

# BUTTE COUNTY MISSION, VISION & VALUES



## MISSION

PROVIDE QUALITY SERVICE WITH DIGNITY, INTEGRITY AND RESPECT.

## VISION

- TO ENSURE BASIC HEALTH, SAFETY AND PROTECTION OF PEOPLE.
- TO FACILITATE COMMERCE AND TRADE IN ORDER TO PROMOTE A HIGH QUALITY OF LIFE.
- TO PROMPTLY RESOLVE ISSUES IN AN HONEST AND CONSISTENT MANNER.
- TO PROVIDE USEFUL AND EFFECTIVE SERVICE UTILIZING BOTH PUBLIC AND PRIVATE MEANS.

## VALUES

- FISCAL RESPONSIBILITY

WE RESPECT OUR OBLIGATION TO THE TAXPAYER AND SHALL ACT IN A FISCALLY RESPONSIBLE MANNER.

- PRIDE IN SERVICE

WE TAKE PRIDE IN OUR MISSION, OUR ORGANIZATION, AND THE UNIQUE ABILITIES OF EACH INDIVIDUAL EMPLOYEE TO DELIVER QUALITY SERVICE.

- INTEGRITY/ETHICS

WE SHALL CONDUCT OUR BUSINESS THROUGH HONEST AND DIRECT COMMUNICATION WITH INTEGRITY, TRUST, AND A HIGH STANDARD OF ETHICS AND RESPECT.

- DECISIVE LEADERSHIP & ACCOUNTABILITY

WE VALUE INITIATIVE AND LEADERSHIP, AND ARE ACCOUNTABLE FOR OUR PERFORMANCE.

- INNOVATION

WE ENCOURAGE INNOVATIVE PROGRAMS TO INCREASE EFFICIENCY AND STREAMLINE OPERATIONS.

- WORKING TOGETHER

WE ENCOURAGE PARTNERSHIPS AND COOPERATIVE AGREEMENTS WHICH ENHANCE OUR ABILITY TO ACCOMPLISH OUR MISSION.

## OFFICERS

### FISCAL YEAR BEGINNING JULY 1, 2013

#### BOARD OF SUPERVISORS

District 1	Bill Connelly, Chair*	538-6834
District 2	Larry Wahl	891-0686
District 3	Maureen Kirk, Vice Chair*	891-2800
District 4	Steve Lambert	538-2516
District 5	Doug Teeter	872-6304

\*Chosen annually at the first meeting in January.

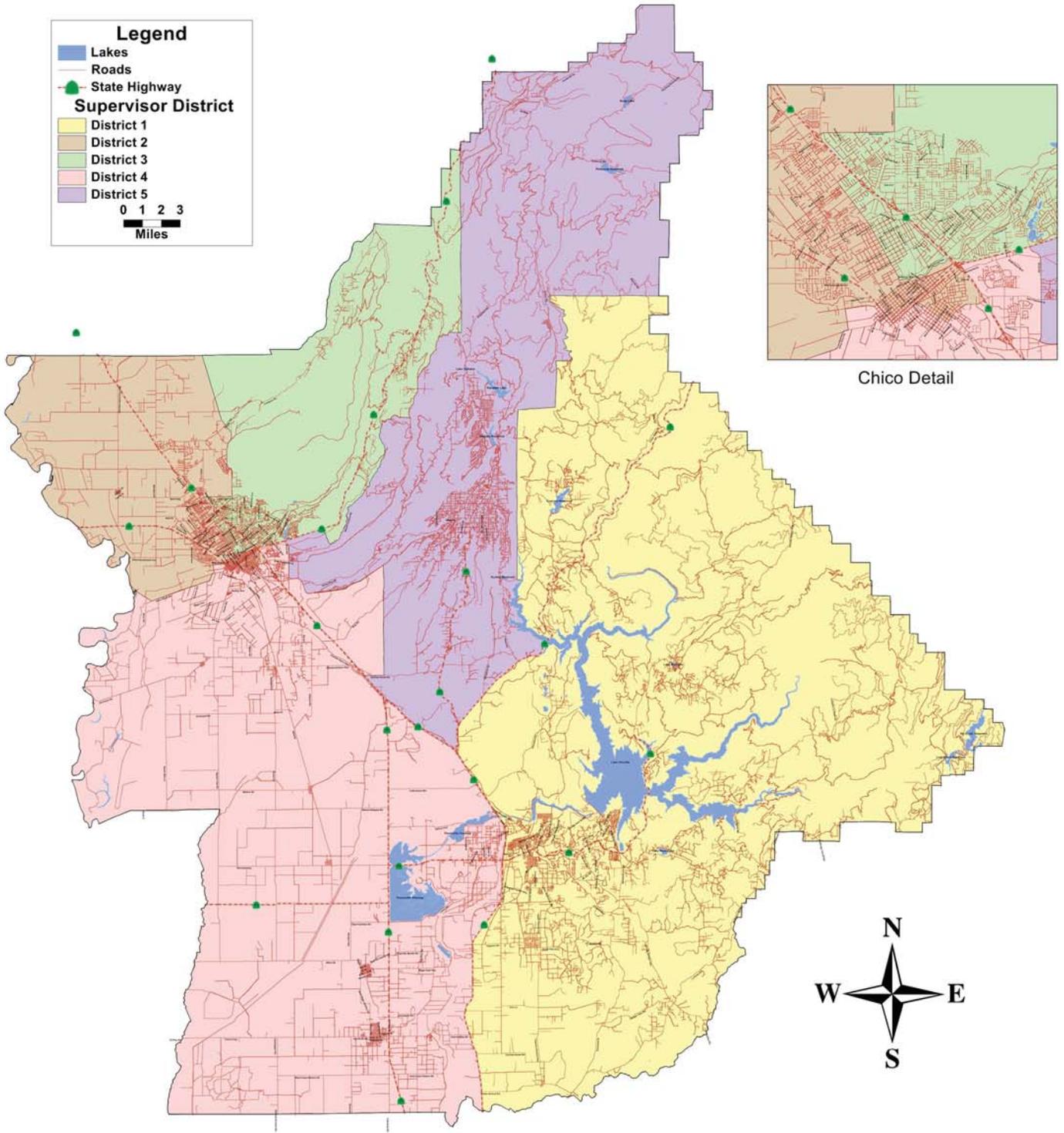
#### BUTTE COUNTY DEPARTMENT HEADS

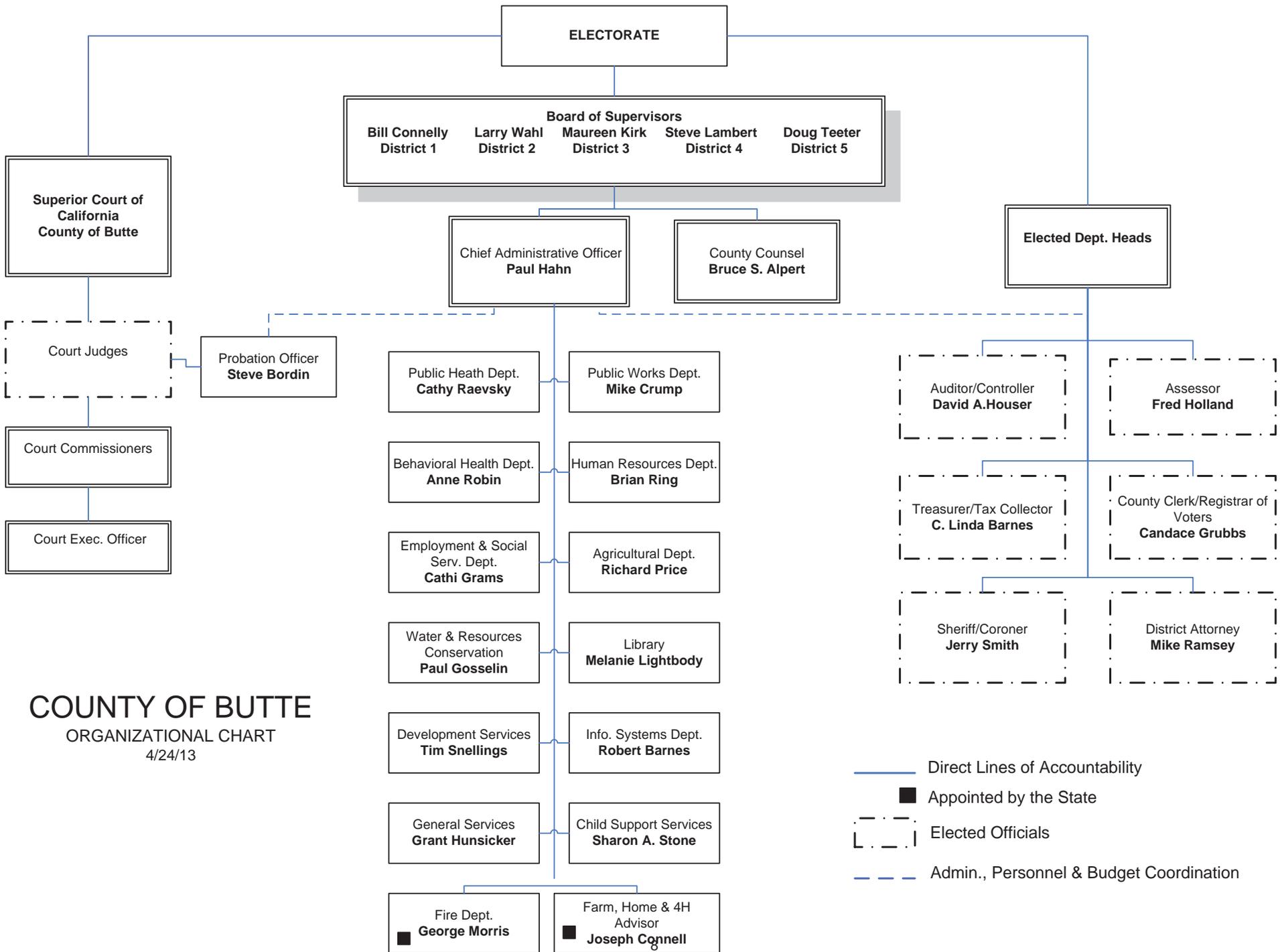
Agricultural Commissioner	Richard Price	538-7381
Assessor	Fred Holland	538-7314
Auditor-Controller	David A. Houser	538-7607
Behavioral Health Director	Anne Robin	891-2850
Chief Administrative Officer	Paul Hahn	538-7224
Child Support Services Director	Sharon A. Stone	538-6578
Clerk/Recorder	Candace Grubbs	538-6366
County Counsel	Bruce S. Alpert	538-7621
Development Services Director	Tim Snellings	538-6571
District Attorney	Mike Ramsey	538-7411
Employment & Social Services Director	Cathi Grams	538-7572
Farm, Home & 4-H Advisor	Joseph Connell	538-7201
Fire Chief	George Morris	538-7111
General Services Director	Grant Hunsicker	538-7064
Human Resources Director	Brian Ring	538-7651
Information Systems Director	Robert Barnes	538-7292
Library Director	Melanie Lightbody	538-7525
Chief Probation Officer	Steve Bordin	538-7663
Public Health Director	Cathy Raevsky	538-7583
Public Works Director	Mike Crump	538-7681
Sheriff-Coroner	Jerry Smith	538-6759
Treasurer-Tax Collector	C. Linda Barnes	538-6549
Water & Resource Conservation Director	Paul Gosselin	538-4343

# BUTTE COUNTY SUPERVISORIAL DISTRICTS

Adopted: July 26, 2011

Ordinance Number: 4031





**COUNTY OF BUTTE**  
 ORGANIZATIONAL CHART  
 4/24/13

- Direct Lines of Accountability
- Appointed by the State
- Elected Officials
- - - Admin., Personnel & Budget Coordination



## BUTTE COUNTY ADMINISTRATION

25 COUNTY CENTER DRIVE, SUITE 200  
OROVILLE, CALIFORNIA 95965-3380  
Telephone: (530) 538-7631 Fax: (530) 538-7120

### MEMBERS OF THE BOARD

BILL CONNELLY  
LARRY WAHL  
MAUREEN KIRK  
STEVE LAMBERT  
DOUG TEETER

PAUL HAHN  
Chief Administrative Officer

May 24, 2013

To: Butte County Board of Supervisors

From: Paul Hahn, Chief Administrative Officer

A handwritten signature in blue ink, appearing to read "P. Hahn".

