Adopted Budget.

The Recommended Budget for the **Road Fund** is \$39,162,921. The Road Fund is a special revenue fund which accounts for construction and maintenance of roads and bridges. This is an increase of \$5,901,813 compared to the fiscal year 2018-19 Adopted Budget primarily due to the planned road and bridge projects, such as the Midway Bridge construction, and repairs from storm damage, such as the Oroville Quincy Highway, Centerville embankment, and Centerville at Nimsheew repairs. 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 \$560,797. This is an increase of \$7,703 from the fiscal year 2018-19 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. Depreciation payments are suspended for the budget year, but scheduled equipment replacement will continue.

The Recommended Budget for the **District Attorney Equipment Replacement Fund** is \$35,000. This is a decrease of \$55,375 from the fiscal year 2018-19 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.

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The Recommended Budget for the **Fire Equipment Replacement Fund** is \$200,644. This is a decrease of \$306,855 from the fiscal year 2018-19 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. Depreciation payments are suspended for the budget year, but scheduled equipment replacement will continue.

The Recommended Budget for the **Probation Equipment Replacement Fund** is \$80,874. This is an increase of \$874 from the fiscal year 2018-19 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 \$32,000. This is an increase of \$32,000 from the fiscal year 2018-19 Adopted Budget. The Fund accounts for depreciation payments from the Assessor's operating budget each year and is used to replace vehicles in the equipment replacement program.

The Recommended Budget for the **General Services Equipment Replacement Fund** is \$52,231. This is an increase of \$29,950 from the fiscal year 2018-19 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.

The Recommended Budget for the **Information Systems Equipment Replacement Fund** is \$1,277,383. This is a decrease of \$77,807 from the fiscal year 2018-19 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 Recommended Budget for the **ISF (Risk Management) Equipment Replacement Fund** is \$0. This is the same as the fiscal year 2018-19 Adopted Budget. The Fund is no longer in use.

The Recommended Budget for the **Agriculture Equipment Replacement Fund** is \$35,292. This is an increase of \$35,292 from the fiscal year 2018-19 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 **Development Services Equipment Replacement Fund** is \$105,000. This is an increase of \$105,000 from the fiscal year 2018-19 Adopted Budget. The Fund accounts for depreciation payments from the Department of Development Services' 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 \$1,690,766. This is a decrease of \$1,267,634 compared to the fiscal year 2018-19 Adopted Budget. The County received Transit revenues in past fiscal years and transferred them to the Butte County Association of Governments (BCAG) to pay for the County's portion of operating costs for the consolidated transit system. That revenue now goes directly to BCAG, which accounts for the change in revenue to the Transit Fund.

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The Recommended Budget for the **Community Development Block Grants (CDBG) Program Grants Fund** is \$1,888,510. This is an increase of \$1,503,910 compared to the fiscal year 2018-19 Adopted Budget due to the award of new program grants to provide housing rehabilitation loans and disaster grants for those that lost homes in the 2017 LaPorte and Cherokee fires. The Fund is a special revenue fund used to account for CDBG, Home Investment Partnership (HOME) Program, and CalHome eligible activities.

The Recommended Budget for the **CDBG-Program Income Fund** is \$388,750. This is a decrease of \$172,000 compared to the fiscal year 2018-19 Adopted Budget. The decrease is due to the write-off of existing disaster recovery loans on homes destroyed by the Camp Fire. 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 \$23,748. This is a decrease of \$34,249 compared to the fiscal year 2018-19 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 \$55,144,497. This is an increase of \$1,766,830 from the fiscal year 2018-19 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 Funds** is \$11,093,668. This is an increase of \$180,482 compared to the fiscal year 2018-19 Adopted Budget. The Capital Project Funds include the Capital Project Fund that accounts for the acquisition or construction of major capital facilities based upon the Capital Improvement Program, as well as the Jail Project Reserve Fund that holds the designated local match for the Jail expansion project. 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 2019-20 include the initial programming to build a new facility to house the Probation Department, and pre-construction design work for the remodel of 5 County Center to house the Agriculture and the UC Cooperative Extension departments. Projects started in previous years and continuing in fiscal year 2019-20 include the program and capacity expansion of the Jail, replacing the evidence storage facility and adding a morgue, and design and construction of a new server room for Behavioral Health.

The Recommended Budget for the **Debt Service Fund** is \$1,643,000. This is an increase of \$38,000 from the fiscal year 2018-19 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, a full year of lease financing for the Government Infrastructure project, and new lease financing for a Public Works grader. Other current debt service includes payment

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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 \$3,725,097. The POB Debt Service Fund accounts for the debt payments on the 2004 Pension Obligation Bonds. This is an increase of \$170,104 from the fiscal year 2018-19 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 \$12,619,919. This is an increase of \$992,265 from the fiscal year 2018-19 Adopted Budget. The increase in Internal Service Funds is largely due to increases in the Workers' Compensation and General Liability costs. Internal Service Funds are used for activities associated with the various insurance programs utilized by the County. 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 \$29,941,014. This is an increase of \$16,267,112 from the fiscal year 2018-19 Adopted Budget. The increase is primarily due to disposal of approximately 1,000,000 cubic yards of fire debris from the Camp Fire as well as capital improvements including work on Modules 5B and 5C, decommissioning of the septic ponds, and acquisition of additional land for the facility. 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 \$1,259,845. This is a decrease of \$230,125 from the fiscal year 2018-19 Adopted Budget. The decrease is due largely to fewer road maintenance service needs for County Service Area (CSA) 24, Chico-Mud Creek Drainage and CSA 25 Shasta Union Drainage, due to recent road improvements completed for the areas. 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.