



COUNTY OF HUMBOLDT

For the meeting of: 6/25/2019

File #: 19-982

To: Board of Supervisors
From: County Administrative Office
Agenda Section: Consent

SUBJECT:
Adoption of Fiscal Year (FY) 2019-20 County Budget

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve carrying forward a General Fund contribution of \$30,000 allocated in FY 2018-19 into FY 2019-20 for Mental Health to continue working with First 5 on Adverse Childhood Experiences (ACEs);
2. Adopt the attached resolution (Attachment A) adopting the proposed budget, as modified by the final budget adjustments as listed on Attachment B, as the final adopted budget for FY 2019-20;
3. Approve the attached personnel allocation table (Attachment C) corresponding to the budget appropriations;
4. Direct the Auditor-Controller to transfer a revised total of \$1,155,000 in FY 2019-20 from the Tax Loss Reserve Fund (3010) to the General Fund; and
5. Take other action as appropriate.

SOURCE OF FUNDING:

All county funds

DISCUSSION:

Your Board received the proposed budget for FY 2019-20 on June 4, 2019. Pursuant to County Budget Act requirements, your Board held noticed public hearings on Monday, June 17, at 1:30 p.m. and 5:30 p.m. At the conclusion of the final hearing, your Board directed staff to return today for final approval of the budget.

During the final public hearing, County Administrative Office staff informed the Board of an additional \$499,000 in property tax and timber yield tax to be received in FY 2018-19 that is available

to finance projects of your Board's choosing in FY 2019-20. Accordingly, your Board directed staff to make the following adjustments to the budget recommendations.

Adjustments by Board

\$80,000 (Facilities Management 1100-162) - On-going funding for 1.0 FTE Staff Services Specialist to provide technical support in project management.

\$21,145 (Contributions-Other 1100-199) - One-time contribution to address human trafficking.

\$33,179 (Contributions-Library 1100-199) - One-time contribution to the Library for one security guard at the Eureka Main Library.

\$47,060 (Contributions-Roads 1100-199) - One-time contribution to Roads for chip sealing and road repairs.

\$50,000 (Probation 1100-235) - One-time funding to provide AJ's Transitional Living services for people recovering from addiction and/or in need of mental health services.

\$95,616 (Water Management 1100-251) - On-going funding for 1.0 full-time equivalent (FTE) Senior Environmental Analyst to focus on securing grant funding and coordinating the implementation of grant funded projects.

Additional Budget Modifications

Budget adjustments are detailed on Attachment B and consist of changes resulting from Board requested actions described above and additional items as requested by departments.

\$34,000 (County Administrative Office 1100-103) - One-time funding to continue the work to improve the Chart of Accounts and other financial system processes.

\$38,000 (County Administrative Office 1100-103) - One-time funding for continued coaching and leadership development across the organization.

\$30,000 (Contribution-Other) - Carry forward funding for Mental Health to continue contracting with First 5 to address ACE's.

\$100,000 (Water Management 1100-251) - One-time funding for a planning agreement with Sonoma, Mendocino and CalTrout for Pacific Gas and Electric Company's (PG&E) Potter Valley Project.

\$70,000 (Cannabis Planning 1100-268) - One-time transfer from a trust to purchase two vehicles for site inspections.

Personnel

The Personnel Allocation Table (Attachment C) has been updated to reflect positions approved for funding through the public hearing process on June 17, 2019 (detailed below). These additional allocations will increase the total personnel by 2.0 FTE positions. In addition, there is a requested personnel change from the Department of Health and Human Services.

Facility Management (1100-162): 1.0 FTE Staff Services Specialist to provide technical support in project management.

Water Management (1100-251): 1.0 full-time equivalent (FTE) Senior Environmental Analyst to focus on securing grant funding and coordinating the implementation of grant funded projects.

Mental Health (1170-424): Reallocation of a Senior Program Manager to a Licensed Clinical Psychologist per Board approval on May 28, 2019 (File 19-715).

The requested action today is for the Board to adopt the proposed budget, along with the budget modifications, requested as the final budget.

Transfer from the Tax Loss Reserve Fund

The Proposed Budget recommended a transfer from the Tax Loss Reserve Fund of \$1,100,000, however on November 6, 2018 (File# 18-1438), your Board approved the allocation of a Senior Fiscal Assistant as part of the transfer of the Payroll Division to the Human Resources Department. Funding for this position was available through a transfer from the Tax Loss Reserve Fund and accordingly the transfer to take place in FY 2019-20 needs to be revised to accommodate for this approved expense, estimated to be \$55,000 in FY 2019-20.

FINANCIAL IMPACT:

The total county budget for adoption today is \$451,594,378. There is an increase in allocations from the proposed to adopted budget of \$709,239, due to property and timber yield tax revenues allowing for additional allocations in the amount of \$499,000, the recommendation to approve the General Fund carry forward of \$30,000 for Mental Health to continue working with First 5 on ACEs, net changes in the Library of \$33,179 and Roads of \$47,060, and a \$70,000 transfer from the Cannabis Trust to allow for the purchase of vehicles. In addition, Mental Health expenditures will also increase by \$30,000 if the recommendation to carry forward funding is approved. General Fund expenditures are \$162,783,568. Budget modifications are detailed in Attachment B.

Pursuant to Board policy, the county's General Reserve should be equal to 10 percent of total General Fund expenditures, as averaged by the current and prior year adopted budgets, or roughly \$16.4 million. The county's current General Reserve balance is \$4.6 million. Included in the budget is a contribution to the General Reserve in the amount of \$801,000, a decrease of \$986,600 over the prior fiscal year's adopted budget. This decrease is primarily due to a reduction in Cannabis Excise Tax revenue due to a policy decision to modify the billing cycle for this tax.

General Fund contingencies are \$2,039,212, which is lower than the policy level of 2 percent of General Fund revenues, or \$3 million. Contingency Reserves are less than policy levels due to limited available financial resources and a policy decision to modify the Cannabis Excise Tax billing cycle.

Pursuant to the provisions of the County Budget Act, the State Controller has prescribed budget schedules (Attachment E and F) as required to be used in the presentation of the annual adopted county budget per Government Code (GC) §29002.

Today's recommendations support the Board's Strategic Framework by managing resources to ensure sustainability of services.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by managing our resources to ensure sustainability of services protecting vulnerable populations, enforcing laws and regulations and providing for and maintaining infrastructure.

OTHER AGENCY INVOLVEMENT:

All county departments and agencies, as well as several community organizations that receive county funding, are affected.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could make additional changes to the final budget or continue this item to a later meeting date. These alternatives are not recommended because the final budget as presented conforms to previous Board direction.

ATTACHMENTS:

- A. Budget Resolution
- B. Final Budget Adjustments
- C. Personnel Allocation Table
- D. Fixed Asset Table
- E. Budget Summary Schedules-1, 2, 3, 4, 5, 6, 7, 8, 10 and 11
- F. Budget Detail Schedule-9, on file with the Clerk of the Board

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: 11/6/18, 5/6/19, 5/13/19, 5/17/19, 5/28/19, 6/4/19

File No.: 18-1438, 19-581, 19-582, 19-874, 19-715, 19-820