RE: Recommended Budget for Fiscal Year 2013-2014

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### RECOMMENDATION

Pursuant to statute, the Recommended Budget for fiscal year 2013-2014 (July 1, 2013 – June 30, 2014) is presented for consideration on June 11, 2013. The Recommended Budget provides Butte County with a prudent spending plan that is balanced with the resources available to the County and provides the foundation to conduct hearings as required by California law. It is requested that the Board of Supervisors accept this Recommended Budget as the basis for budget hearings scheduled to begin on Tuesday, June 25, 2013. As specified under statute, budget hearings can last no longer than 10 days. Subsequent to those hearings, the Board of Supervisors may adopt a budget that is smaller, but no larger, than the accountings made at the conclusion of the hearings. The Board of Supervisors will consider adoption of the budget on July 30, 2013.

Attached to this memo you will find the Recommended Budget Summary (Exhibit A), Position Allocation Changes (Exhibit B), and Multi-Year Budget Trend Analysis (Exhibit C).

### INTRODUCTION

Under the leadership of the Board of Supervisors, the Recommended Budget for fiscal year 2013-2014 demonstrates that Butte County has survived the economic crisis, achieved stability, and is now headed for recovery. These three simple words, "Survival, Stability, and Recovery" represent Butte County's journey through the economic crisis, and encompass the vision and leadership of the Board as well as the dedication and sacrifice by our department heads and all our employees.

To fully appreciate our current position, we need to see it in context of where we have been. From 2008 to 2011, we focused on surviving extremely difficult fiscal times. Budget cuts, position eliminations, and service reductions defined this time as the County suffered through the worst financial crisis since the Great Depression. The Board took bold steps and made difficult decisions that guided the organization through the recession. In making these difficult decisions early on, the Board planted the seed for future stability and recovery.

The Board's actions began to bear fruit in fiscal year 2011-2012 when the organization transitioned out of survival mode into one of relative stability. Our regional economy, as well as the state's economy, began showing signs of improvement, which enabled us to shift from cutbacks and begin to strategize

on obtaining long-term stability. The strategy included employees making sacrifices such as paying an increased share of retirement costs as well as increased health insurance premiums, implementing innovative efficiencies, and creating new revenue sources such as the temporary lease of the unused portion of the County's Table A water allocations. All these efforts combined to steer us toward a more sustainable future. The organization is now poised for the next phase, recovery.

As fiscal year 2013-2014 begins, I am pleased to report that Butte County is entering the recovery phase. Our fiscal house is in order; the Board's long term strategy is working. For the first time since the recession, our ongoing revenues and our ongoing expenditures are in balance. This year several indicators suggest that the scene is set for a modest recovery, with a more comprehensive recovery still being several years out. During this recovery phase, we will continue to address long term fiscal challenges such as retiree health care costs, unfunded pension liabilities, deferred maintenance of our facilities, our pension obligations bonds, and compensation for our employees.

While each of these challenges poses a unique and complex set of issues, for the first time in several years a plan is in place – or will be in place shortly – to address each of these areas. Paying down unfunded liabilities, investing in our buildings and infrastructure, and remaining competitive in the marketplace are all achievable with patience, staying the course of fiscal discipline, and with modest reinvestment as the opportunities present themselves. It will not be easy and there are many potential pitfalls that could set us back, but given the dedication and talent of our workforce and the continuing steady leadership of the Board, I am confident that we will succeed in our recovery.

## **A LOOK BACK**

Even in these difficult times, Butte County has continued to provide its citizens with excellent customer service and innovative new ideas. Butte County residents can be proud of the many accomplishments that have taken place this past year. A few of these highlights are provided below:

- Approved the Zoning Ordinance and streamlined the development review process.
- Initiated several new, popular programs in the Library, including a drop-in user group for help with e-readers and table computers; a free afterschool homework assistance program that matches retired teachers with kids in grades 1-8; and a one-month program where children read to trained service dogs, thereby allowing the children to build their reading skills in a safe and fun environment.
- Secured agreements to lease portions of the County's State Water Project Table A water allocation not currently needed within the County. The lease agreements eliminate an annual \$1.4 million General Fund liability and generated \$1.2 million annual revenue for two years.
- Began commercial operations at the landfill gas-to-energy facility at Neal Road Recycling and Waste Facility and received the first royalty check from the contractor operating the facility.
- Adopted a Property Assessed Clean Energy (PACE) Program to provide non-residential property owners the opportunity to use contractual assessments to finance installation of energy efficiency improvements and renewable energy generation improvements. The PACE Program provides commercial and industrial businesses with an opportunity to reduce energy costs.
- Approved Debt Management Guidelines and Procedures (DMGP) to serve as a foundation for prudent debt issuance and management. The DMGP formalizes debt issuance processes, assists with affordability determinations, assigns issuance responsibilities, and promotes transparency.
- Completed design of the Hall of Records with the plans going out to bid this summer.

- Continued Department Head Work Team efforts, including publication of a Sustainability Report, redesign of the County's website, and customer service training as part of the development streamlining process.
- Adopted a nut theft prevention ordinance that tightens the requirements related to ownership of nut crops. The ordinance provides additional tools for law enforcement to combat theft of agricultural commodities including walnut crops.
- Introduced Version 5.0 of SunGard Finance Plus, an upgrade to the County financial system that will allow for more efficient reporting and analysis of financial and related data, including elimination of duplicate entry and shadow systems.
- Strengthened the relationship between the career and volunteer firefighting components of the Butte County Fire Department by adjusting hiring practices, updating training standards, revising duty statements, and clarifying discipline policies.
- Secured Federal Emergency Management Agency accreditation of the Sycamore-Mud Creek urban levees.
- Expanded the Regional Child Support Services Call Center by taking calls for Contra Costa County, the eighth county to contract to use the Call Center. This expansion resulted in an increase of more than 6,000 calls into the Call Center.
- Completed over 25 major facility projects, including plans for the first phase of refurbishing 900 Esplanade, Chico, which will house the Museum of Northern California Art.
- Reviewed over 40,000 properties for value decline and completed enrollment of approximately 30,000 declined assessments which resulted in a 25% reduction in assessment appeal filings from 2011 to 2012.
- Approved the Restriction on Cultivation of Medical Marijuana Ordinance, which placed limitations on how many plants could be grown on any given property, defined minimum setback requirements, and implemented other measures to help protect the public.
- Automated the posting of tax payments, leading to time and cost savings for the Treasurer-Tax Collector through reduced manual entry, higher levels of accuracy and security, and same day tax deposits.
- Implemented the Positive Pay system, an automated warrant file upload program that prevents fraudulent cashing of counterfeit checks drawn on the bank accounts of the County, schools, and special districts.
- Completed the communication tower project at Bloomer Mountain, expanding radio coverage for public safety and general government users. The project was awarded the Geotechnical Project of the Year 2012 from the American Association of Civil Engineers for the micro-pile foundations used on the project.

## **RECOMMENDED BUDGET HIGHLIGHTS**

The Recommended Budget for fiscal year 2013-2014 is essentially *status quo* with similar service levels as the last two years. It includes General Reserves recommended at \$5.5 million, which is a \$500,000 increase from the fiscal year 2012-2013 budget. The recommendation includes a target of \$4.5 million for General Fund Appropriations for Contingencies, which is a \$1 million increase from the target included in the fiscal year 2012-2013 Recommended Budget. The Recommended Budget also proposes an investment of approximately \$1.2 million for ongoing and deferred maintenance. In all cases, these additional expenditures will utilize one time funds, mainly from the previous year's water lease funding and an unanticipated increase in tobacco settlement revenue.

Highlights within this Recommended Budget include:

- Growth for the Department of Employment and Social Services (DESS) as it continues to deal with increased Medi-Cal and CalFresh caseloads resulting in the recommendation of 11 new positions. These positions will be funded with State and federal funds and do not impact the General Fund. Additionally, DESS will request adding more positions sometime during fiscal year 2013-2014 to address the increased responsibilities for determining eligibility for the new statewide exchanges being set up as part of the Affordable Care Act.
- Additional resources to the Sheriff's Office, the Probation Department, Behavioral Health Department, and the District Attorney's Office as a result of the continued implementation of AB 109, which shifted a number of state prisoners to county control. This new approach in criminal incarceration continues to unfold with increased funding and increased responsibility for inmates staying in county jails instead of state prisons.
- Increase in the General Reserve of \$500,000, which would improve it from \$5 million to \$5.5 million. The Board of Supervisors General Fund Balance Reserve Policy, established in 2010, states that the Board shall consider, during the public hearing on the Recommended Budget, increasing the General Reserve "when one-time, unanticipated discretionary revenue exceeding \$500,000 with no offsetting expenditure were received over the current (closing) fiscal year..." The County did receive unbudgeted water lease revenue and higher-than-expected tobacco lawsuit settlement revenue this fiscal year meeting this requirement. Therefore, the recommended increase in General Reserve is made consistent with Board policy.
- Increase of \$1 million to General Fund Appropriation for Contingencies (for a total of \$4.5 million) as compared to the previous fiscal year's Recommended Budget. This is prudent to help offset the increased uncertainty of many elements outside County control. The world and state economies, along with new and large realignment of programs, reflect an uncertain time. Caution dictates an increase in reserves and contingencies, especially when the revenues are one time in nature. The recommendation helps the County toward achieving the goal of setting aside at least 5% of the General Fund budget in contingencies.
- Increasing commitment to address the backlog of deferred maintenance. Over the last couple of years, the County has slowly begun to address this maintenance backlog. This year, the Recommended Budget includes the additional funds needed for projects such as replacing the Paradise library roof, replacing the chiller in the building at 25 County Center Drive, Oroville, replacing carpeting in a variety of buildings, replacing windows at 900 Esplanade, Chico, and a variety of other needed improvements.
- Transfer of \$378,950 in realignment funding from Behavioral Health and \$628,586 from Public Health to the Welfare Fund. This results in a reduction of General Fund transfers to the Welfare Fund by an equal amount. The recommended transfers are less than previous years.

The overall Recommended Budget is approximately \$504 million dollars (a 4.87% increase from last year). Most of this increase is the result of the ongoing implementation of 2011 realignment. More precise details of the changes are contained in Exhibit A. The recommendation includes an overall increase of seven positions, almost all associated with the increased responsibilities at DESS. With a workforce of almost 2,263 this is a moderate increase, given the growth of program responsibility.

## THE FUTURE

As has been noted, I believe the County has weathered the worst of the recession, has stabilized, and is heading for recovery. This belief is based upon a number of factors, but mostly upon the fact that the decisions we have made over the last few years including labor concessions, new revenue from the temporary lease of the County's unused Table A allocations, and a variety of other changes and efficiencies have decreased or slowed our expenditures and increased our revenues to a point where they are in balance. Further, many economic indicators at the national, state, and local levels point toward a modest economic recovery. Revenue growth is mostly occurring through healthier statewide sales tax, and there are projections for increased property tax revenue based upon rising property values and property sales. While cities within our county are not recovering as quickly as the County in general, increased home sales, especially in Chico, are a strong indicator for growth in property tax revenues.

