



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

H-1

For the meeting of: February 10, 2015

Date: January 23, 2015

To: Board of Supervisors

From: Phillip Smith-Hanes, County Administrative Officer *PSH*

Subject: Mid-Year Budget Review for Fiscal Year (FY) 2014-15, Budget Outlook for FY 2015-16, and Recommendations for Budget Adjustments (4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Receive and file a review of the current (FY 2014-15) and projected (FY 2015-16) budget years;
2. Direct the County Administrative Office (CAO) to prepare the FY 2015-16 budget based on the following parameters:
 - a. Set departmental allocations from the General Fund distributing 98% of the revenue growth to departments based on current year General Fund allocations;
 - b. Accept and consider requests for additional General Fund appropriations that demonstrate a potential to generate future savings in the General Fund;
 - c. Provide direction on which, if any, long-term fund-balance-funded investment options are amenable to the Board: pay down unfunded California Public Employees Retirement System

Prepared by Amy S. Nilsen

CAO Approval *Phillip Smith-Hanes*

REVIEW:

Auditor *AN*

County Counsel _____

Human Resources _____

Other _____

TYPE OF ITEM:

- Consent
- Departmental
- Public Hearing
- Other _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor

Seconded by Supervisor

- Ayes
- Nays
- Abstain
- Absent

SEE ACTION SUMMARY

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Meeting of: _____

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: _____

By: _____

Kathy Hayes, Clerk of the Board

(CalPERS) liability; prefund "other post-employment benefits" (OPEB) liability; contribute to the General Reserve; enhance employee salaries and enhance funding for individual departments;

3. Direct the County Administrative Officer, Treasurer-Tax Collector and the Public Works Director to identify funding for the in-kind replacement of building #101 (currently known as the weights and measures building) and building #289 (currently used by the Public Defender and the District Attorney's Child Abuse Services Team);
4. Refund \$600,000 based on excess fund balance in the Workers' Compensation fund (3523) to be distributed proportionately to the county funds' past contribution to this fund;
5. Refund \$300,000 based on excess fund balance in the Purchased Insurance Fund, to be distributed proportionately to the County funds' past contribution to this fund;
6. Allocate the General Fund monies received as a result of the above approved recommendations 5 and 6 to the Liability Fund (3524);
7. Disallocate a 1.0 full-time equivalent (FTE) Coroner-Public Administrator (Elected Official, position number 2720100-01) in budget unit 272;
8. Allocate a 1.0 FTE Deputy Sheriff II (class 416, salary range 398) to budget unit 272 Coroner Public Administrator;
9. Approve the list of budget adjustments shown on Attachment I and authorize CAO staff to make any technical corrections necessary to effectuate the Board's direction (4/5 vote required); and
10. Provide additional direction to staff as appropriate.

SOURCE OF FUNDING: All County Funds

DISCUSSION:

The CAO undertakes a mid-year financial review each year. The mid-year review serves the dual purpose of monitoring the county's financial status for the current fiscal year and providing staff, your Board and the public with a preview of the county's financial status going into the next budget year. This report has been divided into four key sections: a review of the financial condition in various county funds as of December 31, 2014; a brief overview of the factors which may affect that financial condition heading into next fiscal year; policy responses staff recommends that your Board consider in light of the county's current or projected financial condition; and a schedule for preparing the county budget for the fiscal year beginning July 1, 2015.

Review of Mid-Year Financial Condition: Improved Revenues, Expenditures Still Growing

This review covers only the largest county funds and smaller funds with negative balances. Other funds not mentioned appear to be on track, as of December 31, 2014, to end this fiscal year in a positive cash position substantially as budgeted.

1100 – General Fund

The fund containing the majority of county programs is the General Fund. This fund is the source of discretionary money derived from local revenue sources such as property tax and available to be spent on local needs. As stated in the First Quarter Budget Report for FY 2014-15, the General Fund began FY 2014-15 with a positive fund balance of \$6.8 million.

The FY 2014-15 budget was adopted with a \$2.7 million planned spend-down of this balance. Contained in the First Quarter Budget Report were \$1.3 million in additional expenditures, partly offset by revenue in the General Fund. These additional costs were

primarily for an investment in a paperless case management system for criminal justice departments, an increase to contingencies for one-time employee equipment and education allowance and a contribution to the General Reserve for FY 2015-16. These costs increased the spend-down of the fund balance to \$4 million, leaving an estimated year-end General Fund balance of \$2.8 million.

As identified by departmental mid-year reviews, General Fund net costs through June 30, 2014 show expenditures exceeding revenues by an estimated \$1.37 million instead of \$4 million as identified at first quarter, due to decreased contingencies usage and increased revenue. This will potentially leave the General Fund with an estimated year-end fund balance of \$5.5 million, as shown in the chart above. This increased fund balance estimate is due to \$1.45 million in unspent contingencies and unanticipated discretionary revenue increases such as property taxes, federal payment in lieu of taxes and timber yield tax. These ongoing discretionary revenue increases total \$1,057,003.

As a result of redevelopment dissolution, the City of Arcata has returned \$1.3 million to various taxing agencies. Of this \$1.3 million, \$395,006 has been deposited into the General Fund. The remainder of the funds are divided amongst the Library, schools and special districts. This \$395,006 is unanticipated one-time revenue. Contained in the First Quarter Budget Report for FY 2013-14 your Board approved transferring 10% of tax revenue received from redevelopment dissolution to the Headwaters Sale EDA Fund (known informally as the Economic Development Set-Aside Trust) (Fund 3842). Therefore, of this \$395,006 received approximately \$39,500 will be transferred to Economic Development, leaving \$355,505 for the General Fund.

In the FY 2013-14 Third Quarter Budget Report your Board approved applying for a hardship waiver from the \$430,851 annual County Medical Services Program (CMSP) participation fee. At that time staff recommended utilizing this savings for a contribution to the General Reserve of \$250,000 with the remaining \$180,851 to be used for one-time supplemental budget requests in FY 2014-15. The county was

1100- General Fund	
FY 2013-14 Year End Fund Balance	6,899,987
FY 2014-15 Adopted Revenue	106,544,182
Property Tax Current - Secured	597,780
Supplemental Property Tax - Secured	49,750
Redevelopment Dissolution	355,505
Federal PILT	123,607
Property Tax in Lieu of VLF	213,866
Timber Yield Tax	72,000
	<u>1,412,508</u>
FY 2014-15 Adopted Expenditures	(109,298,533)
Board approved expenditure adjustments	(1,300,000)
Unused Contingencies	1,450,000
Expenditures Over Budget	(185,696)
	<u>(35,696)</u>
Net Costs	(1,377,539)
Estimated FY 2014-15 Year End Fund Balance	<u>5,522,448</u>

unable to apply for a hardship waiver. However, on December 4, 2014 the CMSP Governing Board voted to waive county participation fees for FY 2014-15. This is a one-time waiver only. CMSP is able to do this due to the Department of Finance indicating that an audit of 1991 Health Realignment disbursements identified an under allocation of state sales tax dollars to CMSP estimated to be over \$19.5 million. CMSP participation fees for all participating counties total \$5.4 million. Therefore, due to the CAO previous recommendations, it is recommended of the \$430,851 that \$250,000 be placed in contingencies for a contribution to the General Reserve in FY 2015-16 and that \$180,851 be placed in the Deferred Maintenance trust.

