

BUDGET SUMMARY BY FUND

Recommended Budget for Butte County Fiscal Year 2020-21

Fund	Adopted 2019-20	Recommended 2020-21	Percent Change
General	181,745,577	204,653,563	12.6%
Social Services	144,552,854	148,292,015	2.6%
Public Health	24,867,533	24,429,478	-1.8%
Behavioral Health	79,109,267	77,578,127	-1.9%
Child Support Services	9,483,963	9,483,963	0.0%
Road Operations	46,321,991	56,052,456	21.0%
Disaster Recovery	-	1,320,760	
SO-Equipment Replacement	560,797	474,144	-15.5%
DA-Equipment Replacement	35,000	(351)	-101.0%
FIRE-Equipment Replacement	200,644	553,783	176.0%
PROB-Equipment Replacement	80,874	326	-99.6%
ASSR-Equipment Replacement	32,000	-	-100.0%
GS-Equipment Replacement	52,231	91,895	75.9%
IS-Equipment Replacement	1,624,883	994,357	-38.8%
AG-Equipment Replacement	35,292	-	-100.0%
DEV SVCS-Equipment Replacement	105,000	372	-99.6%
Local Transportation - Transit	1,690,766	1,680,035	-0.6%
CDBG Program Grants	1,888,510	2,049,350	8.5%
CDBG Program Income	388,750	418,700	7.7%
HOME Program Income	-	54,210	
Fish & Game	23,748	17,987	-24.3%
Total Non-Operating Funds	57,781,442	77,271,906	33.7%
Total Permanent Funds	-	-	
Capital Project Funds	11,381,668	20,192,800	77.4%
Debt Service	1,643,000	1,506,000	-8.3%
POB Debt Service	3,725,097	3,835,068	3.0%
Bangor Reserve	-	-	
Hall of Records Reserve	-	-	
Total Governmental Funds	567,330,887	630,950,944	11.2%
Other Funds			
Internal Service Funds	12,619,919	10,164,768	-19.5%
Enterprise Funds	31,387,650	18,105,986	-42.3%
Special Districts and Other Agencies	1,259,845	2,512,490	99.4%
Total All Funds	612,598,301	661,734,188	8.0%

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The fiscal year 2020-21 Recommended Budget is \$661,734,188 for all funds, which is an increase of \$49.1 million or 8.0% compared to the fiscal year 2019-20 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 \$630,950,944, which is an increase of \$63.6 million or 11.2% compared to the fiscal year 2019-20 Adopted Budget. Of this total, \$94.8 million is from recommended operating transfers between funds. The majority of these transfers, \$77.3 million, are from non-operating to operating funds. An additional \$7.4 million in transfers are from the General Fund to support expenditures in special revenue; capital project and debt service funds are included in this total. The remaining \$10.1 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 \$204,653,563. 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 \$22,907,986 compared to the fiscal year 2019-20 Adopted Budget. The increase includes the payment of approximately \$5.1 million in mutual aid claims from the Camp Fire, the end of the \$2 million in State support for the CAL FIRE contract, the resumption of transfers to the Equipment Replacement funds for the Sheriff's Office and Fire Department, and the continued Jail roof and HVAC projects as well as 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 2019-20 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 \$7.1 million. This target is a \$2.4 million decrease from the fiscal year 2019-20 Adopted Budget of \$9.5 million, which was higher than originally targeted due to a higher than anticipated year end available fund balance. The actual fiscal year 2020-21 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 totaling \$15.1 million falls below the County's goal of a reserve that totals 10% to 15% of prior year General Fund operating expenditures, or \$16.2 to \$30.4 million.

The available fund balance in the General Fund on July 1, 2020 is estimated to be \$15.4 million. The estimated fund balance presumes an unused General Fund Appropriation for Contingencies balance of \$2.7 million, \$8.5 million in savings from departments, and the receipt of \$4.2 million in unanticipated discretionary funds including \$3.5 million in Camp Fire disaster reimbursement. The departmental savings is due to salary or other expenditure savings.