While revenue growth is projected to rise modestly over the next few years, several large fiscal impacts, many outside our control, are also expected to occur. These include:

- Increases in pensions costs. In April 2013, the CalPERS Board voted to substantially increase the costs it charges to employers over a five year period beginning in 2015 to offset its increasing unfunded liability. This move, coupled with last year's decrease in its discount rate and an increasingly vibrant investment return should help CalPERS address the system's long term liabilities and put it in a better financial position. Likewise, this move will also help ensure Butte County will address its own portion of that unfunded liability (approximately \$70 million). These anticipated cost increases have been entered into our Multi-Year Budget Trend Analysis.
- Loss of revenue to the General Fund from winding down the federal jail contract. As a result of the increased number of inmates associated with the implementation of AB 109, the County is now experiencing a serious shortage of jail beds. Before prison realignment, the County entered into a contract with the federal government and leased beds for housing federal prisoners. This lease generated revenue that was critical for the County during the survival phase. However, as the demands for jail space increase due to AB 109, the County can no longer house these federal inmates. The cancellation of this contract will result in almost \$3 million in annual revenue loss.
- Long term concerns that costs associated with AB 109 realignment programs will not be completely funded by State and federal resources.
- Long range plans to address costs associated with paying down the debt on our pension obligations bonds, as well as beginning to put into effect a strategy to fund our long term liability on retiree health care costs.
- Impact of world, national, and/or state events on our local recovery. In this increasingly interconnected and unstable world economy, political or economic upheavals in one part of the world can have major impacts on our part of the world.

Even with these uncertainties our Multi-Year Budget Trend Analysis, which includes addressing the CalPERS increase, the elimination of the federal jail contract, and other known expenditure increases, indicates that we should stay about even with revenue growth.

Unfortunately, two important areas still remain unaddressed in long term budget planning. These issues involve restoring and/or growing service delivery to levels that are more responsive to the community's needs, and employee compensation issues that need to be addressed if we are to remain competitive as an employer. We have started labor negotiations with all nine bargaining units to address compensation and other issues. Hopefully, more robust economic development efforts and a faster local economic recovery will help us address these issues.

## CONCLUSION AND ACKNOWLEDGEMENTS

The long road to fiscal recovery is starting. While we continue to address our budgetary and fiscal needs, it is important to remember that our departments address the concerns and needs of our citizens daily and provide top-notch services. Some of the innovative and far reaching initiatives we will address this coming year include:

- Bringing to the Board a policy for pre-funding our retiree health care liability costs to ensure we get in front of this issue and smooth the anticipated cost increases out over a number of years.
- Implementing Microsoft Lync, a major technology upgrade that will integrate and manage all of our voice, text, e-mail and telecommunications needs, and also move us in the direction of a licensing model to assure we always have the latest upgrades of software available.
- Breaking ground on the new Hall of Records building. This will consolidate all employees of the Clerk-Recorder's Office into one building, which increases efficiency, and will also free up much-needed space in the building at 25 County Center Drive for those departments that remain. In addition, it will consolidate and protect all county historical records in one centralized and accessible place. This will happen with no increased expenditure from the General Fund.
- Taking responsibility for enrolling over 12,000 Butte County residents in health insurance as part of the new Affordable Care Act. Department of Employment and Social Services staff will be responsible for determining eligibility for a whole new host of people who will receive expanded or new health care benefits.

Finally, I want to recognize all the hard work of the employees who put this budget together. This is the 25<sup>th</sup> county budget in my career and third in Butte County. I can say without hesitation that the quality and level of professionalism of this team is second to none. Hundreds of people are involved in the preparation, assembly, and data collection for this document. It begins with Administration staff in the Fall analyzing data to put together an allocated cost package and budget instructions that will meet the high accounting standards set by the federal and State audits. Next, staff from 23 County departments work long days and weekends from January through March to prepare budget requests. Department heads and senior department staff then review and refine every detail before submitting their requests to my office. Once submitted, a talented and experienced budget team from my office reviews, analyzes, asks questions, edits, and makes sense of all the pieces and puts them into coherent documents that tell a bigger story. I spend hours with the budget team considering and debating the recommendations, and ultimately arrive at this budget document.

Most of this the public never sees, but the results show in some of the best credit ratings of any county in the state and clean financial audits. Most importantly, the effort culminates into a financial document that is accurate, realistic, and responsible.

Butte County is fortunate to have the dedicated and talented employees that make this process go smoothly year after year.

**EXHIBIT A**  
**Recommended Budget Summary**

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The fiscal year 2013-2014 Recommended Budget is \$503,401,536 for all funds, an increase of \$23.4 million or 4.87% compared to the fiscal year 2012-2013 Adopted Budget. All funds include governmental funds (primarily the County's operating funds), internal service funds (insurance and utilities), and enterprise funds (the Neal Road Recycling and Waste Facility). For all 16 governmental funds, the Recommended Budget is \$483,102,819, which is an increase of \$21.8 million or 4.72%, compared to the fiscal year 2012-2013 Adopted Budget. Of this total, \$43.3 million is from recommended operating transfers between funds. The majority of these transfers, \$38.3 million, are from the Public Safety and Health and Human Services Realignment Fund to the operating department budgets. An additional \$2.8 million in transfers from the General Fund to support expenditures in Special Revenue and Debt Service Funds is included in this total, along with a transfer from the ISF Equipment Replacement Fund to the General Fund and a transfer from the Capital Projects Fund to the Debt Service Fund.

Table 1 summarizes the Recommended Budget by fund. It is important to understand that, other than the General Fund, most of these funds contain restricted revenues which are dedicated by law to specific purposes and programs that cannot be used for any other purposes than those for which they are intended.

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**Table 1**  
**Recommended Budget for Butte County**  
**Fiscal Year 2013-2014 - All Funds**

	<u>Adopted</u> <u>2012-13</u>	<u>Recommended</u> <u>2013-14</u>	<u>Percent</u> <u>Change</u>
General	137,438,362	138,682,385	0.91%
Welfare	142,011,259	146,875,192	3.43%
Public Health	26,118,625	25,006,235	-4.26%
Behavioral Health	56,374,731	56,461,626	0.15%
Child Support Services	9,003,651	9,205,366	2.24%
Road Operations	43,769,947	39,804,134	-9.06%
Impact Fees	124,950	95,000	-23.97%
Equipment Replacement	1,783,630	1,040,396	-41.67%
ISF Equipment Replacement	825,720	2,602,974	215.24%
Public Safety and HHS Realignment	24,361,841	38,317,185	57.28%
Local Transportation - Transit	3,160,000	3,571,000	13.01%
CDBG	3,514,506	5,621,644	59.96%
HCD	207,654	93,844	-54.81%
Fish & Game	30,838	26,608	-13.72%
Capital Project	9,783,419	12,518,023	27.95%
Debt Service	2,798,731	3,181,207	13.67%
<b>Total Governmental Funds</b>	461,307,864	483,102,819	4.72%
<b>Other Funds</b>			
Internal Service Funds	9,740,982	10,563,351	8.44%
Enterprise Funds	7,190,786	8,080,020	12.37%
Special Districts and Other Agencies	1,781,431	1,655,346	-7.08%
<b>Total All Funds</b>	480,021,063	503,401,536	4.87%

### Governmental Funds

The Recommended Budget for the **General Fund** is \$138,682,385. The General Fund finances most discretionary services the County provides, including law enforcement and other criminal justice, community development and land use, elections and voter registration, juvenile services, public libraries, fire and rescue services, and support services. The Recommended Budget for the General Fund reflects an increase of \$1,244,023 compared to the fiscal year 2012-2013 Adopted Budget due to a number of small increases throughout the budget.

The Recommended Budget makes progress toward achieving the funding targets outlined in the General Fund Balance Reserve Policy which was adopted by the Board in 2010. The policy has goals for Appropriation for Contingencies at or above 5% of the General Fund, which would be \$6.9 million, and General Fund reserve at an amount equivalent to two months of operating expenses.

The Recommended Budget includes a General Fund Appropriation for Contingencies target of \$4.5 million which is a \$1 million increase from the fiscal year 2012-2013 Recommended Budget target of \$3.5 million. The specific amount is dictated by actual available fund balance, which can result in the amount being higher or lower than the budgeted amount. Due to higher than anticipated prior year available fund balance, the adopted Appropriation for Contingencies was \$4,748,227.

Additionally, the budget recommends an increase to the General Reserve of \$500,000 which, if adopted, would increase it from \$5 million to \$5.5 million. The Board of Supervisors' General Fund Balance Reserve Policy states that the Board will consider, during the public hearing on the Recommended Budget, increasing the General Reserve "when one-time, unanticipated, discretionary revenues exceeding \$500,000 with no offsetting expenditures were received over the current (closing) fiscal year..." The County did receive unbudgeted water lease revenue and higher than anticipated tobacco lawsuit settlement revenue that exceeded expectations by this threshold. Therefore, the recommended increase in General Reserve is made in consideration of the Board of Supervisors' policy.

The available fund balance in the General Fund on July 1, 2013 is estimated to be \$13.6 million, which is in line with historical trends, and consists of approximately \$3 million in General Fund Appropriation for Contingencies not used during the past fiscal year, \$9.1 million in savings from departments and \$1.5 million in General Purpose Revenues in excess of the budgeted amount. The available fund balance remains an essential part of funding for the new fiscal year's budget.

The Recommended Budget for the **Welfare Fund** is \$146,875,192. The Welfare Fund is a special revenue fund, which is used to account for revenues that must be used by law for specific purposes and programs, such as Child Welfare, Foster Care, CalFresh (formerly known as Food Stamps), and CalWORKs. This is an increase of \$4,863,933 compared to the fiscal year 2012-2013 Adopted Budget. The increase is primarily the result of the new Service Center to meet State requirements. The Service Center was approved by the Board on November 20, 2012 and is scheduled to be operational by September 20, 2013. The increase is also the result of new positions that were added after the adoption of the fiscal year 2012-2013 budget as well as the new positions in the fiscal year 2013-2014 Recommended Budget to address increased caseloads. The recommendation includes a realignment transfer of \$628,586 from the Public Health Fund and \$378,950 from the Behavioral Health Fund, thereby reducing the transfer from the General Fund by an equal amount.

The Recommended Budget for the **Public Health Fund** is \$25,006,235. The Public Health Fund is a special revenue fund, which is used to account for revenues that must be used by law for specific purposes and programs, such as public health clinics, the Women, Infants and Children (WIC) Program, and environmental health functions. This is a decrease of \$1,112,390 compared to the fiscal year 2012-2013 Adopted Budget. The decrease is primarily the result of completion of one-time facility modification projects. The recommendation includes a transfer of \$628,586 to the Welfare Fund.

The Recommended Budget for the **Behavioral Health Fund** is \$56,461,626. The Behavioral Health Fund is a special revenue fund, which is used to account for revenues that must be used by law for specific purposes and programs, such as community-based mental health services, the Psychiatric Health Facility (PHF), and Mental Health Services Act (MHSA) programs. This is an increase of \$86,895 compared to the fiscal year 2012-2013 Adopted Budget, which represents a minimal change in various

budget accounts. The recommendation includes a set-aside of approximately \$600,000 in realignment revenues to reduce the Behavioral Health Department's cash flow borrowing from other funds. The recommendation also includes a transfer of \$378,950 to the Welfare Fund.

The Recommended Budget for the **Child Support Services Fund** is \$9,205,366. The Child Support Services Fund is a special revenue fund, which is used to account for revenues that must be used by law for specific purposes and programs related to child support collections. The program is completely funded by federal and State revenues. This is an increase of \$201,715 compared to the fiscal year 2012-2013 Adopted Budget. The increase is due to increased federal and State revenue allocations.

The Recommended Budget for the **Road Fund** is \$39,804,134. The Road Fund is a special revenue fund, which is used to account for revenues that must be used by law for roads and bridges. This is a decrease of \$3,965,813 compared to the fiscal year 2012-2013 Adopted Budget. The decrease is primarily due to the anticipated completion of the Ord Ferry Bridge. The Road Fund expenditures fluctuate from year-to-year based on specific road and bridge projects.