While the above items are positive financial news for the General Fund, it is estimated that expenditures will exceed budget amounts by \$185,696. This is primarily due to two areas; General Relief and indigent defense. General Relief assistance payments have increased 25% from the prior fiscal year and the Transportation Assistance Program-Track A is already exceeding 50% of anticipated expenditures due to increased outreach. The overall General Relief increase to the General Fund is an estimated \$93,440. In addition, indigent defense costs in budget unit 250 Courts County Contribution continue to increase and are estimated to exceed budgeted amounts.

Due to the condition of the county's budget over the last five years, appropriation of General Fund dollars for county building maintenance has been minimal, and often deferred completely. The deferral of building maintenance has resulted in an emergency situation with the county's weights and measures building (building #101) located on South Broadway, Humboldt Hill. The replacement of this building is necessary as shown in the pictures below. The building is in an advanced state of deterioration and a wind storm in late 2014 caused it to become structurally unsound. Contained in the budget adjustments found in Attachment 1 is a supplemental funding request for \$125,000 to begin planning and design to replace the existing structure. The county's Weights & Measures division is under the direction of the Agricultural Commissioner and serves all consumers as the local regulatory agency responsible for ensuring fairness and equity in the commercial marketplace by enforcing provisions of the California Business and Professions Code. The weights and measures building contains equipment necessary to carry out these functions and is required to be kept secure.



Building # 101 - June 2014



Building #101 - December 2014

The FY 2014-15 budget contained capital expenditures for Americans with Disabilities Act (ADA) upgrades to a county building currently occupied by the Public Defender's Office and District Attorney's Child Abuse Services Team (building #289). The cost for these ADA improvements for phase one, which includes parking and entry doors is estimated at \$633,000. While these improvements place the county in compliance with federal ADA requirements, these improvements do not in turn fix the in-effective lay-out

of the building, provide efficient office space and address the extensive deferred maintenance. In-kind building replacement is an option and is estimated at \$2,400,000. The location of this building is highly desirable due to its proximity to the courthouse. Because of its location the scope of in-kind replacement could be expanded to remedy significant space issues that exist within the county. Therefore, there is a recommended budget adjustment in Attachment 1 that transfers \$30,000 from building modifications to county building project. This transfer of funds will allow for the analysis and preliminary design of a replacement building.

Contained in the recommendations is a recommendation for the County Administrative Officer, Public Works Director and Treasurer-Tax Collector to begin work on identifying funding for the replacement of both buildings #101 and #289.

Fund Balances in Other Funds Continue to Pose Risks to the General Fund

Health & Human Services Funds

The Department of Health and Human Services (DHHS) administers six budgeted funds. DHHS began this fiscal year with an overall departmental fund balance of \$5.27 million. In the First Quarter budget report it was identified that there was a delay in Medi-Cal billing due to the implementation of electronic health records. This delay has been fixed and the department is beginning to submit billing. Overall, expenditures and revenues remain on track and consistent with budgeted amounts. DHHS has submitted several budget adjustments to accommodate the few changes that have occurred. More information on the supplemental budget units can be found on pages 13-14.

1120 – Economic Development Fund

The Economic Development Fund (EDF) began FY 2014-15 with a negative fund balance of (\$164,048). This negative fund balance is likely to remain stagnant, as estimates currently show that revenues equal expenditures. This negative fund balance is due to prior years' expenditures that have not been reimbursed and will most likely need to come from Economic Set-Aside funds. Your Board's decision to transfer 10% of redevelopment dissolution proceeds to this fund will assist this.

1200 – Roads Fund

The Roads Fund began the fiscal year with a fund balance of \$5.4 million. Projections for FY 2014-15 year end show that there is a likelihood that the fund will use less fund balance than originally budgeted.

1500 – Library Fund

The Library anticipates that revenues will exceed expenditures by \$69,364 for the current fiscal year. This is better than the estimated expenses exceeding revenues by \$155,234 that was included in the adopted Library budget. This positive financial news is the result of one-time unanticipated revenue: \$37,136 in redevelopment dissolution, \$41,552 in an insurance rebate and \$68,000 in an AT&T E-rate refund. In addition, the Library is seeing salary savings due to a delay in hiring.

3530 – Aviation Enterprise Fund

The Aviation Enterprise Fund began this fiscal year with a negative fund balance of (\$525,519). In the first quarter budget report the department was estimating that the negative fund balance would be reduced by \$22,139, leaving a fund balance of (\$503,780). The department now estimates that the negative fund balance will increase by (\$427,974) for a year end negative fund balance of (\$953,493). This significant backward movement is the result of unanticipated expenses such as \$145,000 in tree topping services and the loss of fuel sales and flights.

Based on the 5 Year Financial Forecast that was before your Board on January 27th the Aviation Fund has an ongoing annual structural deficit of over \$700,000.

While the County has a practice of allowing individual funds within its governmental fund series to remain in a negative balance position for short periods of time, a negative cash balance in the Aviation Enterprise Fund raises concern. This is because enterprise funds are classified by accounting standards as “business-type activities” and are supposed to stand on their own without the sort of short-term borrowing typical of the County’s governmental funds. Currently there are sufficient monies in the Aviation Jet Fuel and Hangar trust funds, which are considered part of the Aviation Enterprise system, to cover the short term cash needs. If these funds were not available proper procedure would call for another fund to loan money to Aviation pursuant to a written repayment schedule.

As this fund continues to decline, the need for a loan is more pressing. The fund that would make a loan available is the General Fund. The consequence of the General Fund loaning the Aviation Enterprise Fund money is that one-time costs in the General Fund will go unfunded. As a reminder to your Board, the CAO received \$5.1 million in additional General Fund appropriation requests for FY 2014-15. The Aviation Fund will be unable to submit a balanced budget for FY 2015-16.

Internal Service Funds

The County has 13 Internal Service funds that provide for services to other county departments including: Motor Pool; Heavy Equipment; Risk Management; Communication; Purchasing; and Information Technology. These funds ended FY 2013-14 with a combined fund balance of \$15.3 million.

Two funds, Purchased Insurance and Workers’ Compensation began FY 2014-15 with a combined fund balance of \$2.56 million. In FY 2014-15, a refund of over \$600,000 was issued from the Purchased Insurance fund to county departments. The Human Resources department is recommending issuing another refund, \$300,000 from Purchased Insurance and \$600,000 from the Workers’ Compensation fund. These excess funds are available due to insurance reimbursements received from the Excess Insurance Authority and a payroll “true-up” for Workers’ Compensation.

