




COUNTY OF HUMBOLDT

AGENDA ITEM NO.
C11

For the meeting of: May 15, 2018

Date: May 3, 2018
To: Board of Supervisors
From: John H. Ford, Director of Planning and Building 
Subject: Supplemental budget for budget units 1100 262, Building Inspector, and 1100 268, Cannabis Planning. Requires 4/5 vote.

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the attached supplemental budget for 1100 262, Building Inspector, by \$19,300; and
2. Approve the attached supplemental budget for 1100 268, Cannabis Planning, by \$734,500; and
3. Authorize the transfer of an additional \$419,500 from cannabis trust 3697 to budget unit 1100 262, Cannabis Planning.

SOURCE OF FUNDING:

Applicant fees.

Prepared by Paula Mushrush

CAO Approval 

REVIEW:

Auditor CS County Counsel _____ Human Resources _____ Other _____

TYPE OF ITEM:

Consent
 Departmental
 Public Hearing
 Other _____

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Meeting of: _____

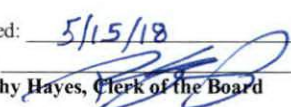
BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor Wilson Seconded by Supervisor Bass

Ayes Bass, Fennell, Surkelberg, Bohn, Wilson
Nays _____
Abstain _____
Absent _____

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

Dated: 5/15/18

By: 
Kathy Hayes, Clerk of the Board

DISCUSSION:

Planning and Building is submitting a request to supplement the Building Inspector and the Cannabis Planning budget units by transferring appropriations between expense categories listed in Attachment "A". There are increased costs due to volume of work, but the budget units have sufficient revenue to cover costs. The supplemental requests include transfers between fixed assets and salaries, and a transfer from trust, all which require Board approval.

In budget unit 262, Building Inspector, long-term retirees and additional extra help expenses resulted in salaries and wages being under budget (\$61,000). Additionally, staff estimated that the department would cost-apply a higher amount in salaries to other divisions within the department, however, by reallocating clerical staff from Building Inspector to Current Planning the salaries that were anticipated to cost apply to other units are no longer applicable resulting in salaries reimbursed credit being reduced by (\$119,000). Within category 2000, Services and Supplies, costs related to communications, office supplies, professional and special services, and transportation were under budgeted by (\$54,000). These increases in costs were primarily due increased work, new employees and software services. Revenues received to date in budget unit 262 have exceeded the yearly-anticipated budgeted amounts by \$19,000.

In addition, Current Planning salary costs applied to Building Inspector were anticipated to be higher based on charges from the prior year for administrative staff assistance. However, additional employees hired in the Building Inspector budget unit reduced the need for said services by \$78,839. Computer software was over budgeted due to the annual subscription that the department had budgeted for and encumbered in FY 2016-17 did not occur until FY 2017-18. During the close of last year, the encumbrance of \$135,861 was carried forward to FY 2017-18, thereby increasing budget unit 262 appropriations.

In budget unit 268, Cannabis Planning, costs were under estimated for professional services (\$360,000), postage, copy equipment rental, legal notices, and media costs by (\$52,500). Staff costs applied from other budget units substantially exceeded the projected object code budgets, these involved costs applied from Building Inspector (\$50,000), Advanced Planning (\$60,000) and Current Planning (\$340,000). These costs are directly related to the volume of applications completed or being processed and the internal restructuring of administrative duties and core functions with the majority of these costs residing in Current Planning. Revenues received to date have exceeded the anticipated budgeted amounts by \$315,000. Computer software subscription was originally budgeted in two units, rather than three; with the costs split three ways it resulted in \$62,000 over budget. Several employees in Cannabis Planning assist with overall departmental activities. In order to reduce salaries (generate revenue), it requires the department to credit salaries and benefits through object code "salaries reimbursed" by \$66,000. The balance will be covered by transferring funds from the Cannabis Planning Trust in the amount of \$419,500.

FINANCIAL IMPACT:

All costs will be covered by applicant fees and will not require an appropriation from the General Fund. The detailed allocations by object code are listed in Attachment "A", which is attached hereto.

In budget unit 1100 262 to ensure that funds are available in the proper categories to pay anticipated expenses this fiscal year, the department proposes to transfer from categories 3000 and 8000 to categories 1000 and 2000 for a total of \$214,700 and increase that budget unit's revenue by \$19,300 for revenue received year to date that exceeds the original budget.