The Recommended Budget for the **Impact Fees Fund** is \$95,000. The Impact Fee Fund is a special revenue fund, which is used to account for revenues generated by development that must be used by law for funding facilities and equipment that become necessary due to growth in the County. Anticipated expenditures in fiscal year 2013-2014 include the use of funds to pay the first debt service payment for the Hall of Records building and for intersection design in the Road Fund. This is a decrease of \$29,950 compared to the fiscal year 2012-2013 Adopted Budget. The decrease is based on lower requests from departments for the use of Impact Fees in fiscal year 2013-2014.

The Recommended Budget for the **Equipment Replacement Fund** is \$1,040,396. The Equipment Replacement Fund receives funding in the form of depreciation payments from the Sheriff and Fire operating budgets each year and has historically been used to replace front-line vehicles for the Sheriff's Office and Fire Department. The decrease of \$743,234 compared to fiscal year 2012-2013 is primarily based on three fire engines budgeted in the 2012-2013 fiscal year compared to only one engine budgeted in fiscal year 2013-2014. In fiscal year 2013-2014, the fund will begin collecting depreciation payments from the District Attorney's Office and the Probation Department to replace vehicles that were added through the use of development impact fees.

The Recommended Budget for the **ISF Equipment Replacement Fund** is \$2,602,974. In fiscal year 2009-2010, certain ISFs, such as Facilities, Communications, Stores, and Duplicating were closed out, and these support service operations were moved into the General Fund. The remaining ISF's include the Utilities, Self-Insurance, Worker's Comp, Unemployment, and Medical Liability Insurance Funds. The ISF Equipment Replacement Fund is used by current ISF's, and those transferred to the General Fund. The increase of \$1,777,254 compared to the fiscal year 2012-2013 Adopted Budget is primarily related to the Information Systems Department entering into an Enterprise Agreement with Microsoft to facilitate future software license acquisition and management countywide. Though the entire amount is budgeted in fiscal year 2013-2014, the payments will be made over a three-year period to limit impacts to the County's cash flow. The recommendation also includes replacement vehicles for the General Services and Information Systems Departments, as well as replacement of various equipment and systems for the Information Systems Department. Purchases of capital assets for ISF's and those support service operations moved to the General Fund are financed through the charge of the equipment use allowance. The charge is made against the ISF and support service operations, which allows for the transfer of cash from the ISF and General Fund to the ISF Equipment Replacement Fund. These funds are used for the future purchase of capital assets from the ISF Equipment Replacement Fund.

The Recommended Budget for the **Public Safety and Health and Human Services Realignment Fund** is \$38,317,185. The Public Safety and Health and Human Services Realignment Fund is a special revenue fund that was established in fiscal year 2011-2012 to comply with Assembly Bill (AB 118) which requires a separate Local Revenue Fund to receive all 2011 realignment revenues from the State. The revenues include Community Correction (AB 109), Trial Court Security, District Attorney and Public Defender, Juvenile Justice, Supplemental Law Enforcement and Health and Human Services 2011 Realignment Revenues. Once received in this fund, revenues are transferred to the departmental operating budgets for expenditure, thus resulting in a double-counting of these appropriations in the total Recommended Budget. This is an increase of \$13,955,344 from the 2012-2013 adopted budget due to the continued implementation of 2011 realignment.

The Recommended Budget for the **Local Transportation – Transit Fund** is \$3,571,000. The Transit Fund is a special revenue fund, which is used to account for revenues that must be used by law for transit services. This is an increase of \$411,000 compared to the fiscal year 2012-2013 Adopted Budget. The increase is a result of higher estimates from the State’s Local Transportation Fund, which comes from 0.25% of the 7.25% statewide sales tax. Most 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) Fund** is \$5,621,644. The CDBG Fund is a special revenue fund, which is used to account for revenues that must be used by law for CDBG eligible activities. This is an increase of \$2,107,138 compared to the fiscal year 2012-2013 Adopted Budget. The increase is related to the Disaster Recovery Initiative grant the County received to assist victims of the 2008 wild fires.

The Recommended Budget for the **Housing and Community Development (HCD) Fund** is \$93,844. The HCD Fund is a special revenue fund that contains the County’s Housing Rehabilitation Revolving Loan Program and program income that must be used solely for CDBG housing rehabilitation activities. This is a decrease of \$113,810 compared to the fiscal year 2012-2013 Adopted Budget. The decrease is a result of lower anticipated resources available from loan payoffs and loan modifications.

The Recommended Budget for the **Fish and Game Fund** is \$26,608. The Fish and Game Fund is a special revenue fund, which is used to account for revenues from fines that must be used by law for fish and game protection, conservation, propagation and preservation activities and programs overseen by the Fish and Game Commission. This is a decrease of \$4,230 compared to the fiscal year 2012-2013 Adopted Budget.

The Recommended Budget for the **Capital Project Fund** is \$12,518,023, an increase of \$2,734,604 from the fiscal year 2012-2013 Adopted Budget. This increase is due primarily to the planned construction of the Hall of Records in the 2013-2014 fiscal year. Projects planned for fiscal year 2013-2014 include the Hall of Records, a Chico Public Works Yard, the purchase of property for Fire Station #44 in south Chico, the next phase of remodels for the space leased for Behavioral Health at 560 Cohasset in Chico, the completion of a pedestrian walkway between the Sheriff’s Department and County Center Drive, the completion of a Park & Ride lot at the Veteran’s Memorial Park in Oroville, and the completion of the Juvenile Hall Security System.

The Capital Project Fund is used to account for the acquisition or construction of major capital facilities based upon the Board of Supervisors approved Capital Improvement Program. The Capital Project Fund includes Facility Reserve funds, which are the accumulation of 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.

The Recommended Budget for the **Debt Service Fund** is \$3,181,207, which is an increase of \$382,476 from the fiscal year 2012-2013 Adopted Budget. The increase is primarily the result of the debt service for the 2004 Pension Obligation Bonds, which previously was comprised of interest only, but now includes a principal reduction. The Debt Service Fund is used by the County to account for the accumulation of resources for, and the repayment of, money borrowed and the interest on those debts. Current debt service includes payment for the 2004 Pension Obligation Bonds, the solar project, Certificates of Participation for the Bangor Fire Station, and the lease financing on the Chico Veterans Memorial Hall.

### **Other Funds**

The operating plan for all **Internal Service Funds (ISF)** is \$10,560,351, which is an increase of \$822,369 from the fiscal year 2012-2013 Adopted Budget. The net increase in Internal Service Funds is largely due to increased Workers' Compensation and General Liability Insurance 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 \$8,080,020, which is an increase of \$889,234 from the fiscal year 2012-2013 Adopted Budget. The increase is primarily due to the purchase of equipment to meet various State laws and requirements and the replacement of various aging equipment. 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 \$1,655,346, which is a decrease of \$126,085 from the fiscal year 2012-2013 Adopted Budget. Special Districts and Other Agencies include over 100 County Service Areas (CSA's) 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 those CSA's fluctuates year to year depending on maintenance and capital needs.

**EXHIBIT B**  
**Position Allocation Changes**

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The Recommended Budget includes the addition of 33 positions and the elimination of 26 positions resulting in a net increase of 7 positions. The majority of the positions being added are in the health and human services departments and are related to State and federally funded programs. This brings the total County position allocation to 2,269.45. In summary, the recommended changes are as follows:

- Administration – Delete 2 positions and add 1 position for a net reduction of 1 position
- Behavioral Health – Add 1 position
- County Counsel – Add 1 position
- Development Services – Delete .25 position and add 1 position for a net increase of .75 position
- District Attorney – Delete 3 positions
- Employment and Social Services – Add 11 positions and delete 1 position for a net increase of 10 positions
- General Services – Delete 1 position and add 1 position for no net change in positions
- Information Systems – Delete 1 position
- Library – Delete 1 position
- Probation – Add 2 positions
- Public Health – Delete 7.75 positions and add 4 positions for a net decrease of 3.75 positions
- Sheriff – Delete 9 positions and add 11 positions for a net increase of 2 positions

Of the 26 positions recommended to be eliminated, 4.25 are currently filled, though there are no layoffs anticipated.

Table 1 and Chart 1 on the following page reflect the position allocation changes on an organization-wide level over the past five years.

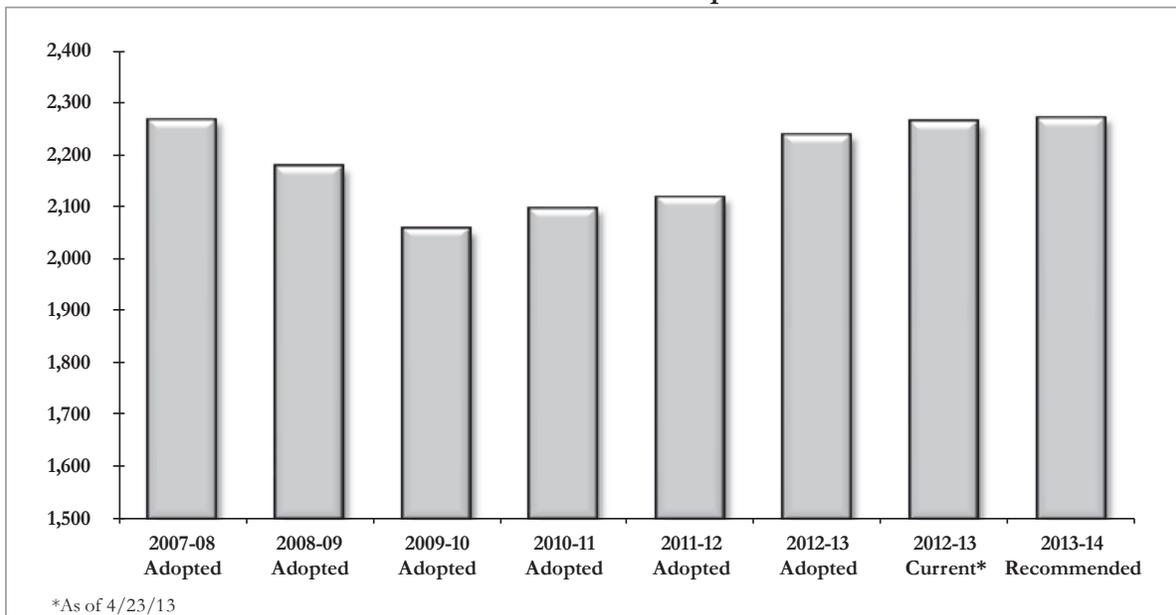
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**Table 1  
Position Allocations**

	2009-10 Adopted	2010-11 Adopted	2011-12 Adopted	2012-13 Adopted	2012-13 Current*	2013-14 Recommended
Administration	27.00	27.00	27.00	27.00	28.00	27.00
Agriculture	19.00	19.00	19.00	19.00	19.00	19.00
Assessor	38.00	41.00	40.00	41.00	41.00	41.00
Auditor/Controller	19.00	19.00	19.00	20.00	20.00	20.00
Behavioral Health	313.25	304.75	314.00	339.50	344.25	345.25
Board of Supervisors	10.00	10.00	10.00	10.00	10.00	10.00
Child Support Services	110.00	112.50	109.50	110.00	110.00	110.00
Clerk-Recorder	23.00	23.00	24.00	24.00	24.00	24.00
County Counsel	9.00	9.00	9.00	9.00	9.00	10.00
Development Services	25.80	21.80	22.00	23.00	23.00	23.75
District Attorney	82.50	86.50	88.50	93.00	93.00	90.00
Employ & Soc.Serv	532.00	564.40	586.00	629.00	635.00	645.00
Farm & Home Advisor	2.00	2.00	2.00	3.00	3.00	3.00
General Services	47.40	46.00	47.00	50.00	50.00	50.00
Human Resources	18.00	18.00	18.00	19.00	20.00	20.00
Information Services	24.00	24.00	24.00	27.00	27.00	26.00
Library	27.25	27.25	26.75	26.75	28.75	27.75
Neal Road Recycling and Waste Facility	24.00	24.00	24.00	26.00	25.00	25.00
Probation	144.00	148.00	144.00	154.00	155.00	157.00
Public Health	157.05	158.10	158.25	160.45	162.45	158.70
Public Works	108.75	108.75	109.00	110.00	110.00	110.00
Sheriff-Coroner	268.00	275.00	269.00	290.00	298.00	300.00
Treasurer-Tax Collector	23.00	23.00	23.00	23.00	23.00	23.00
Water	3.50	3.50	4.00	4.00	4.00	4.00
<b>All Departments</b>	<b>2,055.50</b>	<b>2,095.55</b>	<b>2,117.00</b>	<b>2,237.70</b>	<b>2,262.45</b>	<b>2,269.45</b>

\*As of 4/23/13

**Chart 1  
Position Allocations - All Departments**



**EXHIBIT C**  
**Multi-Year Budget Trend Analysis**

The Multi-Year Budget Trend Analysis is a tool that projects what future budgets might look like based on current appropriation and revenue trends in the General Fund. Using the fiscal year 2013-2014 Recommended Budget, current trends are analyzed and projected through the fiscal year ending June 30, 2018.