The Liability Fund began the fiscal year with a negative fund balance of (\$1.15) million. Human Resources estimates that revenues will exceed expenditures, as budgeted by \$200,000. This will reduce the negative fund balance. In addition, it is recommended that the General Fund’s portion of the insurance reimbursement be allocated to the Liability Fund in order to reduce its negative fund balance.

As reported by the remaining internal service fund departments, there are no significant variances from budget amounts.

Section 2: Budget Outlook for Fiscal Year 2015-16

As your Board directs county staff to begin preparing a budget for next fiscal year, consideration will be paid both to the position of county funds as of mid-year (the subject of the prior section of this report) and to the potential effects of other factors, both internal and external. The primary factors to consider will be the proposed state budget, the economy and the need for long-range planning.

The Proposed State Budget

The governor released the state’s proposed budget for FY 2015-16 on January 9. The real budget debate does not begin until late May after the “May Revise” is issued, reflecting state income tax receipts. Typically a large percentage of the proposals from the January release are carried forward into the May

Revise. The state's total budget proposal is \$160.3 billion, with \$113.3 billion of that in the state's general fund. General fund expenditures are projected to increase a modest 1.4% from this fiscal year to next. 54% of the state's general fund spending is in the area of education (K-12 and higher education), which does not have a direct impact on county services. The largest portions directly impacting the county are the \$31.9 billion the state spends on health and human services and \$10.2 billion on corrections.

The proposed budget for FY 2015-16 does contain some highlights for counties. These highlights include:

- \$533 million in mandate repayments to counties, cities and special districts. Of this amount, California State Association of Counties estimates Humboldt County will receive approximately \$926,000. It should be noted that the final amounts will not be known until the May Revise. This is a constitutionally mandated repayment of funds that have been owed to the county for more than 11 years now.
- The governor also included \$644,000 for payments in lieu of taxes. Of this amount, Rural County Representative of California estimates that Humboldt County will receive just over \$15,000. This is funding that is called for in state law and has not been appropriated for the past 13 fiscal years.
- Because of growing workload, the budget also contains an increase in funding for county administration of MediCal (\$150 million statewide). Humboldt County's share is estimated by the County Welfare Director's Association at \$1.22 million for FY 2014-15 and this additional funding may require a future budget adjustment.
- \$21 million in funds from the water bond that was approved in November is allocated for grants to develop groundwater management plans. This has the potential to benefit the Eel River Valley
- Items without direct impact on Humboldt County government but positive for constituents and partners:
 - An additional \$90 million in funding for trial court operations
 - \$3 million in state general fund for operating costs for local fairs, the first such funding since 2011
 - Small increases in benefit levels for recipients of various social services programs, including restoration of a cut in hours for In-Home Supportive Services (IHSS), increased maximum aid for CalWORKs, and an increase in monthly state supplementary payments

In addition to highlights, the proposed budget does contain some continuing disappointment for counties. These items include:

- Williamson Act subventions are once again funded at \$1,000 statewide (the minimum amount to keep the law on the books).
- No local grants are proposed from the State Responsibility Area (SRA) Fee fund.
- The Indian Gaming Special Distribution Fund is continuing to slide into insolvency, with no money again for local grants to deal with casino impacts.
- A 23% decrease is anticipated in gas tax funding for county road maintenance. This means less money for local road maintenance.
- Funding for the state library (which in turn impacts local library programs) is once again cut.
- Because of increased state costs, the state may seek to unwind the maintenance of effort formula for IHSS and restore the county's share of costs in 2017.

The Local Economy

Humboldt County's economy continues to improve with median home prices increasing from \$260,000 in October 2014 to \$269,962 in November of 2014. Mortgage rates continue to be affordable with the average 30-year fixed rate mortgage down to 3.87 percent and the average 15-year fixed rate mortgage up to 3.15 according to Humboldt State's Economic Index report for December 2014. Increases in home

prices mean increases in property tax to local coffers. In addition, other factors that support an improved local economy such as manufacturing orders, building permits and help wanted advertisements are all up, while unemployment claims have declined. Gas prices have declined dramatically. According to the Economic Index “The decline in Eureka’s average gas price is especially telling as the past three months have seen the biggest drop in the history of the Humboldt Economic Index.” The Economic Index has been tracking economic activity since 1994. If local residents are spending less on gas they are likely spending more on retail, again a positive impact on local institutions.

These local positive economic activities are supported by Beacon Economics’ Winter 2014 economic forecast. Beacon Economics reports a second surge in the housing market, but this time growth will be driven by the retail buyer and increased demand for new housing. Mortgage credit is easier to obtain as the average FICO score

for a Fannie Mae prime mortgage has fallen to below 740. Beacon Economics acknowledges the improved state of the state and national economy but does point to some longer-term issues including

Estimated year end fund balance for FY 2014-15	5,522,448
Estimated Discretionary Revenue for FY 2015-16	50,934,608
Estimated Expenditures for FY 2015-16	(53,122,385)
Estimated year end fund balance for FY 2015-16	<u>3,334,671</u>

the funding of public pensions and public insurance programs, growing wealth inequality, and infrastructure gaps that will need to be addressed. The funding of public pensions and the growing liability for local governments and how the county can begin to address this issue is a topic in this mid-year report.

Expenditure Increases for FY 2015-16

The General Fund began FY 2014-15 with a \$6.8 million fund balance. The adopted budget for FY 2014-15 required the use of fund balance in the amount of \$2.7 million to balance the General Fund’s budget. Of this \$2.7 million, \$1.2 million is a structural deficit and \$1.5 million is budgeted for contingencies. Due to the addition of \$750,000 in on-going revenue, mentioned in the First Quarter Budget Report, the current year’s structural deficit remains at \$450,000.

Anticipated cost increases for FY 2015-16 include workers’ compensation and liability insurance increases in the amount of \$383,364. Health insurance is also anticipated to increase by an estimated 6% in calendar year 2016, or \$651,355. In addition, the California Public Employees Retirement System (CalPERS) will see cost increases in the General Fund of \$395,619.

Total estimated discretionary expenditures for the General Fund in FY 2015-16 are \$53.1 million, with offsetting revenues of \$50.9 million. This leaves a General Fund shortfall of \$2.1 million. Of this \$2.1 million, \$1.5 million is for contingencies and \$687,777 is the estimated structural deficit for FY 2015-16.

Other possible expenditure increases for FY 2015-16 include an increased General Fund contribution to the Probation department due to significant reduction in the ability to claim Title IV-E dollars. The Probation department has budgeted \$731,656 in trust fund monies to back fill lost revenues. This is not a long-term solution, as these revenues will be depleted at the end of this fiscal year. The Board will need to determine whether to increase the General Fund contribution to Probation by an estimated \$500,000, or make service cuts in the Probation department, such as closing the Regional Center. It should be noted the Probation

department in anticipation of this continuing revenue shortfall did freeze 6 probation officer positions in FY 2014-15.