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The available fund balance remains an essential component of the resources available to fund the Recommended Budget. In addition to available fund balance, the budget includes an estimated \$4.6 million assigned fund balance. The assigned fund balance is related to the ongoing projects to replace the Jail roof and HVACs, and funds unspent on these projects in fiscal year 2019-20 will be used on the completion of the projects in fiscal year 2020-21.

The Recommended Budget for the **Social Services Fund** is \$148,292,015. The Social Services Fund is a special revenue fund which accounts for mandated programs such as In Home Support Services, Child Welfare, Foster Care, CalFresh, and CalWORKs. This is an increase of \$3,739,161 compared to the fiscal year 2019-20 Adopted Budget, primarily due to higher In Home Support Services Maintenance of Effort payments. The recommendation includes a realignment transfer of \$853,944 from Public Health, thereby reducing the transfer from the General Fund by an equal amount.

The Recommended Budget for the **Public Health Fund** is \$24,429,478. 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 \$438,055 compared to the fiscal year 2019-20 Adopted Budget due to the completion of Public Health Camp Fire mutual aid payments in fiscal year 2019-20. The recommendation includes a realignment transfer of \$853,944 to the Social Services Fund.

The Recommended Budget for the **Behavioral Health Fund** is \$77,578,127. 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 a decrease of \$1,531,140 compared to the fiscal year 2019-20 Adopted Budget primarily due to the end of several grants, including the Camp Fire FEMA grant.

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 no change from the fiscal year 2019-20 Adopted Budget.

The Recommended Budget for the **Road Fund** is \$56,052,456. The Road Fund is a special revenue fund which accounts for construction and maintenance of roads and bridges. This is an increase of \$9,730,465 compared to the fiscal year 2019-20 Adopted Budget primarily due to planned road and bridge projects including many that are a result of repairs from recent local disasters. Projects include the Midway Bridge and Ord Ferry Road Bridge construction; repairs from storm damage to the Centerville Road embankment and Centerville Road at Nimshew; repairs to La Porte Road caused during the response and recovery from the 2017 Oroville Dam Spillway incident; and other projects including the Cohasset Road chip seal, Hegan Lane reconstruction, and the Las Plumas South Oroville Safe Routes to School project. The Road Fund expenditures fluctuate from year to year as the number and scope of projects change.

The Recommended Budget for the **Disaster Recovery Fund** is \$1,320,760. The Disaster Recovery Fund is a special revenue fund that was created in 2019 in order to consolidate a number of Camp Fire Recovery grants provided to the County as advances into a single fund. The Fund currently houses grants managed by the following Departments: County Administration, Development Services, Sheriff's Office, Employment and Social Services, and Behavioral Health.

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The Recommended Budget for the **Sheriff Equipment Replacement Fund** is \$474,144. This is a decrease of \$86,653 from the fiscal year 2019-20 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 -\$351. This is a decrease of \$35,351 from the fiscal year 2019-20 Adopted Budget. The Recommendation is negative due to a cost plan adjustment that is accounted for as a negative expenditure, which increases assets in the Fund. 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. No replacements are scheduled for the budget year.

The Recommended Budget for the **Fire Equipment Replacement Fund** is \$553,783. This is an increase of \$353,139 from the fiscal year 2019-20 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 \$326. This is a decrease of \$80,548 from the fiscal year 2019-20 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. No replacements are scheduled for the budget year.

The Recommended Budget for the **Assessor Equipment Replacement Fund** is \$0. This is a decrease of \$32,000 from the fiscal year 2019-20 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. No replacements are scheduled for the budget year.

The Recommended Budget for the **General Services Equipment Replacement Fund** is \$91,895. This is an increase of \$39,664 from the fiscal year 2019-20 Adopted Budget. The Fund accounts for depreciation payments from the General Services' operating budget each year and is used to replace vehicles and equipment included in the equipment replacement program.

The Recommended Budget for the **Information Systems Equipment Replacement Fund** is \$994,357. This is a decrease of \$630,526 from the fiscal year 2019-20 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 **Agriculture Equipment Replacement Fund** is \$0. This is a decrease of \$35,292 from the fiscal year 2019-20 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. No replacements are scheduled for the budget year.