Table 1 below shows that ongoing revenues in the General Fund should equal or exceed ongoing expenses over the next four years, if the budget trends in the fiscal year 2013-2014 Recommended Budget hold true. Based upon the budget trends, it appears the County is moving beyond the survival mode it has been in for the past few years and into a period of stability with signs of recovery in the future. Ongoing revenues and expenditures in the General Fund are anticipated to be roughly equal over the next several years with a modest surplus in fiscal year 2017-2018. Though County revenues have not yet recovered, the County's financial outlook has stabilized due to the sacrifices of County employees, the prudent management of the Board of Supervisors and department heads, and an improving economic outlook.

**Table 1**  
**General Fund**  
**Multi-Year Budget Trend Analysis**  
**Through Fiscal Year 2017-2018**

<b>GENERAL FUND</b>	<b>Recommended Budget 2013-14</b>	<b>Forecasted Budget 2014-15</b>	<b>Forecasted Budget 2015-16</b>	<b>Forecasted Budget 2016-17</b>	<b>Forecasted Budget 2017-18</b>
<b>ESTIMATED DEMAND:</b>					
Employee Compensation	76,849,608	78,896,387	80,990,274	83,306,996	84,975,154
Contingency	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
Increase/Decrease to General Reserve	500,000	-	-	-	-
Other Expenditures	57,332,777	56,642,833	57,583,447	58,459,832	59,469,007
Use of Departmental Revenue & Restricted Cash	<u>(46,534,820)</u>	<u>(46,105,784)</u>	<u>(47,059,639)</u>	<u>(48,039,437)</u>	<u>(49,045,905)</u>
<b>Net Demand For Resources</b>	<b>92,647,565</b>	<b>93,933,436</b>	<b>96,014,083</b>	<b>98,227,391</b>	<b>99,898,256</b>
<b>ESTIMATED RESOURCES:</b>					
Carryover From Prior Year*	13,600,000	12,500,000	12,500,000	12,500,000	12,500,000
Property Taxes	45,466,565	46,830,562	48,235,479	49,682,543	51,173,019
Sales Taxes	18,133,100	18,677,093	19,237,406	19,814,528	20,408,964
Other Discretionary Revenues	<u>15,447,900</u>	<u>15,990,411</u>	<u>16,300,789</u>	<u>16,619,157</u>	<u>16,945,735</u>
<b>Net Available Resources</b>	<b>92,647,565</b>	<b>93,998,066</b>	<b>96,273,673</b>	<b>98,616,228</b>	<b>101,027,719</b>
<b>Surplus / (Deficit) Trend</b>	<b>\$0</b>	<b>\$64,630</b>	<b>\$259,590</b>	<b>\$388,837</b>	<b>\$1,129,463</b>

\*Available Fund Balance carryover from prior year includes unexpended Contingency appropriations and departmental savings from prior year.

The analysis is based upon a number of assumptions. If any of the assumptions do not materialize, the projections will be adjusted accordingly.

Key assumptions for projected expenditures include:

- No cost of living adjustments to employee salaries.
- No increase to the County's share of health insurance costs.
- An increase in CalPERS pension contributions each year based on estimates from CalPERS. These estimates include additional increases starting in fiscal year 2015-2016 due to the recent change in the actuarial methodology used by CalPERS which will increase rates starting in 2015-2016.
- Pension obligation bond charges to County departments will gradually increase each year to an average collection of 3% of payroll in fiscal year 2016-2017 based on the strategy adopted by the Board of Supervisors.
- Workers' Compensation premiums will increase 15% annually due to insurance pool losses and decreased interest earnings.
- Cost for services, supplies, and other charges will increase 2% per year.
- The General Fund transfer to the Welfare Fund will decrease by 10% per year due to improvements in statewide sales tax receipts.
- The \$1.45 million annual payment to the California Department of Water Resources for the County's Table A water allocation will be paid with revenues from the lease of a portion of the County's Table A water allocation.
- Ongoing major building maintenance of approximately \$500,000 will be funded annually with general purpose revenues.
- The General Fund Appropriation for Contingencies will be unspent and be available to fund future year budgets.
- Any State grant or allocation cuts will not be backfilled with County discretionary funds.
- The General Reserve will be increased to \$5,500,000 as part of the fiscal year 2013-2014 budget and maintained throughout the forecast period.

Key revenue assumptions include:

- Property tax growth of 3% annually.
- Federal and State program subventions will stay flat.
- Ongoing transfer of 5% annual realignment revenues from Public Health Fund and Behavioral Health to the Welfare Fund.
- Local and public safety sales tax receipts will grow by 3% per fiscal year.
- General Fund carryover available fund balance of \$12.5 million in fiscal year 2014-2015 and beyond.
- Teeter Plan revenues grow by \$250,000 in fiscal year 2014-2015, returning to more normal levels as the economy recovers.
- The one-time use of \$1,350,000 carryover AB 109 public safety realignment revenues in fiscal year 2013-2014 to support jail operations.

# GOVERNMENTAL FUNDS OVERVIEW

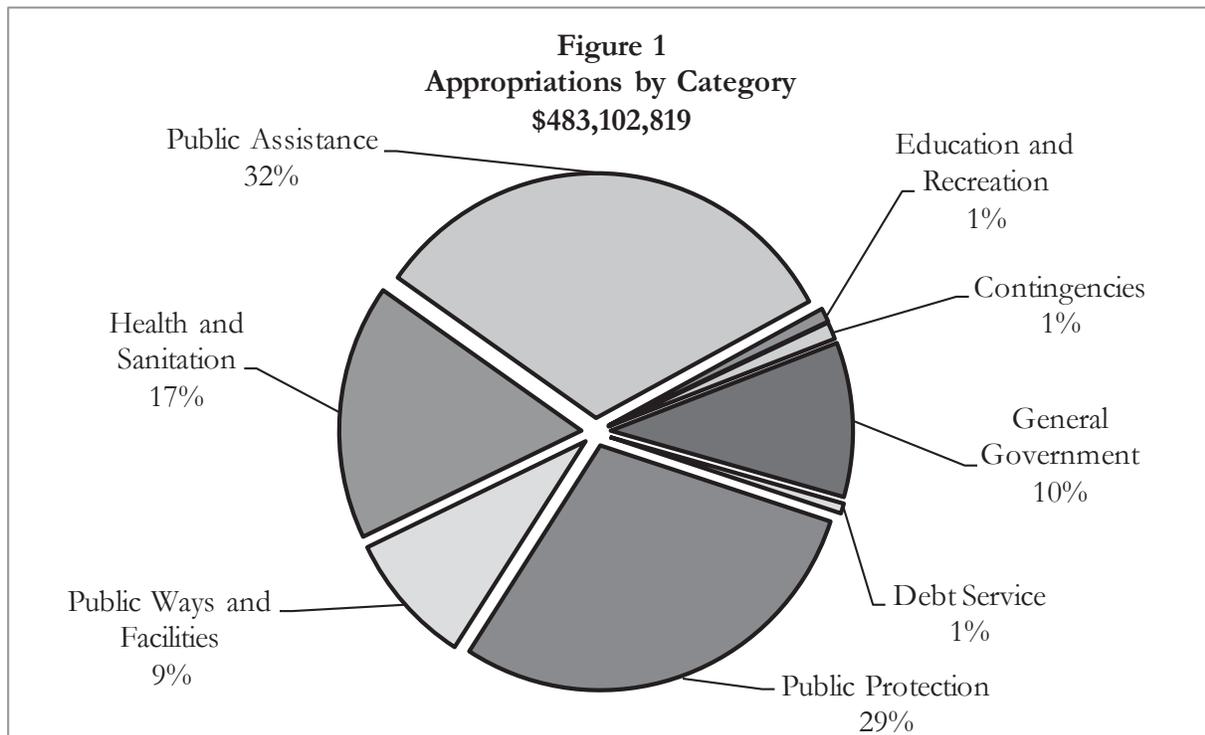
Fiscal Year 2013-2014  
Recommended Budget

## COUNTY OPERATING BUDGET

For fiscal year 2013-2014, the Recommended Budget includes a total spending plan of \$483.1 million for all governmental funds. Of this total, \$43.3 million are recommended operating transfers between funds. The majority of these transfers (\$38.3 million) are from the Public Safety and Health and Human Services Realignment Fund to the operating department budgets. \$2.8 million of the total operating transfers are transfers from the General Fund to support expenditures in Special Revenue and Debt Service Funds, and there is an additional \$2.2 million in budgeted transfers between other governmental funds. Additionally the Recommended Budget includes an increase in the General Reserve of \$500,000 and increases in the obligated fund balance in other governmental funds totaling \$1.5 million. Total recommended financing uses (the sum of appropriations and increases to obligated fund balance) is \$485.1 million.

### How Total Spending Is Allocated

Figure 1 illustrates recommended spending among major program areas. Spending on health and human services, including public health, mental health, and public assistance, accounts for 49% of the total budget. Public protection services including law enforcement, jail and juvenile hall operations, probation, prosecution of criminals, and fire protection, account for 29%. Roughly 9% of total spending is allocated to public ways and facilities, including road and bridge construction and maintenance as well as transit services. Appropriations for general government services, which includes the operations of Human Resources, the Auditor-Controller, the Assessor, the Treasurer, County Counsel, Information Systems and Administration account for 10%. The remainder of total spending is allocated to education and recreation services; including the Library and Farm, Home and 4-H; and debt service and contingencies.



## Projected Revenue for Fiscal Year 2013-2014

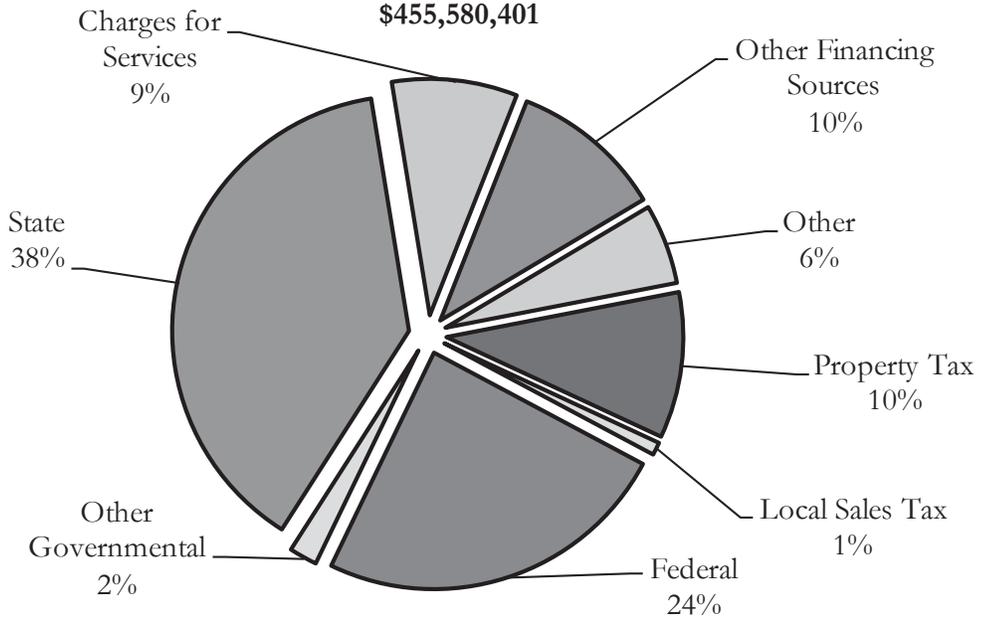
Among the most important assumptions underlying the Recommended Budget are its revenue projections. Anticipated revenues in the governmental funds for fiscal year 2013-2014 total \$455.6 million. These revenues are deposited into either the General Fund or into various other governmental funds including special revenue funds, the Debt Service Fund and the Capital Projects Fund. With operating transfers between funds removed, the Recommended Budget revenue total is \$412.3 million for all governmental funds. Balancing the recommended expenditure plan requires the use of anticipated revenues, an estimated \$13.6 million of available fund balance carryover from the General Fund, \$2.8 million of General Fund obligated fund balance, and \$13.1 million of obligated fund balance in other governmental funds. Total resources (the sum of revenues, available fund balance carryover and use of reserves) are approximately \$485.1 million.