Revenue Changes for the General Fund

It is estimated that in FY 2015-16 the General Fund will receive approximately \$343,216 in one-time revenue from an insurance refund from the Purchased Insurance and Workers' Compensation funds as discussed on page 6. It is recommended that the General Fund's portion of this refund be transferred to the Liability fund to help offset the Liability Fund's negative fund balance.

As a result of county residents passing Measure Z on November 4, 2014, the county requested Hinderliter, De Lamas and Associates (HdL) Companies to provide a sales tax revenue estimate. HdL currently audits the county's current sales tax receipts for accuracy. HdL provided an estimate of \$8.88 million in Measure Z revenue for FY 2015-16.

As presented in the Five Year Financial Forecast on January 27th, property tax is anticipated to grow by 2.4% in FY 2015-16, or \$1.8 million. Sales tax not related to Measure Z is anticipated to increase by \$430,746. Expenditure growth continues to consume revenue growth. However, due to the estimated year-end fund balance of \$5.5 million the county has opportunity to begin to address unfunded pension liabilities and retiree health care.

Section 3: Policy Considerations

To assist in the development of a balanced FY 2015-16 budget, staff is recommending that the Board provide direction on the issues identified below.

Opportunity to Deal with Long-Term Issues

For several years, the county has been faced with the lingering effects of the 2008-09 recession. These have included extremely slow growth in revenues and rapid increases in certain categories of expenditures. Because of this, the county has been unable to restore service levels to pre-recession levels, notably in the area of public safety. Your Board asked the voters to address this issue through providing additional local revenues, and the public responded with an affirmative vote on Measure Z during the November 4, 2014, election. Passage of Measure Z will result in collection of a countywide local transactions and use (sales) tax effective April 1, 2015. This is expected to generate some \$8.88 million in new local revenue that can be targeted at service restorations.

Having Measure Z revenues for service restoration should also allow your Board to dedicate any increase in non-Measure Z General Fund revenues to address longer-term issues that have faced the county over the past six years. The county has begun to grow its way out of the long-term structural deficit that has plagued the county for a number of years. The estimated shortfall for FY 2015-16 is \$2.1 million, this includes \$1.5 million for contingencies, leaving a structural deficit of \$687,777. It is estimated that the county will end FY 2014-15 with a \$5.5 million fund balance. Some options for your Board to consider include:

Enhance Funding for Individual Departments

Each year, the CAO receives requests from departments as part of the budget preparation process for additional General Fund appropriations beyond the departments' baseline allocations. In the FY 2014-15 budget process, \$5.1 million in such requests was received. While a small portion of these requests was able to be funded either as part of the budget adoption or the first quarter review, \$4.4 million in requests remains outstanding. This includes such items as: \$1.8 million for county facilities, of which \$1.25 million was requested for the Weights and Measures building; and \$1.8

million for preventative road maintenance. In addition, it is likely that some departments may have chosen not to make requests for additional General Fund appropriations in FY 2014-15 due to their understanding of the limited amount of funding likely to be available. Therefore, your Board may wish to consider allocating funding for this purpose in FY 2015-16. Funding for one-time appropriations can be made from one-time sources of revenue; any ongoing appropriations (such as for increased staffing levels) should be made only if ongoing funding can be identified to sustain this increased expenditure over time.

Enhance Employee Salaries

The most recent general raise provided to county employees was a 2 percent increase on July 7, 2013. Prior to that, employees last received an adjustment in July 2010. That means at the beginning of FY 2015-16, county staff will have received only a 2 percent increase in base wages over a five-year period. By contrast, the cost of living (as measured by the Consumer Price Index for all items) increased 9.8 percent for the five-year period between October 2009 and October 2014. Although the county is spending increased amounts on employee compensation in the form of pension benefits and health insurance, employees' take-home wages have not benefitted. Therefore, your Board may wish to consider allocating funding for this purpose in FY 2015-16. In keeping with Board policy, you should do so only if ongoing funding can be identified to sustain this increased expenditure over time.

Contribute to General Reserve

The General Reserve is the county's "rainy day" fund, built up in times of strong growth and available to help stabilize the county's expenditures in times of recession. In 2008, the Board adopted a policy calling for a General Reserve balance of between 8 and 10 percent of General Fund expenditure levels. For FY 2014-15, this would have called for a General Reserve balance of at least \$8.7 million. The actual amount in General Reserve is \$1,172,737. Rebuilding reserve accounts is one of your Board's Five Key Goals for 2014-15, and your Board may wish to consider extending this into FY 2015-16.

Pay Down a Portion of Unfunded CalPERS liability

The pension system for county employees is operated by the California Public Employees Retirement System (CalPERS). As has been previously reported to your Board, the rate of pay charged by CalPERS to fund pension benefits has increased dramatically in recent years. These increases are expected to continue in the coming years, and because CalPERS sets the rates, it is difficult to project what those increases will be. However, the county can help flatten the rate of these increases and bring more predictability to the amount of the charges, and therefore the county's budget, by making supplemental payments to the retirement system.

Over the past five fiscal years, the pension contribution rate for public safety employees has increased by 38.6 percent and the rate for miscellaneous (non-safety) employees has increased by 25.8 percent. These rates are projected to continue to increase through at least 2020. There are multiple reasons for these increases, including changes in the expected number of years that retirees will draw pensions, significant investment losses suffered by CalPERS during the recession, changes to the assumed rate of investment return over the long term, and pension benefit enhancements adopted several years ago. In response to this growing liability, the county negotiated a reduced pension benefit for new hires and the state adopted the Public Employee Pension Reform Act. While these actions are expected to gradually slow the rate of growth in pension costs, these costs are anticipated to continue to increase for the foreseeable future.

Nearly half of what the county pays in CalPERS contributions is dedicated to paying off an accrued unfunded liability (largely the results of benefit increases and investment losses). One of the reasons that CalPERS rates continue to rise for Humboldt County is that the county's payments against this unfunded liability have been consistently less than CalPERS projections. This is because CalPERS apportions the unfunded liability against our current payroll and projects that out into the future, making assumptions about number of employees on the payroll in future years and their growth in compensation – if those assumptions pan out, the unfunded liability is reduced according to CalPERS' amortization schedule; if the assumptions are overly optimistic, there is not enough paid to reduce the liability and the underfunding is added to future years' liability (i.e., the unfunded liability grows). This has been the situation facing Humboldt County for several years – the county has hired fewer people and paid them less than CalPERS assumed, meaning the payroll rates CalPERS has charged the county have been insufficient to pay down the unfunded liability. So, for example, over the past five years the rate of pay charged for public safety pensions has grown from 20.997% to 29.097%. However, the portion of this used to cover the “normal cost” of the pension obligation has grown only slightly – from 15.956% to 16.892%. The rate to cover the county's unfunded liability for safety pensions has skyrocketed from 5.041% to 12.205%. As of June 30, 2013 (the most recent figures available from CalPERS), the county's total unfunded liability for pensions was \$213.1 million – almost double the liability that had existed as of June 30, 2008.