In 1100 268 to ensure funds are available in the proper categories to pay anticipated expenses this fiscal year, the department proposes to transfer from categories 1000 and 8000 to categories 2000 and 3000 for a total of \$128,000 and increase that budget unit's revenue by \$315,000 for revenue received year to date that exceeds the original budget. The submitted supplemental budget also includes a transfer of \$419,500 from Cannabis Planning Trust 3697, which holds application fees collected in previous years to cover future costs. Cannabis Planning Trust 3697 currently has a balance of \$4,627,134 and has sufficient capacity to cover the supplemental request.

This request meets your Board's Strategic Framework of Priorities for New Initiatives by providing the community appropriate levels of service and managing resources to ensure sustainability of services, and by providing appropriate service levels for permit processing.

OTHER AGENCY INVOLVEMENT:

There are no agencies involved.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board of Supervisors could choose to not approve these supplemental budgets or allow the current levels of revenues received to date to be used within these supplemental budgets and require the department to use funds currently held in trusts to be transferred to the appropriate budget units. This is not recommended as revenues have already exceeded the budget and have been received this fiscal year, and the expenses have or will be incurred during this fiscal year.

ATTACHMENTS:

Attachment A: Recommended Budget Adjustments

**ATTACHMENT I
RECOMMENDED BUDGET ADJUSTMENTS**

Fund	Budget Unit	Acct #	Budget Name	Account Name	Adjustment
<u>262 Revenue</u>					
1100	262	608050	Building Inspection	Business License Review-Bldg	\$ 2,600.00
1100	262	681201	Building Inspection	Other Funds	\$ 16,200.00
1100	262	705130	Building Inspection	Reimb of Agendas & Copies	\$ 500.00
				Additional Revenue Received as of 5/1	\$ 19,300.00
<u>262 Expenditures</u>					
1100	262	1100	Building Inspection	Salaries And Wages	\$ 38,000.00
1100	262	1400	Building Inspection	Extra Help	\$ 10,000.00
1100	262	1470	Building Inspection	Health Insurance	\$ 13,000.00
1100	262	1475	Building Inspection	Salaries Reimbursed	\$ 119,000.00
1100	262	2117	Building Inspection	Office Supplies	\$ 12,000.00
1100	262	2118	Building Inspection	Professional & Special Service	\$ 37,000.00
1100	262	2125	Building Inspection	Transportation & Travel	\$ 5,000.00
1100	262	3204	Building Inspection	Admin Charges from Planning	\$ (78,839.00)
1100	262	8965	Building Inspection	Computer Software	\$ (135,861.00)
				Total Expenditures	\$ 19,300.00
				Total Revenue and Expenditures	\$ -

<u>268 Revenue</u>					
1100	268	608420	Cannabis Planning	Medical Cannabis Permit Fees	\$ 311,000.00
1100	268	705130	Cannabis Planning	Reimb of Agendas & Copies	\$ 4,000.00
1100	268	707800	Cannabis Planning	Trust Fund Transfer	\$ 419,500.00
				Total Revenue	\$ 734,500.00
<u>268 Expenditures</u>					
1100	268	1475	Cannabis Planning	Salaries Reimbursed	\$ (66,000.00)
1100	268	2116	Cannabis Planning	Postage	\$ 8,000.00
1100	268	2118	Cannabis Planning	Professional & Special Service	\$ 360,000.00
1100	268	2119	Cannabis Planning	Publications & Legal Notices	\$ 9,000.00
1100	268	2120	Cannabis Planning	Rents & Leases - Equipment	\$ 8,000.00
1100	268	2147	Cannabis Planning	Media	\$ 2,500.00
1100	268	2323	Cannabis Planning	Special Dept Expense	\$ 25,000.00
1100	268	3204	Cannabis Planning	Admin Charges from Planning	\$ 340,000.00
1100	268	3254	Cannabis Planning	Admin Charges-Building	\$ 50,000.00
1100	268	3287	Cannabis Planning	Admin Chgs Advanced Planning	\$ 60,000.00
1100	268	8965	Cannabis Planning	Computer Software	\$ (62,000.00)
				Total Expenditures	\$ 734,500.00
				Total Revenue and Expenditures	\$ -