



## Legislation Text

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File #: 20-564, Version: 2

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### Memorandum

**Date:** June 16, 2020

**To:** The Honorable Moke Simon, Chair, Lake County Board of Supervisors

**From:** Carol J. Huchingson, County Administrative Officer

**Subject:**

- a) Consideration of the FY 2020-21 Recommended Budget
- b) Consideration of the proposed Resolution Amending the Position Allocation Chart for FY 2020-21 to Conform to the Recommended Budget
- c) Consideration of Authorization for affected Department Heads to proceed with purchasing selected Capital Assets prior to the adoption of the FY 2020-21 Final Recommended Budget

**Executive Summary:** (include fiscal and staffing impact narrative): Presented for the consideration of your Board is the proposed Recommended Budget for Fiscal Year 2020-21. By approving a Recommended Budget, you are authorizing the expenditure of funds for operational needs until such time as the Final Recommended Budget is adopted in September ("Adopted Budget").

As required by law, the proposed Recommended Budget is balanced, meaning that there is sufficient revenue to support recommended appropriations. Fiscal Year (FY) 2020-21 Recommended Budget is structurally balanced, meaning that it reflects only the use of ongoing funds to support ongoing operational costs.

As your Board is aware, the Recommended Budget process began with the Auditor-Controller's Office replicating the Adopted Budget figures from FY 2019-20. The Administrative Office then worked with departments to update capital assets, insurance accounts and inventory items. These adjustments were needed to bring Department's budgets in line with potential expenditures from July 1, 2020 until the Final Recommended Budget is approved in September.

Capital assets were reduced from FY 2019-20 Adopted Budget from \$48,960,780 to \$21,157,445 which is a difference of (\$27,803,335). The capital assets included are almost all funded by sources other than the General Fund and the responsible Department Heads have advised that expenditures are possible prior to the Final Recommended Budget. The General Fund capital assets that remain include the Jail Phase 2 roof, South Main Street Water Line, Lucerne Harbor Dredging and Docks, repeater installations and upgrades, and replacement kitchen equipment for the Jail.

Insurance accounts were adjusted to the updated figures provided by Risk Management which is charged out before the September Final Recommended Budget.

All General Fund account 38-00 inventory items were removed. The Non-General Fund budget units that have inventory items budgeted include Sheriff Rural & Small Co, Sheriff Civil, Sheriff Asset Forfeiture, Sheriff Inmate Welfare, Sheriff Search & Rescue, Road, and Air Quality Management District equaling \$400,000 which is a decrease of \$875,757 from the FY 2019-20 Adopted Budget. The responsible Department Heads advise that expenditures are possible prior to the Final Recommended Budget.

The position allocation for FY 2020-21 started as a replicate of the FY 2019-20 Adopted Budget including all subsequent Resolutions with only minor adjustments. The adjustments consist of the removal of one Accountant-Auditor I/II, Supervising in Budget Unit 1121, one limited term Assistant Assessor-Recorder I/II/III, one limited term Chief Deputy Assessor-Recorder-Valuations, and updated the classification title for Behavioral Health Administrator to Behavioral Health Director.

### Revenues to monitor closely in the coming weeks and months:

We rely on HDL Companies for sales tax information and up to date estimates which can be found at the following link <https://www.hdlcompanies.com/covid-19>.

HDL is estimating the Lake County Unincorporated Area (Local Bradley-Burns 1%) exposure for the 90 day deferral to possibly be \$462,415. This is how much could move from the 3<sup>rd</sup> quarter into the 4<sup>th</sup> quarter, but still be in FY 2019-20.

HDL is also estimating the Lake County Unincorporated Area (Local Bradley-Burns 1%) exposure for the 12 month deferral/loan/installment payment plan to possibly be \$218,856. This is how much could first be a part of the 90 day deferral, then on or before July 31, local businesses can enter into an installment plan to repay the statewide liability up to \$50,000. The subsequent installment payments will be paid monthly with all deferred liabilities repaid by July 31, 2021. This is the amount that could move from FY 2019-20 into FY 2020-21.

HDL has also published additional potential County impacts related to Public Safety/Prop 172, Special Districts/Transaction Taxes, and County Transportation Fund/LTF impacted by the 90 day extension and \$50,000 payment plan options.

### If not budgeted, fill in the blanks below only:

Estimated Cost: \_\_\_\_\_ Amount Budgeted: \_\_\_\_\_ Additional Requested: \_\_\_\_\_ Future Annual Cost: \_\_\_\_\_

### Consistency with Vision 2028 and/or Fiscal Crisis Management Plan (check all that apply):

- |  |  |   |  |
|--|--|---|--|
| <input type="checkbox"/> Well-being of Residents | <input type="checkbox"/> Public Safety               | <input type="checkbox"/> Infrastructure   | <input checked="" type="checkbox"/> Not applicable |
| <input type="checkbox"/> Economic Development    | <input type="checkbox"/> Disaster Recovery           | <input type="checkbox"/> County Workforce | <input type="checkbox"/> Technology Upgrades       |
| <input type="checkbox"/> Community Collaboration | <input type="checkbox"/> Business Process Efficiency | <input type="checkbox"/> Clear Lake       | <input type="checkbox"/> Revenue Generation        |
|  |  |   | <input type="checkbox"/> Cost Savings              |

### If request for exemption from competitive bid in accordance with County Code Chapter 2 Sec. 2-38, fill in blanks below:

Which exemption is being requested?

How long has Agreement been in place?

When was purchase last rebid?

Reason for request to waive bid?

**Recommended Action:**

Staff recommends your Board take the following actions:

- a) Approve, by motion, the FY 2020-21 Recommended Budget

Your approval of this Recommended Budget will enable the County to meet its statutory obligations and continue operations from July 1, 2020 until the Final Recommended Budget is presented to your Board for adoption following public hearings on September 23-24, 2020.

- b) Adopt the Resolution Amending the Position Allocation Chart for FY 2020-21 to Conform to the Recommended Budget
- c) Authorize, by motion, the Purchase of Certain Capital Assets Prior to Approval of the Adopted Budget