Humboldt County is far from unique in this situation – many local governments as well as the state face similar (or worse) challenges. Because of this, CalPERS has recently begun encouraging jurisdictions that have available resources to make additional contributions to stop these unfunded liabilities from growing. Doing so will reduce cost increases in future years, and is consistent with responsible fiscal choices your Board has made in the past to reduce future pension costs. While the county cannot fully pay off the unfunded liability of nearly \$213 million within one fiscal year, a supplemental payment of a \$1,153,903 would reduce CalPERS rates by 0.132%. Of this, approximately \$426,944 would be from the General Fund.

Prefund OPEB Liability

Many employers offer retirees benefits beyond a pension; these are referred to as “other post-employment benefits” (OPEB). The most common OPEB is a contribution to health insurance premiums for retirees. While Humboldt County does not offer fully-paid retiree health or other large OPEB of the type offered in some cities and counties, the county's health insurance agreement does require a minimal contribution to retiree premiums. This contribution is very small in comparison to the cost of coverage for an individual retiree, but when spread over the total number of current and future retirees it creates a fairly substantial liability for the county.

Under governmental accounting rules, counties are required to obtain actuarial statements of these liabilities every two years. The most recent actuarial statement prepared for Humboldt County evaluates the county's position as of June 30, 2013. At that time, the county's accrued liability for OPEB was \$19.7 million (representing benefits already earned) and the total actuarial liability for present and future benefits was \$28.6 million.

The Government Finance Officers Association recommends as a best practice funding for these liabilities when they are earned rather than when they are payable (“prefunding”). This is because amounts accumulated for future benefits partially offset the cost of those benefits. The alternative – funding when liabilities are payable (“pay as you go”) – results in cost increases in future years. In Humboldt County, the annual cost of pay-as-you-go for OPEB has increased substantially over the past few years – from \$280,000 in FY 2007-08 to an estimated \$625,000 in FY 2015-16 – and is estimated to double again (to \$1.3 million) by FY 2024-25. On the other hand, the actuary estimated

that (as of June 30, 2013) an annual payment of \$2.1 million for 20 years would be required to completely prefund the county's liability for OPEB. Because the cost of pay-as-you-go is projected to peak at \$1.8 million, it has not made sense for staff to recommend complete prefunding. However, it may be advisable to *partially* prefund this future obligation to slow the growth in costs.

There are two basic ways to prefund OPEB liabilities. The first would be for the county to set up a separate account within the County Treasury and transfer money into it on an annual basis. However, because this would be a policy decision on the part of the Board each year (and subject to change), credit rating agencies would not consider this to be a true commitment to prefunding. Therefore, most agencies that choose to prefund use the second method, which is to set up an irrevocable trust with an outside entity. Not only are the funds deposited into this trust "locked up" from the perspective of credit rating agencies, they are also invested at a higher rate of return than the typical earnings on the county's pooled investment portfolio. The difference in long-term interest rate assumptions between the county portfolio and an outside investment is then factored into future actuarial analysis of the county's liability, driving down the anticipated future costs.

In addition to the reduction in future costs resulting from this interest earnings differential, the assets in a trust can be used to pay the OPEB expenses at any time. This means, for instance, that the county would have a pool of available funds to cover its premium obligations for retirees in the event of a future economic downturn – potentially resulting in fewer cuts to other services. Other counties including Shasta and Trinity have prefunded their OPEB liabilities to take advantage of these benefits. Based on discussions with one trust administrator, staff estimates that a contribution of \$1.5 million in FY 2015-16 would have a significant impact on future liability for the county.

Set Parameters to Guide FY 2015-16 Budget Preparation

As presented in the Five Year Financial Forecast, economic recovery continues but is slowed by increasing expenditures in health insurance and retirement costs. Based on this information the CAO recommends setting departmental allocations from the General Fund distributing 98% of the revenue growth to departments based on current year General Fund allocations. In addition, the CAO recommends accepting requests for additional General Fund appropriations that have the potential to demonstrate future savings.

Approve Various Budget Adjustments

The CAO during the Mid-Year Budget Report frequently brings forward budget adjustments on behalf of departments in order to decrease the number of individual items coming to the Board, and provide time savings to departments. Most of the changes are related to increased expenditures which are offset by dedicated funding sources, special revenues or grant funding that are not available for other activities. The recommended budget adjustments requested are detailed in Attachment I. These include:

- \$4,550 Building Maintenance (1100-162) – The Superior Court of Humboldt County has a need for and is able to pay for additional custodial services. This supplemental budget supports the Board's Strategic Framework, Core Roles by providing for and maintaining infrastructure.
- \$155,000 Capital Projects (1100-170) – this represents two supplemental budgets. The first supplemental budget provides \$30,000 for increased additional consultant time to change the concept of the corrections center to include a two-phase construction that would maximize the build-out and utilization of its parcel. The second supplemental budget provides \$125,000 for the design of a new weights and measures building. As previously discussed the building is in an advanced state of deterioration. Funding for both of these projects will come from unanticipated

redevelopment dissolution revenue. This supplemental budget supports the Board's Strategic Framework, Core Roles by providing for and maintaining infrastructure.