The Recommended Budget for the **Development Services Equipment Replacement Fund** is \$372. This is a decrease of \$104,628 from the fiscal year 2019-20 Adopted Budget. The Fund accounts for depreciation payments from the Department of Development Services' operating

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budget each year and is used to replace vehicles included in the equipment replacement program. No replacements are scheduled for the budget year.

The Recommended Budget for the **Local Transportation – Transit Fund** is \$1,680,035. This is a decrease of \$10,731 compared to the fiscal year 2019-20 Adopted Budget. The County receives revenues from the State's Local Transportation Fund, which comes from statewide sales tax. This funding is transferred to the Road Fund for maintenance projects. The Butte County Association of Governments receives Local Transportation Funds directly for the County's share of costs for the regional transit system.

The Recommended Budget for the **Community Development Block Grants (CDBG) Program Grants Fund** is \$2,049,350. This is an increase of \$160,840 compared to the fiscal year 2019-20 Adopted Budget. The increase is primarily due to a grant awarded for a capital project to improve accessibility for the restroom facilities at 25 County Center Drive in Oroville. 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 \$418,700. This is an increase of \$29,950 compared to the fiscal year 2019-20 Adopted Budget. The increase is primarily due to a transfer for a capital project to improve accessibility for the restroom facilities at 25 County Center Drive in Oroville. 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 \$54,210. This is an increase of \$54,210 compared to the fiscal year 2019-20 Adopted Budget. The increase is due to loan payoffs for housing rehabilitation loans. 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 \$17,987. This is a decrease of \$5,761 compared to the fiscal year 2019-20 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 \$77,271,906. This is an increase of \$19,490,464 from the fiscal year 2019-20 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 \$20,192,800. This is an increase of \$8,811,132 compared to the fiscal year 2019-20 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,

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and loan proceeds to fund capital projects. Projects planned for fiscal year 2020-21 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 2020-21 include the program and capacity expansion of the Jail, replacing the evidence storage facility, adding a morgue, and design and construction of a new server room for Behavioral Health.

The Recommended Budget for the **Debt Service Fund** is \$1,506,000. This is a decrease of \$137,000 from the fiscal year 2019-20 Adopted Budget. The Debt Service Fund accounts for the accumulation and repayment of borrowed funds. The decrease is the result of retiring the lease financing on the Chico Veterans Memorial Hall. Other current debt service includes payment for the Certificates of Participation for the Bangor Fire Station and Hall of Records, and lease financing of the Butte Regional Interoperable Communications System (BRICS) and the Public Works grader.

The Recommended Budget for the **POB Debt Service Fund** is \$3,835,068. This is an increase of \$109,971 from the fiscal year 2019-20 Adopted Budget. The POB Debt Service Fund accounts for the debt payments on the 2004 Pension Obligation Bonds. 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 \$10,164,768. This is a decrease of \$2,455,151 from the fiscal year 2019-20 Adopted Budget. The decrease in Internal Service Funds is primarily due to lower Workers' Compensation 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 \$18,105,986. This is a decrease of \$13,281,664 from the fiscal year 2019-20 Adopted Budget. The decrease is primarily due to a reduction in fees for service because ash and debris from the 2018 Camp Fire debris removal programs are no longer being landfilled as the programs are now mostly complete. 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 \$2,512,490. This is an increase of \$1,252,645 from the fiscal year 2019-20 Adopted Budget. The increase is due to more maintenance projects and planning activities for County Service Areas (CSAs). Notable changes include infrastructure repairs for CSA 21 - Oakridge Subdivision Sewer District and CSA 94 - Sycamore Valley Subdivision Street Lighting, Drainage and Sewer District; a feasibility

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study for CSA 82 - Stirling City Sewer District; surveying services and increased drainage maintenance for CSA 23 - Pleasant Valley Drainage District and CSA 25 - Shasta Union Drainage District; road maintenance for CSA 4 - Sierra Del Oro Drainage, Street Lighting, Water Quality Testing, and Road Maintenance District from damage caused by the 2018 Camp Fire; and repairs to the fire suppression system for CSA 158 - Ishi Valley Estates. Special Districts and other agencies include approximately 70 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.