Revenues that are deposited into the General Fund support a wide variety of services and programs for Butte County residents, including law enforcement, fire protection, jail and juvenile hall operations, prosecution of criminals, tax collection, building inspection, property assessment, agricultural regulations, and several essential support services. Revenues deposited into special revenue, capital project, and debt service funds are limited to specific purposes, such as the provision of health and human services, public works and transit, child support services, debt repayment and capital projects. Operating transfers to these funds partially support their funding requirements. For example, transfers to the Capital Projects Fund help to fund some capital projects and operating transfers from the General Fund to the Public Health and Behavioral Health Funds are necessary to meet the County's required maintenance of effort (MOE). Additional transfers between departments are made to account for the exchange of services between County departments in providing a cooperative service delivery system.

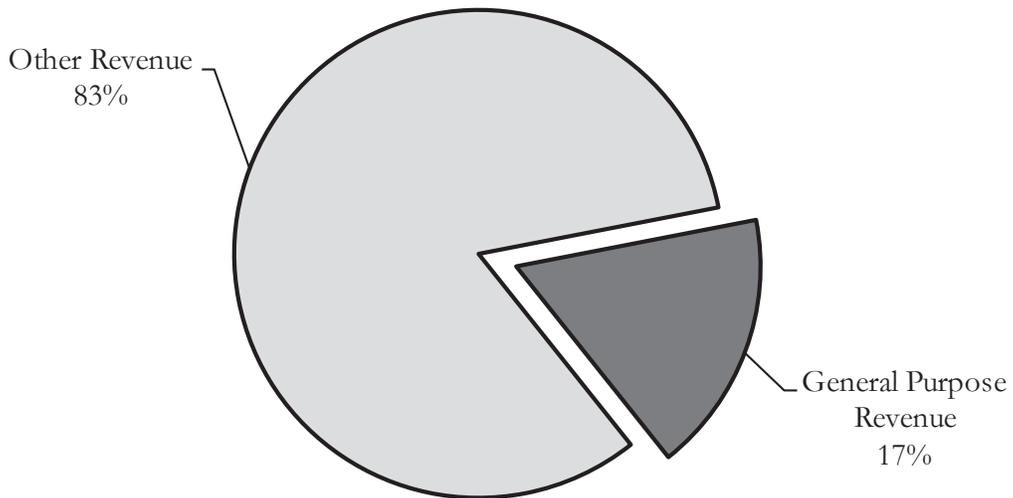
Figures 2 and 3 provide alternative perspectives on anticipated revenues in fiscal year 2013-2014. Figure 2 illustrates the various broad sources of County revenue and their relative sizes. State and federal sources are expected to provide 62% of the County's revenues while it is anticipated that property tax revenue will account for 10%, charges for services for 9%, and local sales tax for 1%. The other financing sources category is composed mostly of operating transfers related to 2011 Public Safety and Health and Human Services realignment, and accounts for 10% of budgeted revenue. The balance of total revenue (contained within the 'other' category) is derived from miscellaneous revenues such as interest earnings, licenses, permits, fines, forfeitures and penalties. As shown in Figure 3, County general purpose revenue is estimated to comprise only 17%, or \$79.0 million, of total projected County revenue for fiscal year 2013-2014.

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**Figure 2**  
**Sources of Revenue**  
**By Type**  
**\$455,580,401**



**Figure 3**  
**Sources of Revenue**  
**General Purpose vs. Non-General Purpose**  
**\$455,580,401**



## GENERAL PURPOSE REVENUE - SOURCES

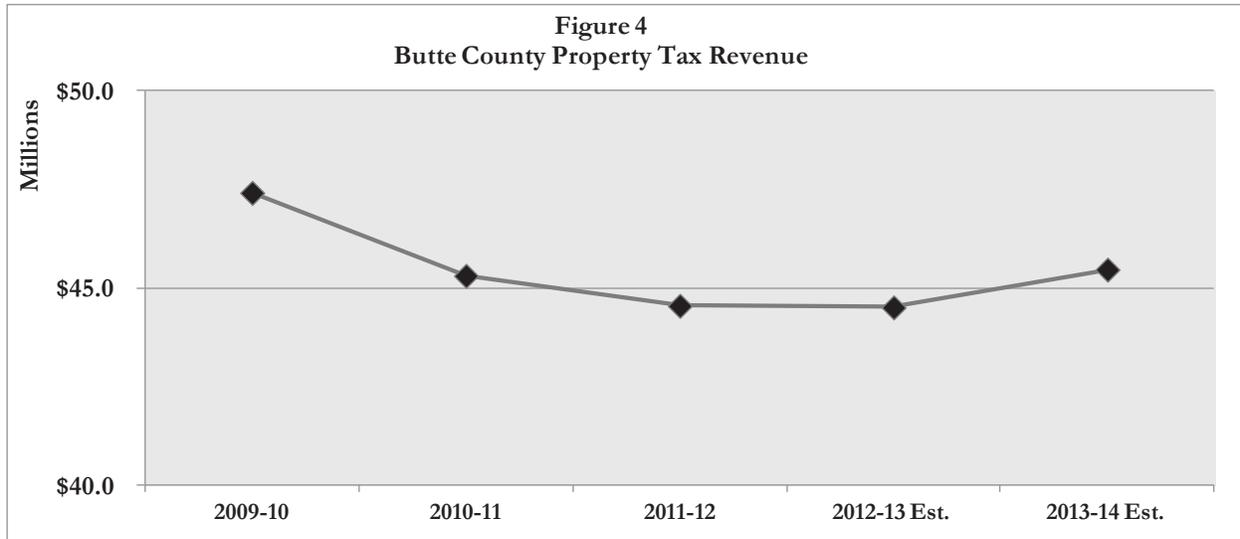
General purpose revenue is used to fund County services and programs, including required MOEs, matching funds, and unfunded State mandates. As shown below in Table 1, the largest source of general purpose revenue is property tax, which is projected to account for approximately \$45 million or 58% of total general purpose revenue. Public safety sales tax (from Proposition 172) is the second largest revenue source and accounts for over \$14 million, or 18%, of total general purpose revenues. The local share of sales tax (5%), the ongoing pass-through of property taxes from the former Chico area redevelopment agency (5%), the Table A water lease (3%), and the tobacco lawsuit settlement funds (2%) also account for large portions of general purpose revenue. The remaining general purpose revenue is made up of various unrestricted State subventions, interest earnings and miscellaneous revenues. It is important to note that the Public Safety Sales Tax can only be received if the County funds public safety programs at the required MOE level. The Recommended Budget not only meets the MOE level but exceeds it by over \$40 million.

<b>Table 1</b>	
<b>County General Purpose Revenue (GPR)</b>	
	<b>Recommended Fiscal Year 2013-2014</b>
Property Tax	45,466,565
Proposition 172 Sales Tax for Public Safety	14,134,100
Local Sales Tax	3,999,000
Redevelopment - Chico	3,980,600
Table A Water Lease	2,384,000
Tobacco Settlement Funds	1,960,000
Teeter Plan Proceeds	1,500,000
Fines, Forfeitures, Penalties	973,200
PG&E Franchise	908,000
Cable TV Franchise	643,200
State Stabilization Funds	631,000
Property Transfer Tax	620,600
Other Taxes	618,500
Homeowners Property Tax Exemption	430,000
Open Space Act (Williamson Act)	237,000
Other Miscellaneous Revenue	223,200
Treasury Interest	150,000
Motor Vehicle Revenue	97,000
Federal Revenues	70,000
Other Intergovernmental Revenue	19,600
Business License	2,000
<b>Total</b>	<b>\$79,047,565</b>

### Property Tax

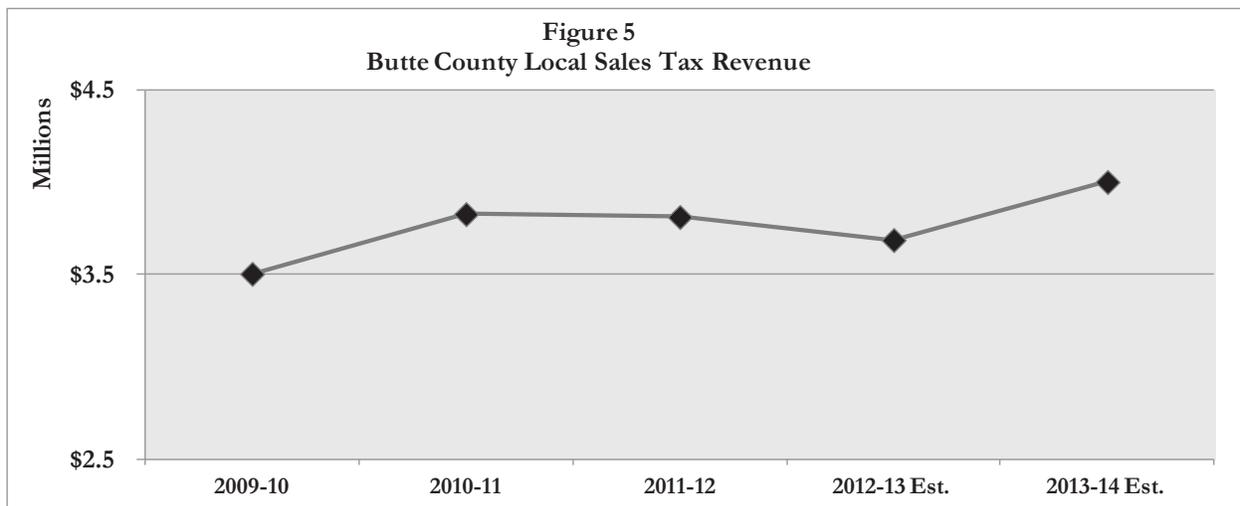
Property tax revenue is the largest single component of general purpose revenue. The County retains approximately 22% of all property tax revenues collected in the County, with the remainder going to support public schools, cities and special districts. These tax receipts are used to support a wide variety

of programs. The “Great Recession” has long been declared over, but the effects of that period of economic decline are still being felt by Butte County; total property tax revenue for fiscal year 2013-2014 is projected to remain roughly \$2 million below the fiscal year 2009-2010 peak, though a slight increase in property tax receipts is expected over fiscal year 2012-2013. Figure 4, below, shows property tax revenues over a five year period.



### Sales Tax

State law levies taxes on the purchase of most tangible goods in the State. The State collects the sales tax and distributes the local portion to the jurisdiction where the purchase was made. Therefore, if the sale occurred within an incorporated city, that city would receive the local portion of the sales tax. If the sale occurred within the unincorporated portion of the County, then the County receives the local portion of the tax. It should be noted however, that this arrangement is sometimes modified by tax sharing agreements between jurisdictions. Figure 5 shows total sales tax revenues for a five-year period. Actual revenues remained mostly flat between fiscal years 2010-2011 and 2011-2012, but are expected to decrease slightly in fiscal year 2012-2013. A moderate increase in sales tax (roughly 8.5% or \$314,000) is projected for fiscal year 2013-2014.