- \$11,838 Certificates of Participation (1100-190) – for additional charges for the processing of certificates of participation which include audit, bank and title fees. Funding for this supplemental budget will come from unanticipated redevelopment dissolution revenue. This supplemental budget supports the Board's Strategic Framework, Priorities for New Initiatives by managing resources to ensure sustainability of services.
- \$39,500 Contributions to Other Funds (1100-199) – for a contribution to Economic Development, as using funds from the dissolution of redevelopment as approved by the Board on November 5, 2013. This supplemental budget supports the Board's Strategic Framework by encouraging new local enterprise and ensure proper operation of markets.
- \$37,803 Water Management (1100-251) – due to administrative oversight there is a need to correct line items as a result of the approved position allocation and supplemental budget on December 2, 2014 for one full-time equivalent Senior Environmental Analyst in the water management budget unit in the amount of \$14,303. This supplemental budget supports the Board's Strategic Framework, Priorities for New Initiatives by managing resources to ensure sustainability of services. In addition, the Department of Water Resources increased funding for the Blue Lake Levee evaluation in the amount of \$23,500. This supplemental budget supports the Board's Strategic Framework, Priorities for New Initiatives by seeking outside funding sources to meet Humboldt County needs.
- \$16,249 Agricultural Commissioner (1100-261) – the Agricultural Commissioner's Office has received unanticipated unclaimed gas tax revenue from the California Department of Food and Agriculture. These funds will offset the replacement of weights and measures equipment. This supplemental budget supports the Board's Strategic Framework, Core Roles, by enforcing laws and regulations.
- \$49,151 Drug Task Force (1100-265) – grant funding was received from the High Intensity Drug Trafficking Area program to purchase a drug detection canine. These funds include the purchase of the canine, training costs, team training and equipment. This supplemental budget supports the Board's Strategic Framework, Core Roles, by enforcing laws and regulations.
- \$10,000 Office of Emergency Services (1100-274) - for 50% match on grant funds through the California Office of Emergency Services, Emergency Management Grant Program. These funds will pay for disaster related training known as Incident Command System (ICS) 100, 200, and 700. Funding for this supplemental budget will come from unanticipated redevelopment dissolution revenue. This supplemental budget supports the Board's Strategic Framework, Core Roles and Priorities for New Initiatives by creating opportunities for improved safety and health, and seeking outside funding sources to benefit Humboldt County needs.
- \$25,000 Advance Planning (1100-282) – for grant funds received from the California Coastal Commission for Local Coastal Program (LCP) planning. LCPs are a component of the county's general plan intended to guide development in the coastal zone. This supplemental budget supports the Board's Strategic Framework, New Initiatives by seeking outside funding sources to benefit Humboldt County needs.
- \$550,000 Advanced Planning (1100-282) – for grant funds received from the State of California Housing and Community Development, Community Development Block Grant. These funds will be used to implement Micro-Enterprise Technical Assistance grants, First Time Home Buyer program and Planning and Technical Assistance. This supplemental budget supports the Board's Strategic Framework, Core Roles by encouraging new local enterprise and supporting business and workforce development.
- \$50,000 Natural Resources Planning (1100-289) – for the support of planning intended to increase the protection of people and property from wildfire through fire district formation and expansion.

The funding for this supplemental budget will come from trust fund 3675 SRS Act – Title III Projects which holds Secure Rural Schools Title III funds for this very purpose. This supplemental budget supports the Board’s Strategic Framework, Core roles by creating opportunities for improved safety and health.

- \$39,363 Veterans Service Officer (1160-599) – for enhancement of operations and services for the Veterans Service Office. The state Budget Act of 2014 allocated one-time subvention funding to all county veterans offices. The funding is to be used for development of program enhancement. This supplemental budget supports the Board’s Strategic Framework, Core Roles by protecting vulnerable populations.
- \$100,000 Public Health Administration (1175-400) – for roof repair at the main Public Health building. Funding for this project is available through realignment revenue due to a one-time sales tax correction that was received in FY 2014-15. This supplemental budget supports the Board’s Strategic Framework, Core Roles by providing for and maintaining infrastructure.
- \$12,500 Consumer Protection (1175-406) – for a telephone system upgrade for Environmental Health. Revenue for this project will come from trust fund 3567 Household Hazardous Waste, as this is a fixed asset one-time expense. This supplemental budget supports the Board’s Strategic Framework, Core Roles by providing for and maintaining infrastructure.
- \$15,561 Maternal Child Adolescent Health (1175-420) - for oral health assessment in local schools, provide support materials and education to the schools that had low return rate for oral health appointments and high cavity rates. Grant funds were received from the California Department of Public Health for this project. This supplemental budget supports the Board’s Strategic Framework, Core Roles by protecting vulnerable populations.
- \$117,000 Supplemental Displaced Worker (1190-584) – for assistance due to the layoffs that the California Redwood Company has completed. This grant funding from the Workforce Investment Act provides training and re-employment services to laid-off workers. This supplemental budget supports the Board’s Strategic Framework, Core Roles by protecting vulnerable populations.
- \$60,000 Employment Training Division (1190-597) – for continued work experience placement and on-the-job training for ex-offenders. Funds for this supplemental budget will be provided by a local AB 109 grant. This supplemental budget supports the Board’s Strategic Framework, Core Roles by creating opportunities for improved safety and health.
- \$660,000 Information Technology (3550-118) – \$600,000 for a paperless case management system for public safety departments as approved by your Board on November 4, 2014. This supplemental budget supports the Board’s Strategic Framework, Core Roles by enforcing laws and regulations to protect residents. \$50,000 is for the replacement of outdated software and hardware. Funding for this supplemental budget will come from Information Technology fund balance. This supplemental budget supports the Board’s Strategic Framework, Priorities for New Initiatives by managing resources to ensure sustainability of services. In addition, \$10,000 is for a consultant to write necessary payroll and budget reports, known as click, drag and drill (CDD) reports for the county’s financial accounting system. Funding for this supplemental budget will come from one-time unanticipated redevelopment dissolution revenue. This supplemental budget supports the Board’s Strategic Framework, Core Roles by providing for and maintaining infrastructure.

In addition, budget adjustments are necessary to more accurately reflect expenditures; these can also be found in Attachment 1.

- \$430,851 Contributions to Other Funds (1100-199) – due to a one-time waiver of the CMSP participation fee there are funds available for a \$180,851 contribution to the Deferred Maintenance Trust for Americans with Disabilities Act projects. This budget adjustment supports the Board’s strategic framework by providing for and maintaining infrastructure.

- \$30,000 Capital Projects (1100-170) – this budget adjustment will transfer \$30,000 from building modifications to a more appropriate line item that will allow for the design of new building #289, which is currently occupied by the Public Defender and District Attorney. This budget adjustment supports the Board’s Strategic Framework by providing for and maintaining infrastructure.
- \$250,000 Contingencies (1100-190) - Due to a one-time waiver of the CMSP participation fee, the Board is now able to make a \$250,000 contribution to the General Reserve in FY 2015-16. This budget adjustment supports the Board’s Strategic Framework, Five Key Goals by rebuilding reserves and contingency accounts.

Approve Position Allocation Adjustments

Similar to budget adjustments, the CAO during the Mid-Year budget report will also bring forward position allocation adjustments on behalf of departments in order to decrease the number of individual items coming to the Board. In Personnel Allocation Table (Attachment II) are several position allocation adjustments. These include the following:

- In the Coroner budget unit (1100-272) the Sheriff is requesting to allocate 1.0 FTE Deputy Sheriff II position to 272. In addition, the Sheriff is requesting to disallocate a 1.0 FTE Elected Official position of Coroner Public Administrator due to consolidation with the Sheriff’s Department as previously approved by your Board.

During the mid-year budget process departments submitted supplemental funding requests for additional General Fund appropriations. At this time, one request is being recommended for funding.

- A supplemental request in the amount of \$26,730 was requested from the Sheriff for the Coroner budget unit (1100-272) to reimburse additional salary costs in the Sheriff’s office associated with training and supervision of the consolidation with the Coroner’s office. Funding for this supplemental request will come from one-time unanticipated redevelopment dissolution revenue. This one-time supplemental request supports the Board’s Strategic Framework by providing community-appropriate levels of service for enforcement of laws and regulations to protect residents.

Section 4: Budget & Fee Update Calendar

The proposed calendar for County budget development (Attachment III) provides for final adoption of the budget on June 23, 2015. The intent is to allow for adoption of the budget before the beginning of the next fiscal year.