## **Available Fund Balance**

Like most public agencies, Butte County relies on an available fund balance carryover in the General Fund to balance the budget. Available fund balance carryover occurs when the prior year Appropriation for Contingencies goes unspent, prior year revenues come in higher than budgeted, prior year expenditures are lower than budgeted, and/or adjustments are made to available fund balance based on corrections to prior year financial statements. Available fund balance carryover can fluctuate significantly from year-to-year depending on the use of contingencies, revenue receipts, departmental savings, and other adjustments. Over the past five years available fund balance carryover in the General Fund has ranged from \$9 million in fiscal year 2009-2010 to \$17.6 million in fiscal year 2011-2012.

The estimated available fund balance carryover for fiscal year 2013-2014 in the General Fund is \$13.6 million. This is neither conservative nor optimistic, but represents the best estimate given the information available at the time the Recommended Budget was prepared. The estimate assumes that there will be approximately \$3 million in unspent Appropriation for Contingencies at year end, County departments will accrue approximately \$9.1 million in general fund savings, and general purpose revenues will exceed the amount budgeted by \$1.5 million. The actual beginning available fund balance in the General Fund will not be known until sometime in August 2013 when the fiscal year 2012-2013 accounting is finalized and the books are closed.

If the actual available fund balance is less than estimated, it is recommend that the fiscal year 2013-2014 General Fund Contingency be reduced to make up the difference. If the actual available fund balance is greater than estimated, it is recommend that the fiscal year 2013-2014 General Fund Contingency be increased by that amount.

## **Trends in Discretionary Resources**

The total discretionary resources available for the fiscal year 2013-2014 Recommended Budget are \$92.6 million, comprised of an estimated \$13.6 million in available fund balance carryover in the General Fund and \$79.0 million in general purpose revenue. Overall discretionary resources available for the fiscal year 2013-2014 Recommended Budget increased by 4.5% from the fiscal year 2012-2013 Adopted Budget. The primary factor driving the increase in discretionary resources is the inclusion of Table A water lease revenue in the amount of \$2.4 million (Table A Water lease revenue was not budgeted in fiscal year 2012-2013). Additionally increases in budgeted property tax revenue (an increase of about \$500,000 from the fiscal year 2012-2013 adopted budget) and sales tax (an increase of about \$340,000) increased discretionary resources and offset projected decreases for other revenues.

## **GENERAL PURPOSE REVENUE AND AVAILABLE FUND BALANCE - USES**

### **Discretionary Resources Must First Be Used To Meet Mandates**

The County has limited discretionary resources to use for local priorities. When State and federal mandates are imposed upon the County and not accompanied by adequate revenues, the County must utilize local general purpose revenue to meet the mandates. This results in a shift of local control over discretionary resources to the State and federal governments and a decrease in the amount available to fund local priorities. After funding the mandates, the remaining general purpose revenue can be used for public safety and other public service demands. Table 2 on the following page shows the recommended allocation of general purpose revenue by department for fiscal year 2013-2014.

<b>Table 2</b>	
<b>Allocation of General Purpose Revenue &amp; General Fund Available Fund Balance</b>	
<b>Fiscal Year 2013-2014 Recommended Budget</b>	
<b>Department/Use</b>	<b>Recommended Fiscal Year 2013-14 Allocation of GPR</b>
Administration	1,554,396
Agriculture	857,719
Appropriation for Contingencies	4,500,000
Assessor	2,290,644
Auditor-Controller	264,844
Behavioral Health	285,198
Board of Supervisors	2,176,706
Child Support Services	-
Clerk-Recorder	1,826,676
County Counsel	41,718
Development Services	2,454,621
District Attorney	8,179,704
Employment & Social Services	1,742,874
Farm, Home and 4-H	338,154
Fire	15,122,430
General Services	1,747,940
Human Resources	313,261
Information Systems	(338,616)
Library	3,292,333
Miscellaneous budgets	246,740
Non-Departmental budgets	4,125,430
Probation	10,615,181
Public Health	724,304
Public Works	583,048
Sheriff-Coroner	28,226,581
Treasurer-Tax Collector	509,150
Water & Resource Conservation	466,529
Increase to General Reserve*	500,000
<b>Total</b>	<b>\$92,647,565</b>

\*It is recommended that General Reserve in the General Fund be increased by \$500,000, which would bring the total General Reserve to \$5.5 million.

Indirect use of general purpose revenue by support service departments, including the Auditor-Controller, County Counsel, General Services, Human Resources, Information Systems, Treasurer-Tax Collector, and Administration are not included in Table 2 since they are already included in the costs for operating departments they support. If these costs were included in the Table 2, then the use of general purpose revenue related to support service departments would be double counted. Most support service department costs are allocated to other departments based on the State Controller approved Countywide Cost Allocation Plan. Historically, approximately 40-45% of support service department costs are

allocated to general purpose revenue supported functions and the remainder to federal, State and fee supported functions.

Approximately \$4.4 million of the County's general purpose revenue is allocated to miscellaneous and other non-departmental budget units, including Grand Jury, Debt Service, Table A Water, Community Action Agency, Unallocated A-87 Costs, Public Defender, LAFCo, and the County Share of Trial Courts budget. Most of these expenditures are unfunded State mandates or other obligations without an alternative funding source.

For fiscal year 2013-2014, the Recommended Budget includes a General Fund Appropriation for Contingencies target of \$4.5 million, which is an increase of \$1 million from the fiscal year 2012-2013 target. The actual Appropriation for Contingencies is adjusted based on actual available fund balance, which can result in the amount being higher or lower than targeted. The actual General Fund Appropriation for Contingencies in the fiscal year 2012-2013 adopted budget was \$4,748,227 due to a higher than anticipated available fund balance. Further, it is also recommended that the existing \$5 million General Reserve be increased by \$500,000. Together, the recommended General Fund Contingencies and the General Reserve total 7.2% of total recommended expenditures in the General Fund. Contingencies are used to address urgent and unanticipated needs during the course of the fiscal year. The General Reserve helps to ensure the County has adequate cash flow to provide working capital, ensures sufficient liquidity to pay bills, helps to maintain a high credit rating, and provides a rainy day fund.

## GUIDE TO THE BUTTE COUNTY BUDGET

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This Guide is provided to explain in everyday terms how Butte County government plans and accounts for its finances in order to meet its obligation to be stewards of public's money. Butte County government provides for the basic safety, health, and welfare of its citizens by providing a variety of services to the public. The County provides such a wide variety of social, health, environmental, public safety, and other services it is a challenge to keep citizens informed and involved in the business of government. Hopefully, this Guide will make it easier to understand how at least some of the County's financial activities work.

### WHAT IS THE BUDGET?

The annual budget of Butte County government is a statement of the financial policy and plan for the coming fiscal year. The budget document presents in detail, the financial plan for the County, including its sources of revenue (resources) and the allocation of these resources to the programs of the County. The Board of Supervisors adopts the budget by passing a Resolution authorizing an appropriation of funds.

### WHAT IS AN APPROPRIATION?

An appropriation is the common term for the authorization granted by the Board of Supervisors to make expenditures and incur obligations for specific purposes. An appropriation is time limited and must be expended before the end of the fiscal year.

### WHAT ARE REVENUES?

Revenues consist of income received through taxes, licenses and permits, grants from other governments, charges for services, fines and forfeits, and other miscellaneous sources. Revenues are one component of available financial resources which are used to fund appropriations.

### WHAT ARE EXPENDITURES?

Expenditures occur when the County buys goods and services and pays its employees. Expenditures can be categorized into three types: operating expenditures, capital expenditures, and debt service expenditures. Operating expenditures are the day-to-day spending on salaries, supplies, utilities, services, and contracts. Capital expenditures are generally for acquisition of major assets such as land and buildings or for the construction of buildings or other improvements. Debt expenditures repay borrowed money and interest on that borrowed money.

### WHAT IS A FUND?

For accounting purposes the County is organized into many separate fiscal entities known as funds. Each fund is a separate division for accounting and budgeting purposes. The fund accounting structure allows the County to budget and account for revenues that are restricted by law or policy to a specific use or purpose in accordance with nationally recognized rules of governmental accounting and budgeting.

## GUIDE TO THE BUTTE COUNTY BUDGET

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The County budget consists of many funds. Each fund may be thought of as a separate checking account to be used for a specific purpose. All funds of the County fall into one of six major categories. The following is a brief description of the six fund categories.

**General Fund:** The General Fund finances most services that the County provides. This includes law enforcement and other criminal justice, community development and land use planning, elections and voter registration, fire protection, library services and administration. The General Fund is basically a “catch-all” for accounting for County operations that do not have to be recorded in a different fund.

**Special Revenue Funds:** Special revenue funds are used to account for revenues that are used for specific purposes. An example is the Road Fund where we record the transportation allocations and taxes received from the State which must be used for roads and bridges.

**Capital Projects Funds:** The Capital Projects Fund is used to account for the acquisition and/or construction of major capital facilities.

**Debt Service Funds:** Debt service funds are used by the County to account for the accumulation of resources for, and the repayment of, money borrowed and the interest on these debts.

**Enterprise Funds:** Enterprise funds are established to account for operations that are financed and operated in a manner similar to private businesses with the intent that the cost of goods or services provided will be recovered primarily through charges for services. Enterprise funds are used to account for all costs related to the Neal Road Recycling and Waste Facility.

**Internal Service Funds:** Internal service funds are used by the County to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis. An example of an internal service fund is the Workers’ Compensation Fund.

### WHY USE FUNDS?

**Reason 1:** Fund accounting is required by the State. California State law governs how counties and cities in the State will account for their revenues and expenditures. All cities and counties are audited annually to ensure that they have followed the accounting rules.

**Reason 2:** Whenever a city or county receives dollars from the State or federal government in the form of a grant, the city or county must account for those dollars in the manner prescribed by the State or United States government, audits are conducted to ensure that these accounting rules are followed.

## GUIDE TO THE BUTTE COUNTY BUDGET

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**Reason 3:** Whenever a local government approaches the financial market to borrow money, the local government must provide financial statements, prepared in accordance with national accounting standards, the financial condition of the local government. Financial institutions and investors will loan money to the local government only if the local government can demonstrate through its financial statements that it is able to repay the debt.

**Reason 4:** The County, like all other local governments nationwide, uses fund accounting because this system of accounting is the standard prescribed by national organizations that are associations of accountants and finance professionals from cities and counties all over the country. The principles used to account for businesses, called Generally Accepted Accounting Principles (GAAP), are established by the Financial Accounting Standards Board (FASB). Similarly, principles used to account for local government finances are established by the Governmental Accounting Standards Board (GASB).

### WHAT IS A TRANSFER?

Interfund operating transfers represent subsidies and contributions between funds. An example of operating transfers is the transfer of funds from the General Fund to the Public Health Fund for the County's mandated contribution to public health programs. Another example is the transfer of funds from the General Fund and other operating funds to the Capital Projects Fund for the purpose of accounting for Capital Projects.

### WHAT IS A FUND BALANCE?

Fund balance is the difference between the assets and liabilities of the fund. It is good financial policy to have a reasonable amount of fund balance for emergencies and to carry the fund through slack times in revenue collections. In a given year, if revenues exceed expenditures, the fund balance will increase; if expenditures exceed revenues then the fund balance will decrease.

### ACCOUNTING FOR TAX DOLLARS

It is the responsibility of the County Auditor-Controller to account for the receipt and expenditure of all County funds. The County Auditor-Controller annually issues what is referred to as the Comprehensive Annual Financial Report (CAFR) to show the financial condition of every County fund and details of each fund's revenues and expenditures that fiscal year. Where the CAFR shows what actually happened financially and is published after the end of the fiscal year, the budget document shows how the County plans to spend the revenues that it receives during the upcoming fiscal year.