The calendar for FY 2015-16 includes only one community outreach meeting, which is the same as last year. Due to technological advancements and the success of last year’s budget meeting, these meetings will be held in each supervisorial district, at the same time, on Thursday, February 26.

FINANCIAL IMPACT:

The recommended budget adjustment will increase the overall county budget by \$1,873,245. The recommended budget adjustments will increase General Fund Contingencies by \$250,000 in order to make a contribution to the General Reserve in FY 2015-16.

OTHER AGENCY INVOLVEMENT:

None.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Recommendation 2.b.

The Board could choose to not accept any supplemental requests. This is not recommended as supplemental requests that reduce costs in the future should be analyzed.

Recommendation 2.c.

The Board could choose to provide any direction on long-term financial solutions. This is not recommended as this still leaves the General Fund with long-term financial liabilities.

Recommendation 3.

The Board could choose to not direct the CAO, Public Works Director and Treasurer-Tax Collector to identify funding for the in-kind replacement of building #101 (currently known as the weights and measures building) and building #289 (currently used by the Public Defender and the District Attorney's Child Abuse Services Team). This is not recommended as this would leave building #101 in an advance state of deterioration and create a safety hazard. This would also leave building #289 with only ADA improvements and without the possibility of a full building replacement.

Recommendations 4 and 5.

The Board could choose not to refund Purchased Insurance and Workers' Compensation charges to departments. This is not recommended as both funds (Purchased Insurance and Workers' Compensation) have excess fund balance that should be returned to the contributing funds.

Recommendation 6.

The Board could choose not to approve some or all of the budget adjustments and require individual departments to return to the Board with separate supplemental budgets. This is not recommended as these budget adjustments support the Board's Strategic Framework.

ATTACHMENTS:

- I. Recommended Budget Adjustments
- II. Position Allocation Table
- III. Budget & Fee Schedule Development Calendar for 2015-16

ATTACHMENT 1

RECOMMENDED BUDGET ADJUSTMENTS

Fund	Budget	Acct #	Budget Name	Account Name	Adjustment
Budget Adjustments					
1100	162	682238	Building Maintenance	Charges for Services	\$ 4,550
1100	251	681200	Water Management	Road Labor-Other County Fund	\$ 14,303
1100	251	525001	Water Management	Dept. of Water Resources Grant	\$ 23,500
1100	261	518000	Agricultural Commissioner	State Aid for Agriculture	\$ 16,249
1100	265	707254	Drug Task Force	Other Grants	\$ 49,151
1100	282	590061	Advanced Planning	CDBG Grant Revenue	\$ 550,000
1100	282	514060	Advanced Planning	State - Small Grants	\$ 25,000
1100	289	505101	Natural Resources - Planning	County Wide Fire Plan	\$ 50,000
1100	888	101101	General Purpose Revenue	RDA Dissolution Increment	\$ 253,068
				Total General Fund	\$ 985,821
1160	599	524000	Veterans Service Officer	State Aid for Veterans Affair	\$ 39,363
				Total Social Services	\$ 39,363
1175	400	586499	Public Health Administration	State Aid Realignment	\$ 100,000
1175	406	707800	Consumer Protection	Trust Fund Transfer	\$ 12,500
1175	420	586499	Maternal Child Adolescent Health	Oral Health Promotion	\$ 24,915
1175	420	586499	Maternal Child Adolescent Health	Federal-MCH Administration	\$ (9,739)
1175	420	586499	Maternal Child Adolescent Health	Federal Title V MCH Administratic	\$ 385
				Total for Public Health	\$ 128,061
1190	597	504410	Employment Training Division	2011 Public Safety Realignment	\$ 60,000
				Total for Employment Training	\$ 60,000
3550	118	71005	Information Technology	Fund Balance Transfer	\$ 50,000
3550	118	707080	Information Technology	General Fund Contribution	\$ 610,000
				Total Information Technology	\$ 660,000
				Total Revenue	\$ 1,873,245
Expenditures					
1100	162	2122	Building Maintenance	Small Tools	\$ 4,550
1100	170	8469	Capital Projects	Corrections Resources Center	\$ 30,000
1100	170	8959	Capital Projects	County Building 101	\$ 125,000
1100	190	3233	COP Payments	COP Fees	\$ 11,838
1100	199	3343	Contributions-Other	Contribution Economic Developm	\$ 39,500
1100	199	3334	Contributions-Other	Contribution to Information Tech	\$ 10,000
				Custodial services for the courts	
				Increased usage of consultant due to concept change of the Corrections Center to include a two-phase construction that would maximize the build-out and utilization of the parcel	
				Design of new weights and measures facility	
				Additional charges for Certificates of Participation	
				Contribution to Economic Development	
				Contribution to IT for additional One Solution report development for Payroll	