### A BALANCED BUDGET

By law, each separate fund must have a balanced budget. This means that revenues, plus fund balance carryovers, must equal the appropriations and increases in reserves. So for each fund, the budget spells out where the dollars are coming from and how they will be spent.

## GUIDE TO THE BUTTE COUNTY BUDGET

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### THE OPERATING BUDGET – SERVICES TO THE PUBLIC

The majority of services provided by the County to its citizens are accounted for in operating funds, which include the General Fund, Welfare Fund, Public Health Fund, Behavioral Health Fund, Child Support Services Fund, and Road Fund.

The expenditure budget for all funds is itemized into categories, often called line items but sometimes referred to as major objects, objects, accounts, and subaccounts, depending on the level of detail. These line item categories are used to account for expenditures made. However, for budgeting and planning allocations, the major object level of detail is used. The various line items are grouped into several major object categories. These are:

**Salaries and Benefits:** This is the amount paid for services rendered by employees in accordance with the rates, hours, terms, and conditions authorized by law or stated in employment agreements. This category includes overtime, vacation and sick pay, health insurance, retirement, social security, and unemployment insurance.

**Services and Supplies:** This category of expenditures is for goods and services other than those provided by County personnel. This includes articles and commodities purchased for consumption, such as office and operating supplies, as well as professional and other services such as insurance and utilities.

**Other Charges:** This category is used to account for a variety of costs including support and care of individuals in the County's care, such as mental health institutionalization; debt service payments; and interfund expenditures, such as services provided between departments in different funds.

**Capital Assets:** Formerly referred to as fixed assets, this category of expenditures is for acquisition of, rights to, or additions to capital assets, such as land, buildings, improvements, machinery and equipment.

**Other Financing Uses:** This category of expenditures represents contributions to other funds for operating subsidies (i.e. transfers) as well as charges for services provided by one department to other departments within the same fund.

## GLOSSARY OF BUDGET TERMS

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<b>Adopted Budget</b>	The spending plan approved by resolution of the Board of Supervisors after the required public hearing and deliberations on the Recommended Budget. The Adopted Budget must be balanced with Total Financing Sources equal to Total Financing Uses.
<b>Account</b>	A line item classification of expenditure or revenue. Example: “Office Expense” is an account in the category of “Services & Supplies.”
<b>Appropriation</b>	Authorization granted by the Board of Supervisors to make expenditures and to incur obligations for specific purposes. An appropriation is usually time limited and must be expended or obligated before June 30 <sup>th</sup> , the end of the fiscal year.
<b>Assessed Valuation</b>	A value set upon real estate or other property as a basis for levying taxes.
<b>Allocated Positions</b>	Staff (or Employee) Positions approved by Board of Supervisors and provided for in the County Salary Ordinance.
<b>Available Fund Balance</b>	The amount of Fund Balance available for financing expenditures and other funding requirements in the current period after deducting obligated Fund Balance.
<b>Budget</b>	The planning and controlling document for financial operation with appropriations and revenues for a given period of time, usually one year.
<b>Budget Unit</b>	The entity in the budget hierarchy that includes all accounts for which a legal appropriation is approved by the Board of Supervisors. A department or agency may have one or more budget units assigned to it. Each budget unit is a collection of line item accounts necessary to fund a certain division or set of goal-related functions.
<b>Budgeted Positions</b>	The number of full-time equivalent positions to be funded in the budget (12 months, 260 days and 2080 hours all equal 1.00 budgeted position).
<b>Capital Assets</b>	A tangible or intangible asset acquired for use in operations that will benefit more than a single fiscal period. Capital Assets must both have a long-term character such as land, buildings, equipment and vehicles and exceed the minimum capitalization threshold as established by County Policy. All Land and Vehicles are capitalized along with Land Improvements, Building and Building Improvements and Infrastructure in excess of \$125,000 and Machinery, Equipment and Computer Software in excess of \$25,000.

## GLOSSARY OF BUDGET TERMS

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<b>Capital Projects</b>	A new construction, expansion, renovation, or replacement project for an existing facility or facilities. The project must have a total cost of at least \$125,000 over the life of the project. Project costs can include the cost of land, infrastructure, right of ways, development rights, engineering, architectural planning, and contract services necessary to complete the project.
<b>Contingency</b>	An amount appropriated for unforeseen expenditure requirements. Transfers from this budget unit to any other budget unit for specific use require a four-fifths vote of the Board of Supervisors.
<b>Cost Centers</b>	The lowest entity in the budget hierarchy which provides a mechanism to account for program costs included in a single budget unit. A budget unit may include one or more cost centers.
<b>County Service Area (CSA)</b>	A special district created to provide a variety of services, such as street lighting and drainage.
<b>Department</b>	An organizational unit of County government used to group programs of a like nature under the direction of an elected or appointed county official.
<b>Discretionary Program or Service</b>	Any program or service where the Board of Supervisors may exercise its freedom of choice with respect to the level of spending or the type of service or program provided.
<b>Encumbrance</b>	Funds obligated but not yet spent for a specific purpose, usually backed by a purchase order, contract, or other commitment, which are chargeable to an appropriation. In the past encumbrances, including associated appropriation, were maintained from year to year. Starting with fiscal year 2011-2012 appropriations associated with multiyear encumbrances will no longer be maintained from year to year, but will need to be re-budgeted. This change is consistent with accounting guidance and enhanced transparency.
<b>Enterprise Fund</b>	Established to account for the expenditures and means of financing of an activity which is predominantly self-supported by user charges. Example: Neal Road Recycling and Waste Facility.
<b>Expenditure</b>	The use of funds for a specific purpose.

## GLOSSARY OF BUDGET TERMS

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<b>Extra Help</b>	Work to be performed on less than a year-round basis to cover seasonal peak work loads or emergency work loads of limited duration, necessary long-term sick leave relief, and other situations involving fluctuating staff. Extra help can be used where no authorized position exists, but where funding exists to cover the cost.
<b>Fiscal Year</b>	Twelve-month period for which a budget is prepared. Butte County's fiscal year is July 1 through June 30 of each year.
<b>Fish &amp; Game Fund</b>	Accounts for all the fish and game fines collected by the courts. Expenditures from this fund are for game and wildlife protection, conservation, propagation, and preservation activities and programs.
<b>Fixed Asset</b>	Fixed Assets are now referred to as Capital Assets per accounting guidance and County Policy.
<b>Full-time Equivalent (FTE)</b>	One full-time equivalent (FTE) is equal to a full time position (12 months, 260 days and 2080 hours all equal 1.00 FTE).
<b>Function</b>	A group of related budget units and programs aimed at accomplishing a major service for which County government is responsible. These designations are made by the State Controller. Example: "Public Protection" is a function.
<b>Fund</b>	A separate fiscal and accounting entity within the County. Each fund is a separate division for accounting and budgeting purposes. The fund accounting process allows the County to budget and account for revenues that are restricted by law or policy to a specific use or purpose in accordance with nationally recognized rules of governmental accounting and budgeting. Funds may contain one or more budget units.
<b>Fund Balance</b>	Difference between assets and liabilities reported in a governmental fund.
<b>Fund Type</b>	Categories into which all funds used in a governmental accounting are classified. Fund types are: Governmental Fund types consisting of a General Fund, Special Revenue Funds, Capital Project Funds and Debt Service Funds; Proprietary Fund types consisting of Enterprise Funds and Internal Services Funds; Fiduciary Funds consisting of Trust and Agency Funds.
<b>General Fund</b>	The main operating fund providing general County services.
<b>General Purpose Revenue</b>	Property taxes and non-program revenues that are not restricted for a specific purpose.

## GLOSSARY OF BUDGET TERMS

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<b>General Reserve</b>	The portion of the General Fund's net assets not available for appropriation during the fiscal year, as the funds are held for future years in anticipation of limited duration budget shortfalls, emergencies, and to ensure sufficient working capital for cash flow.
<b>Grant</b>	A contribution from one governmental unit to another usually made for a specific purpose and time period.
<b>Internal Service Fund (ISF)</b>	Consists of organizations created to perform specified services for other County departments on a cost for service basis. The services performed are charged to the using department. Example: Workers' Compensation.
<b>Interfund Transfer</b>	A transfer made between budget units in different funds for services rendered and received. The service rendering budget unit shows these transfers as revenue, as opposed to expenditure reduction.
<b>Intrafund Transfer</b>	Refers to a transfer made between budget units within the same fund for services rendered and received. The service rendering budget unit shows these transfers as an expenditure reduction and not as a revenue.
<b>Imprest Cash</b>	A sum of money set aside for making change or paying small obligations for which the issuance of a voucher or warrant would be too expensive and time consuming.
<b>Obligated Fund Balance</b>	All amounts that are unavailable for financing budgetary requirements in the budget year. This includes nonspendable, restricted, committed, and assigned fund balances.
<b>Maintenance of Effort</b>	Refers to federal or state statutory or regulatory program requirements that the County must maintain to participate in a program and/or to receive funding for a program.
<b>Major Object of Expenditure</b>	Unique identification number and title for an expenditure category or means of financing. Example: Salaries & Employee Benefits.
<b>Mandated Program/Service</b>	A program or service required by federal or state government that the County is legally obligated to carry out.
<b>Other Charges</b>	A major expenditure object used to account for a variety of costs including support and care of individuals in the County's care, such as mental health institutionalization; debt payments; and interfund expenditures, such as agreements for services between departments in different funds.

## GLOSSARY OF BUDGET TERMS

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<b>Other Charges</b>	A major expenditure object used to account for a variety of costs including support and care of individuals in the County's care, such as mental health institutionalization; debt payments; and interfund expenditures, such as agreements for services between departments in different funds.
<b>Purchase Order</b>	Authorizes the purchase of specific goods or services.
<b>Realignment Revenue</b>	Revenue collected by the state and allocated to counties for realigned programs. The 1991 realignment legislation transferred mental health, public health and social services programs from the state to county control, altered program cost-sharing ratios, and provided counties with dedicated tax revenues from the sales tax and vehicle license fee. The 2011 realignment legislation transferred criminal justice, including oversight of state prisoners, as well as additional mental health and social services program from the state to county control.
<b>Real Property</b>	Land, structures and capital improvements.
<b>Recommended Budget</b>	The budget recommended to the Board of Supervisors by the Chief Administrative Officer for the upcoming fiscal year. The Recommended Budget also documents budget requests made by each County department.
<b>Restricted Cash</b>	Funds held in reserve until the legal or contractual requirement for use of the funds has been met.
<b>Revenue</b>	Funds received from various sources and treated as income to the County. Examples: property taxes and sales taxes.
<b>Road Fund</b>	Accounts for expenditures on road, street, and bridge construction and improvement projects.
<b>Salaries and Employee Benefits</b>	A major expenditure object used to account for the total cost of compensating county employees. Included in this object are regular salaries, extra help salaries, overtime, standby pay; the county's share of health, dental, retirement, social security and workers' compensation costs.
<b>Secured Taxes</b>	Taxes levied on real property in the County, which are "secured" by property liens.

## GLOSSARY OF BUDGET TERMS

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<b>Services &amp; Supplies</b>	A major expenditure object which provides for the operating expenses of County departments other than salaries and benefits, capital assets or other charges.
<b>Special District</b>	A unit of local government generally organized to perform a single function. Special districts are governed either by the Board of Supervisors or locally elected or appointed boards, and their operations are accounted for in separate funds.
<b>Tax Levy</b>	The amount of tax dollars billed to taxpayers based on the imposition of the tax rate on the assessed valuation of property.
<b>Tax Rate</b>	The rate per one hundred dollars of the assessed valuation necessary to produce the tax levy.
<b>Unincorporated Area</b>	The areas of the County outside city limits. Some county services are provided only in the unincorporated areas of the County. Example: Sheriff's patrol.
<b>Unsecured Tax</b>	A tax on properties such as office furniture, equipment, and boats that are not physically attached to real property.