ATTACHMENT 1

RECOMMENDED BUDGET ADJUSTMENTS

Fund	Budget	Acct #	Budget Name	Account Name	Adjustment
1100	251	1100	Water Management	Salaries and Wages	\$ 11,344 Senior Environmental Analyst
1100	251	1450	Water Management	Unemployment Insurance	\$ 192 Senior Environmental Analyst
1100	251	1470	Water Management	Health Insurance	\$ 6,761 Senior Environmental Analyst
1100	251	1471	Water Management	Life & Air Travel Insurance	\$ 18 Senior Environmental Analyst
1100	251	1472	Water Management	Dental Insurance	\$ 465 Senior Environmental Analyst
1100	251	1500	Water Management	Retirement	\$ 5,824 Senior Environmental Analyst
1100	251	1600	Water Management	FIAC	\$ 1,958 Senior Environmental Analyst
1100	251	3391	Water Management	Blue Lake Levee Evaluation	\$ 23,500 Senior Environmental Analyst
1100	251	9346	Water Management	Public Works Services	\$ (12,259) Senior Environmental Analyst
1100	261	2104	Agricultural Commissioner	Agriculture	\$ 10,534 Replacement of warehouse equipment
1100	261	2116	Agricultural Commissioner	Postage	\$ 500 Adjust for actual costs
1100	261	2117	Agricultural Commissioner	Office Supplies	\$ 2,000 Adjust for actual costs
1100	261	2118	Agricultural Commissioner	Professional & Special Services	\$ 2,400 Adjust for actual costs
1100	261	2317	Agricultural Commissioner	Office Expense Equipment	\$ 500 Adjust for actual costs
1100	261	2614	Agricultural Commissioner	Staff development and training	\$ 315 Adjust for actual costs
1100	265	2118	Drug Task Force	Professional & Special Services	\$ 2,400 Canine equipment
1100	265	2123	Drug Task Force	Special Dept Expense	\$ 27,751 Canine training
1100	265	8861	Drug Task Force	Sheriff Equipment	\$ 19,000 To purchase a drug detection canine
1100	272	1475	Coroner	Salaries Reimbursed	\$ 26,730 Adjust for time spent on consolidation
1100	274	2614	Office of Emergency Services	Staff development and training	\$ 10,000 Adjust for ICS 100, 200, 700
1100	282	2118	Advanced Planning	Professional & Special Services	\$ 25,000 Update of local coastal programs and county ordinances
1100	282	3409	Advanced Planning	CDBG FTHB Grant	\$ 300,000 First time home buyer program
1100	282	3564	Advanced Planning	Business Assistance Loans	\$ 175,000 Business and financial technical assistance for business expansion or retention
1100	282	3565	Advanced Planning	CDBG PT&A Grant	\$ 75,000 Planning and technical assistance grants for non-entitlement communities
1100	289	3107	Natural Resources-Planning	Title 3 Fire Plan Implementation	\$ 45,000 Support of fire district formation and expansion
1100	289	3287	Natural Resources-Planning	Admin Chgs from Advanced Plan	\$ 5,000 Support of fire district formation and expansion
				Total General Fund	\$ 985,821
1160	599	2118	Veterans Service Officer	Professional and Special Services	\$ 39,363 To enhance operations and services for veterans
				Total Social Services	\$ 39,363
1175	400	8998	Public Health Administration	Building Modification	\$ 100,000
1175	406	8998	Consumer Protection	Telephone System	\$ 24,000
1175	406	8998	Consumer Protection	Cost Applied to Other Department	\$ (11,500)
1175	420	8998	Public Health Administration	CalFresh (SSB)	\$ 15,561
				Total Public Health	\$ 128,061
1190	584	9338	Supplemental Displaced Worker	WIB Reimbursement from EDD	\$ (117,000) Adjust for actual expenses due to received grant through Workforce Investment Board for displaced wor
1190	584	3004	Supplemental Displaced Worker	Classroom	\$ 7,000 Adjust for actual expenses due to received grant through Workforce Investment Board for displaced wor
1190	584	3005	Supplemental Displaced Worker	On-the-Job	\$ 10,000 Adjust for actual expenses due to received grant through Workforce Investment Board for displaced wor
1190	584	3006	Supplemental Displaced Worker	Training Related	\$ 3,000 Adjust for actual expenses due to received grant through Workforce Investment Board for displaced wor

ATTACHMENT 1

RECOMMENDED BUDGET ADJUSTMENTS

Fund	Budget	Acct #	Budget Name	Account Name	Adjustment	Description
1190	584	3366	Supplemental Displaced Worker Tuition		\$ 50,000	Adjust for actual expenses due to received grant through Workforce Investment Board for displaced wor
1190	584	3374	Supplemental Displaced Worker Cost Applied		\$ 47,000	Adjust for actual expenses due to received grant through Workforce Investment Board for displaced wor
1190	597	3007	Supplemental Displaced Worker Work Experience-Student Stipenc		\$ 60,000	Adjust for actual expenses work experience placement and on-the-job training
			Total for Employment Development Training		\$ 60,000	
3550	118	2118	Information Technology	Professional and Special Services	\$ 10,000	Consultant to write One Solution CDD reports for Payroll
3550	118	8066	Information Technology	Computer Equipment	\$ 50,000	Outdated hardware
3550	118	8533	Information Technology	Computer Software	\$ 600,000	Public safety paperless case management system
			Total Information Technology		\$ 660,000	
			Total Expenditures		\$ 1,873,245	
Appropriation Transfers						
From:						
1100	170	8998	Capital Projects	Building Modification	\$ 30,000	County building ADA improvements
1100	490	3147	Inmate Medical Care	CMSP Participation Fee	\$ 430,851	CMSP participation fee
			Total General Fund		\$ 460,851	
To:						
1100	170	8958	Capital Projects	County Building 289	\$ 30,000	Design of new 1001 4th Street building
1100	199	3247	Contributions-Other	Contribution Deferred Maintenananc	\$ 180,851	For ADA improvements
1100	990	2010	Contingency Reserve	Contingencies Co General Fund	\$ 250,000	Increase contingencies for General Reserve in FY 2015-16
			Total General Fund		\$ 460,851	

Personnel Allocation by Budget Unit for FY 2014-15

BUDGET UNIT	TYPE	CLASSIFICATION NO./TITLE	SALARY RANGE 7/6/2013	FY 2013-14 YEAR-END AUTHORIZED	Fiscal Year 2014-15			
					BOARD ADOPTED	MID-YEAR ADJUSTED	YEAR-END AUTHORIZED	
272	CORONER-PUBLIC ADMINISTRATOR							
	FT	100 CORONER-PUBLIC ADMINISTRATOR	*	1.00	1.00	-1.00	0.00	0.00
	FT	168 SENIOR LEGAL OFFICE ASSISTANT	331	1.00	1.00	0.00	1.00	1.00
	FT	416 DEPUTY SHERIFF I/II	383/398	0.00	0.00	1.00	1.00	1.00
	FT	445 DEPUTY CORONER-PUBLIC ADMIN	389	3.00	3.00	0.00	3.00	3.00
		FUNDED POSITIONS		5.00	5.00	0.00	5.00	5.00
		POSITIONS FROZEN THROUGH 6/30/2014						
		POSITIONS FROZEN INDEFINITELY		5.00	5.00	0.00	5.00	5.00
		TOTAL POSITIONS ALLOCATED						

BUDGET & FEE SCHEDULE DEVELOPMENT CALENDAR FOR 2015-16

Friday, February 6	Board Reviews Strategic Framework
Tuesday, February 10	Present 2014-15 Mid-Year Budget Report to Board of Supervisors
Thursday, February 26	Technologically Advanced Community Budget Meeting
Monday, March 2	Budget Workshop: County Administrative Office Presents Budget Instructions to County Departments
Wednesday, April 8	Budget Requests Completed by County Departments and Due to County Administrative Office
Tuesday, May 5	Present 2014-15 Third Quarter Budget Report to Board of Supervisors
Tuesday, June 2	County Administrative Office Presents Proposed County Budget to Board of Supervisors
Monday, June 8	Public Hearings on Proposed County Budget; 1:30 & 6:00 p.m.: Clerk of the Board required to publish notice
Tuesday, June 23	FY 2015-16 County Budget Adopted by Board of Supervisors
Monday, June 29	Fee Workshop: County Administrative Office Presents Fee Instructions to County Departments
Monday, August 10	Fee Update Requests Completed by County Departments and Due to County Administrative Office
Tuesday, September 22	FY 2015-16 County Fee Schedule Public Hearing Noticed and Fees Publicly Available & Public Hearing for Special District Budgets
Tuesday, October 6	FY 2015-16 County Fee Schedule Adopted by Board of Supervisors
Tuesday, November 3	Present 2015-16 First Quarter Report to Board of Supervisors
Monday, November 16	Effective Date for Updated County Fees (except Planning & Building)
Monday, December 14	Effective Date for Updated Planning & Building Fees